

**House Bill 2357**  
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SECTION 1. Section 501.002, Transportation Code, is amended to read as follows:

Sec. 501.002. DEFINITIONS. In this chapter:

(1) "Certificate of title" means a printed record of title ~~[an instrument]~~ issued under Section 501.021.

(2) "Credit card" means a card, plate, or similar device used to make a purchase or to borrow money.

(3) "Dealer" has the meaning assigned by Section 503.001 ~~[means a person who purchases motor vehicles for sale at retail].~~

(4) "Debit card" means a card that enables the holder to withdraw money or to have the cost of a purchase charged directly to the holder's bank account.

(5) ~~[(3)]~~ "Department" means the Texas Department of Motor Vehicles.

(6) ~~[(4)]~~ "Distributor" has the meaning assigned by Section 2301.002, Occupations Code ~~[means a person engaged in the business of selling to a dealer motor vehicles purchased from a manufacturer].~~

(7) "Electric bicycle" has the meaning assigned by Section 541.201.

(8) ~~[(5)]~~ "First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or titled ~~[licensed]~~, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or titling ~~[licensing]~~ of that vehicle.

(9) ~~[(6)]~~ "House trailer" means a trailer designed for human habitation. The term does not include manufactured housing.

(10) ~~[(7)]~~ "Importer" means a person, other than a manufacturer, that brings a used motor vehicle into this state

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SECTION 1. Same as House version.

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for sale in this state.

(11) [(8)] "Importer's certificate" means a certificate for a used motor vehicle brought into this state for sale in this state.

(12) [(9)] "Lien" means:

(A) a lien provided for by the constitution or statute in a motor vehicle;

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title; or

(C) a child support lien under Chapter 157, Family Code.

(13) [(10)] "Manufactured housing" has the meaning assigned by Chapter 1201, Occupations Code.

(14) [(11)] "Manufacturer" has the meaning assigned by Section 503.001 [~~means a person regularly engaged in the business of manufacturing or assembling new motor vehicles~~].

(15) [(12)] "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle.

(16) [(13)] "Motorcycle" has the meaning assigned by Section 521.001 or 541.201, as applicable [~~means a motor vehicle, other than a tractor, designed to propel itself with not more than three wheels in contact with the ground~~].

(17) [(14)] "Motor vehicle" means:

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing,

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that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a ~~travel~~ ~~house~~ trailer;

(D) an all-terrain vehicle or a recreational off-highway vehicle, as those terms are defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or

(E) a motorcycle, motor-driven cycle, or moped that is not required to be registered under the laws of this state~~[-other than a motorcycle, motor-driven cycle, or moped designed for and used exclusively on a golf course].~~

(18) [(15)] "New motor vehicle" has the meaning assigned by Section 2301.002, Occupations Code [means a motor vehicle that has not been the subject of a first sale].

(19) [(16)] "Owner" means [includes] a person, other than a manufacturer, importer, distributor, or dealer, claiming title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale.

(20) "Purchaser" means a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred.

(21) "Record of title" means an electronic record of motor vehicle ownership in the department's motor vehicle database that is created under Subchapter I.

(22) "Seller" means a person or entity that donates, gives, sells, or otherwise transfers ownership of a motor vehicle.

(23) [(17)] "Semitrailer" means a vehicle that is designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.

(24) [(18)] "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A) the manufacturer's permanent vehicle identification number;

(B) a derivative number of the manufacturer's permanent

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vehicle identification number;

(C) the motor number; or

(D) the vehicle identification number assigned by the department.

(25) ~~[(19)]~~ "Steal" has the meaning assigned by Section 31.01, Penal Code.

(26) ~~[(20)]~~ "Subsequent sale" means:

(A) the bargain, sale, transfer, or delivery of a used motor vehicle ~~[that has been previously registered or licensed in this state or elsewhere]~~, with intent to pass an interest in the vehicle, other than a lien~~[, regardless of where the bargain, sale, transfer, or delivery occurs]~~; and

(B) the registration of the vehicle if registration is required under the laws of this state.

(27) "Title" means a certificate or record of title that is issued under Section 501.021.

(28) ~~[(21)]~~ "Title receipt" means a document ~~[an instrument]~~ issued under Section 501.024.

(29) ~~[(22)]~~ "Trailer" means a vehicle that:

(A) is designed or used to carry a load wholly on the trailer's own structure; and

(B) is drawn or designed to be drawn by a motor vehicle.

(30) "Travel trailer" means a house trailer-type vehicle or a camper trailer:

(A) that is a recreational vehicle defined under 24 C.F.R. Section 3282.8(g); or

(B) that:

(i) is less than eight feet in width or 40 feet in length, exclusive of any hitch installed on the vehicle;

(ii) is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use;

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(iii) is not used as a permanent dwelling; and  
(iv) is not a utility trailer, enclosed trailer, or other trailer that does not have human habitation as its primary function.  
(31) [(23)] "Used motor vehicle" means a motor vehicle that has been the subject of a first sale.  
(32) "Vehicle identification number" means:  
(A) the manufacturer's permanent vehicle identification number affixed by the manufacturer to the motor vehicle that is easily accessible for physical examination and permanently affixed on one or more removable parts of the vehicle; or  
(B) a serial number affixed to a part of a motor vehicle that is:  
(i) a derivative number of the manufacturer's permanent vehicle identification number;  
(ii) the motor number; or  
(iii) a vehicle identification number assigned by the department.

SECTION 2. The heading to Section 501.003, Transportation Code, is amended to read as follows:  
Sec. 501.003. PURPOSE [~~CONSTRUCTION~~].

SECTION 3. Section 501.004(a), Transportation Code, is amended to read as follows:  
(a) Except as provided by this section, this [~~This~~] chapter applies to all motor vehicles, including a motor vehicle owned by the state or a political subdivision of the state.

SECTION 4. Section 501.131, Transportation Code, is transferred to Subchapter A, Chapter 501, Transportation

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SECTION 3. Same as House version.

SECTION 4. Same as House version.

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Code, redesignated as Section 501.0041, Transportation Code, and amended to read as follows:

Sec. 501.0041 ~~[501.134]~~. RULES; FORMS. (a) The department may adopt rules to administer this chapter.

(b) The department shall ~~post forms on the Internet and~~ ~~[(1) in addition to the forms required by this chapter, prescribe forms for a title receipt, manufacturer's certificate, and importer's certificate, and other forms the department determines necessary; and~~ ~~[(2)]~~ provide each county assessor-collector with a sufficient supply of any necessary ~~[the]~~ forms on request.

SECTION 5. Section 501.159, Transportation Code, is transferred to Subchapter A, Chapter 501, Transportation Code, redesignated as Section 501.006, Transportation Code, and amended to read as follows:

Sec. 501.006 ~~[501.159]~~. ALIAS ~~[CERTIFICATE OF]~~ TITLE. On receipt of a verified ~~[written]~~ request approved by the executive administrator of a law enforcement agency, the department may issue a ~~[certificate of]~~ title in the form requested by the executive administrator for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation.

SECTION 6. Section 501.021, Transportation Code, is amended to read as follows:

Sec. 501.021. ~~[CERTIFICATE OF]~~ TITLE FOR MOTOR VEHICLE. (a) A motor vehicle ~~[certificate of]~~ title ~~[is an instrument]~~ issued by the department must include ~~[that includes]~~:

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- (1) the name and address of each ~~the~~ purchaser and seller at the first sale or ~~the transferee and transferor at~~ a subsequent sale;
- (2) the make of the motor vehicle;
- (3) the body type of the vehicle;
- (4) the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted;
- (5) the serial number for the vehicle;
- (6) the ~~number on the vehicle's current Texas license plates, if any;~~
- ~~(7) a statement:~~
- ~~(A) that no lien on the vehicle is recorded; or~~
- ~~(B) of the~~ name and address of each lienholder and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;
- ~~(7)~~ ~~(8) a space for the signature of the owner of the vehicle;~~
- ~~(9)~~ a statement indicating rights of survivorship under Section 501.031;
- ~~(8)~~ ~~(10)~~ if the vehicle has an odometer, the odometer reading at the time of ~~indicated by the~~ application for the ~~certificate of~~ title; and
- ~~(9)~~ ~~(11)~~ any other information required by the department.
- (b) A printed certificate of title must bear the following statement on its face:  
"UNLESS OTHERWISE AUTHORIZED BY LAW, IT IS A VIOLATION OF STATE LAW TO SIGN THE NAME OF ANOTHER PERSON ON A CERTIFICATE OF TITLE OR OTHERWISE GIVE FALSE INFORMATION ON A CERTIFICATE OF TITLE."

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(c) A ~~[certificate of]~~ title for a motor vehicle that has been the subject of an ordered repurchase or replacement under Chapter 2301, Occupations Code, must contain on its face a notice sufficient to inform a purchaser that the motor vehicle has been the subject of an ordered repurchase or replacement.

SECTION 7. The heading to Section 501.022, Transportation Code, is amended to read as follows:  
Sec. 501.022. MOTOR VEHICLE ~~[CERTIFICATE OF]~~ TITLE REQUIRED.

SECTION 8. Sections 501.022(a), (b), and (c), Transportation Code, are amended to read as follows:

- (a) The owner of a motor vehicle registered in this state:
- (1) except as provided by Section 501.029, shall apply for title to the vehicle; and
  - (2) may not operate or permit the operation of the vehicle on a public highway until the owner obtains:
    - (A) ~~[a certificate of]~~ title and ~~[for the vehicle or until the owner obtains]~~ registration for the vehicle; or
    - (B) [if] a receipt evidencing title for registration purposes only [to the vehicle is issued] under Section 501.029 [501.029(b)].
- (b) A person may not operate a motor vehicle registered in this state on a public highway if the person knows or has reason to believe that the owner has not obtained a ~~[certificate of]~~ title for the vehicle.
- (c) The owner of a motor vehicle that is required to be titled and registered in this state must obtain ~~[apply for]~~ a ~~[certificate of]~~ title to ~~[of]~~ the vehicle before selling or

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SECTION 7. Same as House version.

SECTION 8. Same as House version.

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disposing of the vehicle.

SECTION 9. Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.0225 to read as follows:

Sec. 501.0225. CERTIFICATE OF TITLE REQUIRED FOR OFF-ROAD VEHICLE. A person who purchases, imports, or otherwise acquires an off-road vehicle, as defined by Section 152.001, Tax Code, that is not required to be registered under Chapter 502 may not operate or permit the operation of the vehicle in this state, or sell or dispose of the vehicle in this state, until the person obtains a certificate of title for the vehicle. This section does not apply to:

- (1) an off-road vehicle that is exempt from motor vehicle sales and use taxation under Section 152.091, Tax Code; or
- (2) an off-road vehicle acquired and sold or disposed of by a lienholder exercising a statutory or contractual lien right with regard to the vehicle, except that this section does apply to the purchaser of that vehicle.

SECTION 10. The heading to Section 501.023, Transportation Code, is amended to read as follows:

Sec. 501.023. APPLICATION FOR [~~CERTIFICATE OF~~] TITLE.

SECTION 11. Section 501.023, Transportation Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (e) to read as follows:

- (a) The owner of a motor vehicle must present identification

No equivalent provision.

SECTION 9. Same as House version.

SECTION 10. Same as House version.

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and apply for a ~~[certificate of]~~ title as prescribed by the department, unless otherwise exempted by law. To obtain a title, the owner must apply:

(1) to the county assessor-collector in the county in which:

(A) the owner is domiciled; or

(B) the motor vehicle is purchased or encumbered; or ~~and~~

(2) if the county in which the owner resides has been declared by the governor as a disaster area, to the county assessor-collector in one of the closest unaffected counties to a county that asks for assistance and:

(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and

(B) is inoperable for a protracted period of time ~~[on a form prescribed by the department]~~.

(b) The assessor-collector shall send the application to the department or enter it into the department's titling system within 72 ~~[not later than 24]~~ hours after receipt of ~~[receiving]~~ the application.

(c) The owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.091 ~~[502.054]~~ that is applying for a ~~[certificate of]~~ title for purposes of registration only may apply ~~[must be made]~~ directly to the department. Notwithstanding Section 501.138(a), an applicant for registration under this subsection shall pay ~~[the department]~~ the fee imposed by that section. The ~~[department shall send the]~~ fee shall be distributed to the appropriate county assessor-collector ~~[for distribution]~~ in the manner provided by Section 501.138.

(e) Applications submitted to the department electronically must request the purchaser's choice of county as stated in

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Subsection (a) as the recipient of all taxes, fees, and other revenue collected as a result of the transaction.

SECTION 12. Sections 501.0234(a), (b), (d), and (e), Transportation Code, are amended to read as follows:

(a) A person who sells at the first or a subsequent sale a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, shall:

(1) except as provided by this section, in the time and manner provided by law, apply, in the name of the purchaser of the vehicle, for the registration of the vehicle, if the vehicle is to be registered, and a ~~certificate of~~ title for the vehicle and file with the appropriate designated agent each document necessary to transfer title to or register the vehicle; and at the same time

(2) remit any required motor vehicle sales tax.

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the ~~certificate of~~ title has been surrendered in exchange for:

(A) a salvage vehicle title or salvage record of title issued under this chapter;

(B) a nonrepairable vehicle title or nonrepairable vehicle record of title issued under this chapter or Subchapter D, Chapter 683; or

~~(C) [a certificate of authority issued under Subchapter D, Chapter 683; or~~

~~(D)]~~ an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B)

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~~[Paragraphs (A)-(C)];~~

(3) with a gross weight in excess of 11,000 pounds; or

(4) purchased by a commercial fleet buyer who is a full-service deputy under Section 520.008 ~~[502.114]~~ and who utilizes the dealer title application process developed to provide a method to submit title transactions to the county in which the commercial fleet buyer is a full-service deputy.

(d) A seller who applies for the registration or a ~~[certificate of]~~ title for a motor vehicle under Subsection (a)(1) shall apply in the county as directed by the purchaser from the counties set forth in Section 501.023 ~~[of this code]~~.

(e) The department shall develop ~~[promulgate]~~ a form or electronic process in ~~[on]~~ which the purchaser of a motor vehicle shall designate the purchaser's choice as set out in Section 501.023 as the recipient of all taxes, fees, and other revenue collected as a result of the transaction, which the tax assessor-collector is authorized by law to retain. A seller shall make that form or electronic process available to the purchaser of a vehicle at the time of purchase.

SECTION 13. Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.0235 to read as follows:

Sec. 501.0235. PERSONAL IDENTIFICATION INFORMATION FOR OBTAINING TITLE. (a) The department may require an applicant for a title to provide current personal identification as determined by department rule.

(b) Any identification number required by the department under this section may be entered in the department's electronic titling system but may not be printed on the title.

SECTION 12. Same as House version.

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SECTION 14. Section 501.024, Transportation Code, is amended to read as follows:

Sec. 501.024. TITLE RECEIPT. (a) A county assessor-collector who receives an application for a ~~[certificate of]~~ title shall issue a title receipt to the applicant containing the information concerning the motor vehicle required for issuance of a title under Section 501.021 or Subchapter I ~~[;]~~ after:

(1) the requirements of this chapter are met, including the payment of the fees required under Section 501.138; and

(2) ~~the [; issue a title receipt on which is noted]~~ information is entered into the department's titling system ~~[concerning the motor vehicle required for the certificate of title under Section 501.021, including a statement of the existence of each lien as disclosed on the application or a statement that no lien is disclosed].~~

(b) If a lien is not disclosed on the application for a ~~[certificate of]~~ title, the assessor-collector shall issue a ~~[mark the]~~ title receipt ~~["original" and deliver it]~~ to the applicant.

(c) If a lien is disclosed on the application for a ~~[certificate of]~~ title, the assessor-collector shall issue a duplicate title receipt to the lienholder ~~[receipts. The assessor collector shall:~~

~~[(1) mark one receipt "original" and mail or deliver it to the first lienholder disclosed on the application; and~~

~~[(2) mark the second receipt "duplicate original" and mail or deliver it to the address of the applicant provided on the application].~~

(d) A title receipt with registration or permit authorizes the operation of the motor vehicle on a public highway in this

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state for 10 days or until the [~~certificate of~~] title is issued, whichever period is shorter.

SECTION 15. Section 501.025, Transportation Code, is amended to read as follows:

Sec. 501.025. [~~TITLE RECEIPT REQUIRED ON FIRST SALE;~~] MANUFACTURER'S CERTIFICATE REQUIRED ON FIRST SALE. A county assessor-collector may not issue a title receipt on the first sale of a motor vehicle unless the applicant for the [~~certificate of~~] title provides [~~to the assessor-collector~~] the application for a [~~certificate of~~] title and a manufacturer's certificate in [~~on~~] a manner [~~form~~] prescribed by the department [~~that~~]:  
[(1) ~~is assigned to the applicant by the manufacturer, distributor, or dealer shown on the manufacturer's certificate as the last transferee; and~~  
[(2) ~~shows the transfer of the vehicle from its manufacturer to the purchaser, whether a distributor, dealer, or owner, and each subsequent transfer from distributor to dealer, dealer to dealer, and dealer to applicant.~~

SECTION 14. Same as House version.

SECTION 16. Section 501.027, Transportation Code, is amended to read as follows:

Sec. 501.027. ISSUANCE OF [CERTIFICATE OF] TITLE.  
(a) On the day that a county assessor-collector issues a title receipt, a copy of the title receipt and all evidence of title [~~the assessor-collector~~] shall be submitted [~~mail~~] to the department in the period specified in Section 501.023(b) [~~]:~~  
[(1) ~~a copy of the receipt; and~~  
[(2) ~~the evidence of title delivered to the assessor-collector by~~

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~~the applicant].~~

(b) Not later than the fifth day after the date the department receives an application for a ~~[certificate of]~~ title and the department determines the requirements of this chapter are met:

~~(1) the [; the department shall issue the certificate of] title shall be issued to the first lienholder or to the applicant if [-~~  
~~H] a lien is not disclosed on the application; or~~

~~(2) [;] the department shall notify [send the certificate by first class mail to] the applicant that the department's titling system has established a record of title of the motor vehicle in the applicant's name if a lien is not disclosed [at the address provided on the application]. If a lien is disclosed on the application, the department shall notify [send] the [certificate by first class mail to the first] lienholder that the lien has been recorded [as disclosed on the application].~~

SECTION 17. Section 501.0275, Transportation Code, is amended to read as follows:

Sec. 501.0275. ISSUANCE OF TITLE FOR UNREGISTERED VEHICLE. (a) The department shall issue a ~~[certificate of]~~ title for a motor vehicle that complies with the other requirements ~~[for issuance of a certificate of title]~~ under this chapter unless [except that]:

(1) the vehicle is not registered for a reason other than a reason provided by Section 501.051(a)(6) ~~[501.051(6)]~~; and

(2) the applicant does not provide evidence of financial responsibility that complies with Section 502.046 ~~[502.153]~~.

(b) On application for a ~~[certificate of]~~ title under this section, the applicant must surrender any license plates issued for the motor vehicle if the plates are not being transferred to another

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vehicle and any registration insignia for validation of those plates to the department.

SECTION 18. Section 501.0276, Transportation Code, is amended to read as follows:

Sec. 501.0276. DENIAL OF TITLE RECEIPT, [OR CERTIFICATE OF] TITLE, OR RECORD OF TITLE FOR FAILURE TO PROVIDE PROOF OF EMISSIONS TESTING. A county assessor-collector may not issue a title receipt and the department may not issue a certificate of title for a vehicle subject to Section 548.3011 unless proof that the vehicle has passed a vehicle emissions test as required by that section, in a manner [form] authorized by that section, is presented to the county assessor-collector with the application for a [certificate of] title.

SECTION 19. Section 501.029, Transportation Code, is amended to read as follows:

Sec. 501.029. ACCEPTABLE PROOF OF OWNERSHIP [USE OF REGISTRATION RECEIPT OR TITLE RECEIPT TO EVIDENCE TITLE]. [(a) A person may use a registration receipt issued under Chapter 502 or a title receipt to evidence title to a motor vehicle and not to transfer an interest in or establish a lien on the vehicle.

[(b) The board [department] by rule may provide a list of the documents required for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. The fee for application for the receipt is the fee applicable to application for a [certificate of] title. The title receipt may not be used to transfer an interest in or establish a

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lien on the vehicle.

SECTION 20. Sections 501.030(b), (d), (e), (f), and (g), Transportation Code, are amended to read as follows:

(b) Before a motor vehicle that was not manufactured for sale or distribution in the United States may be titled in this state, the applicant must:

(1) provide to the assessor-collector:

(A) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging:

(i) receipt of a statement of compliance submitted by the importer of the vehicle; and

(ii) that the statement meets the safety requirements of 19 C.F.R. Section 12.80(e);

(B) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and shown to conform to federal emission requirements; and

(C) a receipt or certificate issued by the United States Department of the Treasury showing that all gas guzzler taxes due on the vehicle under 26 U.S.C. Section 4064(a) have been paid; or

(2) provide to the assessor-collector proof, satisfactory to the department, ~~[assessor-collector]~~ that the vehicle was not brought into the United States from outside ~~[of]~~ the country.

(d) If a motor vehicle has not been titled or registered in the United States, the application for ~~[certificate of]~~ title must be accompanied by:

(1) a manufacturer's certificate of origin written in English issued by the vehicle manufacturer;

(2) the original documents that constitute valid proof of

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ownership in the country where the vehicle was originally purchased, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator; or

(3) if the vehicle was imported from a country that cancels the vehicle registration and title for export, the documents assigned to the vehicle after the registration and title were canceled, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator.

(e) Before a motor vehicle that is required to be registered in this state and that is brought into this state by a person other than a manufacturer or importer may be bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle or encumbered by a lien, the owner must apply for a ~~[certificate of]~~ title ~~in~~ ~~[on]~~ a manner ~~[form]~~ prescribed by the department to the county assessor-collector for the county in which the transaction is to take place. The assessor-collector may not issue a title receipt unless the applicant delivers to the assessor-collector satisfactory evidence ~~[of title]~~ showing that the applicant is the owner of the vehicle and that the vehicle is free of any undisclosed liens.

(f) A county assessor-collector may not be held liable for civil damages arising out of the assessor-collector's failure to reflect on the title receipt a lien or encumbrance on a motor vehicle to which Subsection (e) applies unless the ~~[assessor-collector's]~~ failure constitutes wilful or wanton negligence.

(g) Until an applicant has complied with this section:

(1) a county assessor-collector may not accept an application for ~~[certificate of]~~ title; and

(2) the applicant is not entitled to an appeal as provided by Sections 501.052 and 501.053.

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SECTION 21. Section 501.031, Transportation Code, is amended to read as follows:

Sec. 501.031. **RIGHTS OF SURVIVORSHIP AGREEMENT.** (a) The department shall include on each ~~[certificate of]~~ title an optional ~~[a]~~ rights of survivorship agreement ~~that [form. The form must]~~:

(1) provides ~~[provide]~~ that if the agreement is between ~~[signed by]~~ two or more eligible persons, the motor vehicle is held jointly by those persons with the interest of a person who dies to transfer ~~[survive]~~ to the surviving person or persons; and

(2) provides ~~[provide blanks]~~ for the acknowledgment by signature, either electronically or by hand, ~~[signatures]~~ of the persons.

(b) If the vehicle is registered in the name of one or more of the persons who acknowledged ~~[signed]~~ the agreement, the ~~[certificate of]~~ title may contain a:

(1) rights of survivorship agreement acknowledged ~~[signed]~~ by all the persons; or

(2) remark if a rights of survivorship agreement is ~~[surrendered with the application for certificate of title or otherwise]~~ on file with the department.

(c) Ownership ~~[Except as provided in Subsection (g), ownership]~~ of the vehicle may be transferred only:

(1) by all the persons acting jointly, if all the persons are alive; and

(2) on the death of one of the persons by the surviving person or persons by transferring ownership of the vehicle ~~[the certificate of title]~~, in the manner otherwise required by law ~~[for transfer of ownership of the vehicle]~~, with a copy of the

SECTION 20. Same as House version.

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death certificate of the deceased person [~~attached to the certificate of title application~~].

(d) A rights of survivorship agreement under this section may be revoked only if [~~by surrender of the certificate of title to the department and joint application by~~] the persons named in [~~who signed~~] the agreement file a joint application for a new title in the name of the person or persons designated in the application.

(e) A person is eligible to file [~~sign~~] a rights of survivorship agreement under this section if the person:

(1) is married and the spouse of the [~~signing~~] person is the only other party to the agreement;

(2) is unmarried and attests to that unmarried status by affidavit; or

(3) is married and provides the department with an affidavit from the [~~signing~~] person's spouse that attests that the [~~signing~~] person's interest in the vehicle is the [~~signing~~] person's separate property.

(f) The department may develop an optional electronic [~~If the title is being issued in connection with the sale of the vehicle, the seller is not eligible to sign a~~] rights of survivorship agreement for public use [~~under this section unless the seller is the child, grandchild, parent, grandparent, brother, or sister of each other person signing the agreement. A family relationship required by this subsection may be a relationship established by adoption.~~

~~[(g) If an agreement, other than the agreement provided for in Subsection (a), providing for right of survivorship is signed by two or more persons, the department shall issue a new certificate of title to the surviving person or persons upon application accompanied by a copy of the death certificate of the deceased person. The department may develop for public~~

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~~use under this subsection an optional rights of survivorship agreement form].~~

SECTION 22. Section 501.032, Transportation Code, is amended to read as follows:

Sec. 501.032. ASSIGNMENT OF VEHICLE IDENTIFICATION [~~SERIAL~~] NUMBER BY DEPARTMENT. (a) On proper application, the department shall assign a vehicle identification [~~a serial~~] number to a travel [~~house~~] trailer, a trailer or semitrailer that has a gross vehicle weight that exceeds 4,000 pounds, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment on which:

(1) a vehicle identification [~~a serial~~] number was not die-stamped by the manufacturer; or

(2) a vehicle identification [~~the serial~~] number die-stamped by the manufacturer has been lost, removed, or obliterated.

(b) The applicant shall die-stamp the assigned vehicle identification [~~serial~~] number at the place designated by the department on the travel [~~house~~] trailer, trailer, semitrailer, or equipment.

(c) The manufacturer's vehicle identification [~~serial~~] number or the vehicle identification [~~serial~~] number assigned by the department shall be affixed on the carriage or axle part of the travel [~~house~~] trailer, trailer, or semitrailer. The department shall use the number as the major identification of the vehicle in the issuance of a [~~certificate of~~] title.

SECTION 23. Sections 501.033(a), (b), and (d),

SECTION 21. Same as House version.

SECTION 22. Same as House version.

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Transportation Code, are amended to read as follows:

(a) A person determined by law enforcement ~~[the department]~~ or a court to be the owner of a motor vehicle, a part of a motor vehicle, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment ~~[that has had the serial number removed, altered, or obliterated]~~ may apply to the department for an assigned vehicle identification number that has been removed, altered, or obliterated.

(b) An application under this section must be in ~~[on]~~ a manner ~~[form]~~ prescribed ~~[and furnished]~~ by the department and accompanied by ~~[the certificate of title for the vehicle or other]~~ valid evidence of ownership as required by the department ~~[if there is no certificate of title].~~

(d) The assigned vehicle identification number shall be die-stamped or otherwise affixed ~~[to the motor vehicle, part, or item of equipment at the location and]~~ in the manner designated by the department.

SECTION 24. Section 520.011, Transportation Code, is transferred to Subchapter B, Chapter 501, Transportation Code, redesignated as Section 501.0331, Transportation Code, and amended to read as follows:

Sec. 501.0331 ~~[520.011]~~. MOTOR NUMBER REQUIRED FOR [VEHICLE] REGISTRATION ~~[; PENALTY]~~. ~~[(a)]~~ A person may not apply to the county assessor-collector for the registration of a motor vehicle from which the original motor number has been removed, erased, or destroyed until the motor vehicle bears the motor number assigned by the department.

~~[(b) A person commits an offense if the person violates this~~

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~~section. An offense under this subsection is a misdemeanor punishable by a fine of not less than \$50 and not more than \$100.]~~

SECTION 25. Section 520.012, Transportation Code, is transferred to Subchapter B, Chapter 501, Transportation Code, redesignated as Section 501.0332, Transportation Code, and amended to read as follows:

Sec. 501.0332 [~~520.012~~]. APPLICATION FOR MOTOR NUMBER RECORD[~~; RECORD; PENALTY~~]. (a) To obtain a motor number assigned by the department, the owner of a motor vehicle that has had the original motor number removed, erased, or destroyed must file a sworn application with the department.

(b) The department shall maintain a record of [~~separate register for recording~~] each motor number assigned by the department that includes [~~For each motor number assigned by the department, the record must indicate~~]:

- (1) the motor number assigned by the department;
- (2) the name and address of the owner of the motor vehicle; and
- (3) the make, model, and year of manufacture of the motor vehicle.

~~[(c) A person who fails to comply with this section commits an offense. An offense under this subsection is a misdemeanor punishable by a fine of not less than \$10 and not more than \$100.]~~

SECTION 26. Section 501.034, Transportation Code, is amended to read as follows:

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SECTION 24. Same as House version.

SECTION 25. Same as House version.

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Sec. 501.034. ISSUANCE OF TITLE TO GOVERNMENT AGENCY. The department may issue a ~~[certificate of]~~ title to a government agency if a vehicle or part of a vehicle is:

- (1) forfeited to the government agency;
- (2) delivered by court order under the Code of Criminal Procedure to a government agency for official purposes; or
- (3) sold as abandoned or unclaimed property under the Code of Criminal Procedure.

SECTION 27. Section 501.035, Transportation Code, is amended to read as follows:

Sec. 501.035. ~~[CERTIFICATE OF]~~ TITLE FOR FORMER MILITARY VEHICLE. (a) Notwithstanding any other law, the department shall issue a ~~[certificate of]~~ title for a former military vehicle ~~[that is not registered under the laws of this state]~~ if all ~~[other]~~ requirements for issuance of a ~~[certificate of]~~ title are met.

(b) In this section, "former military vehicle" has the meaning assigned by Section 504.502(i) ~~[502.275(e)]~~.

SECTION 28. Section 501.036, Transportation Code, is amended to read as follows:

Sec. 501.036. ~~[CERTIFICATE OF]~~ TITLE FOR FARM SEMITRAILER. (a) Notwithstanding any other provision of this chapter, the department may issue a ~~[certificate of]~~ title for a farm semitrailer with a gross weight of more than 4,000 pounds if:

- (1) the farm semitrailer is eligible for registration under Section 502.146 ~~[504.504]~~; and
- (2) all other requirements for issuance of a ~~[certificate of]~~ title

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SECTION 26. Same as House version.

SECTION 27. Same as House version.

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are met.

(b) To obtain a ~~[certificate of]~~ title under this section, the owner of the farm semitrailer must:

(1) apply for the ~~[certificate of]~~ title in the manner required by Section 501.023; and

(2) pay the fee required by Section 501.138.

(c) The department shall adopt rules ~~[and forms]~~ to implement and administer this section.

SECTION 29. Section 501.051, Transportation Code, is amended to read as follows:

Sec. 501.051. GROUNDS FOR REFUSAL TO ISSUE OR FOR REVOCATION OR SUSPENSION OF TITLE [CERTIFICATE]. (a) A title may be refused, canceled, suspended, or revoked by the [The] department [shall refuse to issue a certificate of title or shall suspend or revoke a certificate of title] if:

(1) the application ~~[for the certificate]~~ contains a false or fraudulent statement;

(2) the applicant failed to furnish required information requested by the department;

(3) the applicant is not entitled to a ~~[certificate of]~~ title;

(4) the department has reason to believe that the motor vehicle is stolen;

(5) the department has reason to believe that the issuance of a ~~[certificate of]~~ title would defraud the owner or a lienholder of the motor vehicle;

(6) the registration for the motor vehicle is suspended or revoked; or

(7) the required fee has not been paid.

(b) The department may rescind, cancel, or revoke an

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application for a title if a notarized affidavit is presented containing:

(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;

(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;

(3) a statement that the vehicle:

(A) was never in the possession of the title applicant; or

(B) was in the possession of the title applicant; and

(4) the signatures of the dealer, the applicant, and any lienholder.

(c) A rescission, cancellation, or revocation containing the statement authorized under Subsection (b)(3)(B) does not negate the fact that the vehicle has been the subject of a previous retail sale.

SECTION 30. The heading to Section 501.052, Transportation Code, is amended to read as follows:

Sec. 501.052. HEARING ON REFUSAL TO ISSUE OR REVOCATION OR SUSPENSION OF [~~CERTIFICATE OF~~] TITLE; APPEAL.

SECTION 31. Sections 501.052(a), (d), and (e), Transportation Code, are amended to read as follows:

(a) An interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation under Section 501.051 may apply for a hearing to the county assessor-collector for the county in which the person is a resident [~~domiciled~~]. On the day an assessor-collector receives the application, the assessor-collector shall notify the department of the date of

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SECTION 30. Same as House version.

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the hearing.

(d) A determination of the assessor-collector is binding on the applicant and the department as to whether the department correctly refused to issue or correctly rescinded, canceled, revoked, or suspended the [certificate of] title.

(e) An applicant aggrieved by the determination under Subsection (d) may appeal to the county court of the county of the applicant's residence. An applicant must file an appeal not later than the fifth day after the date of the assessor-collector's determination. The county court judge shall try the appeal in the manner of other civil cases. All rights and immunities granted in the trial of a civil case are available to the interested parties. If the department's action is not sustained, the department shall promptly issue a [certificate of] title for the vehicle.

SECTION 32. Section 501.053, Transportation Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (e) to read as follows:

(a) As an alternative to the procedure provided by Section 501.052, the person may file a bond with the department. On the filing of the bond the person [department] may obtain a [issue the certificate of] title.

(b) The bond must be:

- (1) in the manner [form] prescribed by the department;
- (2) executed by the applicant;
- (3) issued by a person authorized to conduct a surety business in this state;
- (4) in an amount equal to one and one-half times the value of the vehicle as determined by the department, which may set an appraisal system by rule if it is unable to determine that

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value; and

(5) conditioned to indemnify all prior owners and lienholders and all subsequent purchasers of the vehicle or persons who acquire a security interest in the vehicle, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, occurring because of the issuance of the ~~[certificate of]~~ title for the vehicle or for a defect in or undisclosed security interest on the right, title, or interest of the applicant to the vehicle.

(d) A bond under this section expires on the third anniversary of the date the bond became effective. ~~[The department shall return an expired bond to the person who filed the bond unless the department has been notified of a pending action to recover on the bond.]~~

(e) The board by rule may establish a fee to cover the cost of administering this section.

SECTION 33. Section 501.071, Transportation Code, is amended to read as follows:

Sec. 501.071. SALE OF VEHICLE; TRANSFER OF TITLE. (a) Except as provided in Section 503.039, a motor vehicle may not be the subject of a subsequent sale unless the owner designated on [in] the ~~[certificate of]~~ title submits a transfer of ownership of [transfers] the ~~[certificate of]~~ title ~~[at the time of the sale]~~.

(b) The transfer of the ~~[certificate of]~~ title must be in [on] a manner [form] prescribed by the department that ~~[includes a statement that]~~:

(1) certifies the purchaser [signer] is the owner of the vehicle; and

(2) certifies there are no liens on the vehicle or provides a

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~~release of each lien [except as shown] on the vehicle [certificate of title or as fully described in the statement].~~

SECTION 34. Section 520.022, Transportation Code, is transferred to Subchapter D, Chapter 501, Transportation Code, redesignated as Section 501.0721, Transportation Code, and amended to read as follows:

Sec. 501.0721 [~~520.022~~]. DELIVERY OF RECEIPT AND TITLE TO PURCHASER OF USED MOTOR VEHICLE [~~TRANSFEREE; PENALTY~~]. [(a)] A person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle shall deliver to the purchaser [~~transferee~~] at the time of delivery of the vehicle [; [(1) ~~the license receipt issued by the department for registration of the vehicle, if the vehicle was required to be registered at the time of the delivery; and~~ [(2)] a properly assigned [~~certificate of~~] title or other evidence of title as required under this chapter [~~Chapter 501~~]. [(b) ~~A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$200.~~]

SECTION 33. Same as House version.

SECTION 35. Sections 501.074(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) The department shall issue a new [~~certificate of~~] title for a motor vehicle registered in this state for which the ownership is transferred by operation of law [~~, including by inheritance, devise or bequest, bankruptcy, receivership, judicial sale,~~] or other involuntary divestiture of ownership after receiving:  
(1) a certified copy of an [~~the~~] order appointing a temporary

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administrator or of the probate proceedings;

(2) letters testamentary or letters of administration;

(3) if administration of an estate is not necessary, an affidavit showing that administration is not necessary, identifying all heirs, and including a statement by the heirs of the name in which the certificate shall be issued;

(4) a court order; or

(5) the bill of sale from an officer making a judicial sale.

(b) If a lien is foreclosed by nonjudicial means, the department may issue a new ~~[certificate of]~~ title in the name of the purchaser at the foreclosure sale on receiving the affidavit of the lienholder of the fact of the nonjudicial foreclosure.

(c) If a constitutional or statutory lien is foreclosed, the department may issue a new ~~[certificate of]~~ title in the name of the purchaser at the foreclosure sale on receiving:

(1) the affidavit of the lienholder of the fact of the creation of the lien and of the divestiture of title according to law; and

(2) proof of notice as required by Sections 70.004 and 70.006, Property Code.

SECTION 36. Section 501.076(c), Transportation Code, is amended to read as follows:

(c) The person named as the agent in the limited power of attorney must meet the following requirements:

(1) the person may be a person who has been appointed by the commissioners ~~[commissioner's]~~ court as a deputy to perform vehicle registration functions under Section 520.0091 ~~[502.112]~~, a licensed ~~[license]~~ vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of

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the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents; and

(2) the person may not be the transferee or an employee of the transferee. The person may not act as the agent of both the transferor and transferee in the transaction. For the purposes of this section, a person is not the agent of both the transferor and transferee in a transaction unless the person has the authority to sign the documents pertaining to the transfer of title on behalf of both the transferor and the transferee.

SECTION 37. Section 501.091, Transportation Code, is amended by amending Subdivisions (2), (3), (6), (7), (8), (9), (10), (12), (14), (15), (16), (17), and (18) and adding Subdivisions (10-a) and (16-a) to read as follows:

(2) "Casual sale" means the sale by a salvage vehicle dealer or an insurance company of five or fewer ~~not more than five~~ nonrepairable motor vehicles or salvage motor vehicles to the same person during a calendar year, but ~~[-The term]~~ does not include:

(A) a sale at auction to a salvage vehicle dealer; ~~[or]~~

(B) a sale to an insurance company, out-of-state buyer, or governmental entity; or

(C) the sale of an export-only motor vehicle to a person who is not a resident of the United States.

(3) "Damage" means sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include:

(A) gradual damage from any cause;

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(B) ~~[;]~~ sudden damage caused by hail;

(C) ~~[-, or]~~ any damage caused only to the exterior paint of the motor vehicle; or

(D) theft, unless the motor vehicle was damaged during the theft and before recovery.

(6) "Major component part" means one of the following parts of a motor vehicle:

(A) the engine;

(B) the transmission;

(C) the frame;

(D) a fender;

(E) the hood;

(F) a door allowing entrance to or egress from the passenger compartment of the motor vehicle;

(G) a bumper;

(H) a quarter panel;

(I) a deck lid, tailgate, or hatchback;

(J) the cargo box of a vehicle with a gross vehicle weight of 10,000 pounds or less ~~[one ton or smaller truck]~~, including a pickup truck;

(K) the cab of a truck;

(L) the body of a passenger motor vehicle;

(M) the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

(7) "Metal recycler" means a person who:

(A) is ~~[predominately]~~ engaged in the business of obtaining, converting, or selling ferrous or nonferrous metal ~~[that has served its original economic purpose to convert the metal, or sell the metal]~~ for conversion~~[-]~~ into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into

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raw material products [~~consisting of prepared grades and having an existing or potential economic value,~~] by method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(8) "Motor vehicle" has the meaning assigned by Section 501.002 [~~501.002(14)~~].

(9) "Nonrepairable motor vehicle" means a motor vehicle that:

(A) is damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal; or

(B) comes into this state under a comparable [~~title or other~~] ownership document that indicates that the vehicle is nonrepairable [~~, junked, or for parts or dismantling only~~].

(10) "Nonrepairable vehicle title" means a printed document issued by the department that evidences ownership of a nonrepairable motor vehicle.

(10-a) "Nonrepairable record of title" means an electronic record of ownership of a nonrepairable motor vehicle.

(12) "Out-of-state ownership document" means a negotiable document issued by another state or jurisdiction that the department considers sufficient to prove ownership of a nonrepairable motor vehicle or salvage motor vehicle and to support the issuance of a comparable Texas [~~certificate of~~] title for the motor vehicle. The term does not include any [~~a~~] title or certificate issued by the department [~~, including a regular certificate of title, a nonrepairable vehicle title, a salvage vehicle title, a Texas Salvage Certificate, Certificate~~]

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~~of Authority to Demolish a Motor Vehicle, or another ownership document issued by the department].~~

(14) "Rebuilder" means a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway, ~~three or~~ more than five salvage motor vehicles in a calendar year.

(15) "Salvage motor vehicle" [:

~~(A)~~ means a motor vehicle that:

(A) ~~(i)~~ has damage to or is missing a major component part to the extent that the cost of repairs, including parts and labor other than the cost of materials and labor for repainting the motor vehicle and excluding sales tax on the total cost of repairs, exceeds the actual cash value of the motor vehicle immediately before the damage; or

(B) ~~(ii) is damaged and that~~ comes into this state under an out-of-state salvage motor vehicle ~~[certificate of]~~ title or similar out-of-state ownership document ~~[that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation; and~~

~~[(B) does not include an out-of-state motor vehicle with a "rebuilt," "prior salvage," "salvaged," or similar notation, a nonrepairable motor vehicle, or a motor vehicle for which an insurance company has paid a claim for:~~

~~[(i) the cost of repairing hail damage; or~~

~~[(ii) theft, unless the motor vehicle was damaged during the theft and before recovery to the extent described by Paragraph (A)(i)].~~

(16) "Salvage vehicle title" means a printed document issued by the department that evidences ownership of a salvage motor vehicle.

(16-a) "Salvage record of title" means an electronic record of ownership of a salvage motor vehicle.

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(17) "Salvage vehicle dealer" means a person engaged in this state in the business of acquiring, selling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or, if incidental to a salvage motor vehicle dealer's primary business, used automotive parts regardless of whether the person holds a license issued by the department to engage in that business. The term does not include an unlicensed [a] person who:

(A) casually repairs, rebuilds, or reconstructs not more [fewer] than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year [or, except as provided by Paragraph (C), a used automotive parts recycler. The term includes a person engaged in the business of:

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

(B) buys not more than five [dealing in] nonrepairable motor vehicles or salvage motor vehicles in the same calendar year;  
or

(C) is a licensed used automotive parts recycler if the sale of repaired, rebuilt, or reconstructed nonrepairable motor vehicles or salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.

(18) "Self-insured motor vehicle" means a motor vehicle for which the ~~[evidence of ownership is a manufacturer's certificate of origin or for which the department or another state or jurisdiction has issued a regular certificate of title, is self insured by the] owner [, and is owned by an individual, a business,]~~ or a governmental entity assumes full financial responsibility for motor vehicle loss claims[;] without regard to the number of motor vehicles they own or operate. The

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term does not include a motor vehicle that is insured by an insurance company.

SECTION 38. Section 501.098, Transportation Code, is redesignated as Section 501.09111, Transportation Code, and amended to read as follows:

Sec. 501.09111 [~~501.098~~]. RIGHTS AND LIMITATIONS OF [HOLDER OF] NONREPAIRABLE VEHICLE TITLE, NONREPAIRABLE RECORD OF TITLE, [OR] SALVAGE VEHICLE TITLE, OR SALVAGE RECORD OF TITLE. (a)

A person who owns [~~holds~~] a nonrepairable [~~vehicle title for a~~] motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, record a lien as provided for in Section 501.097(a)(3)(A), and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law;

(B) repair, rebuild, or reconstruct the motor vehicle; or

(C) register the motor vehicle.

(b) A person who holds a nonrepairable certificate of title issued prior to September 1, 2003, [:

~~(1)] is entitled to the same rights listed in Subsection (a) and may [:~~

~~[(A)] repair, rebuild, or reconstruct the motor vehicle [;~~

~~[(B)] possess, transport, dismantle, scrap, or destroy the motor vehicle; and~~

~~[(C)] sell, transfer, or release ownership of the vehicle or a used part from the motor vehicle; and~~

~~[(2)] may not:~~

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~~[(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law; or~~

~~[(B) register the motor vehicle].~~

(c) A person who owns ~~[holds]~~ a salvage ~~[vehicle title for a]~~ motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, repair, rebuild, reconstruct, record a lien on, and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not operate, register, or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law.

SECTION 39. Section 501.103, Transportation Code, is redesignated as Section 501.09112, Transportation Code, and amended to read as follows:

Sec. 501.09112 ~~[501.103]~~. APPEARANCE ~~[COLOR]~~ OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. (a) The department's printed ~~[department shall print a]~~ nonrepairable vehicle title must~~[:~~

~~[(1) in a color that distinguishes it from a regular certificate of title or salvage vehicle title; and~~

~~[(2) so that it]~~ clearly indicate ~~[shows]~~ that it is the negotiable ownership document for a nonrepairable motor vehicle.

(b) A nonrepairable vehicle title must clearly indicate ~~[state on its face]~~ that the motor vehicle:

(1) may not be:

(A) issued a regular ~~[certificate of]~~ title;

(B) registered in this state; or

(C) repaired, rebuilt, or reconstructed; and

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SECTION 38. Same as House version.

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(2) may be used only as a source for used parts or scrap metal.

(c) The department's printed ~~[department shall print a]~~ salvage vehicle title must ~~[-~~

~~[(A) in a color that distinguishes it from a regular certificate of title or nonrepairable vehicle title; and~~

~~[(B) so that each document]~~ clearly show ~~[shows]~~ that it is the ownership document for a salvage motor vehicle.

(d) A salvage vehicle title or a salvage record of title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood must bear a notation ~~[on its face]~~ that the department considers appropriate. If the title for a motor vehicle reflects the notation required by this subsection, the owner may sell, transfer, or release the motor vehicle only as provided by this subchapter.

(e) An electronic application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title must clearly advise the applicant of the same provisions required on a printed title.

(f) A nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title in the department's electronic database must include appropriate remarks so that the vehicle record clearly shows the status of the vehicle ~~[(e) The department may provide a stamp to a person who is a licensed salvage vehicle dealer under Chapter 2302, Occupations Code, to mark the face of a title under this subchapter. The department shall provide the stamp to the person for a fee in the amount determined by the department to be necessary for the department to recover the cost of providing the stamp].~~

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SECTION 40. Section 501.101, Transportation Code, is redesignated as Section 501.09113, Transportation Code, and amended to read as follows:

Sec. ~~501.09113~~ ~~[501.101]~~. ~~OUT-OF-STATE SALVAGE OR REBUILT SALVAGE VEHICLE [ISSUANCE OF TITLE TO MOTOR VEHICLE BROUGHT INTO STATE]~~. (a)

This section applies only to a motor vehicle brought into this state from another state or jurisdiction that has on any ~~[certificate of]~~ title or comparable out-of-state ownership document issued by the other state or jurisdiction:

- (1) a "rebuilt," "salvage," or similar notation; or
- (2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," or similar notation.

(b) On receipt of a complete application from the owner of the motor vehicle, the department shall issue the applicant the appropriate ~~[certificate of]~~ title for the motor vehicle.

~~[(c) A certificate of title issued under this section must show on its face:~~

- ~~[(1) the date of issuance;~~
- ~~[(2) the name and address of the owner;~~
- ~~[(3) any registration number assigned to the motor vehicle;~~
- ~~and~~
- ~~[(4) a description of the motor vehicle or other notation the department considers necessary or appropriate.]~~

SECTION 41. The heading to Section 501.095, Transportation Code, is amended to read as follows:

Sec. 501.095. SALE, TRANSFER, OR RELEASE ~~[OF NONREPAIRABLE MOTOR VEHICLE OR SALVAGE MOTOR VEHICLE]~~.

SENATE VERSION (IE)

SECTION 39. Same as House version.

SECTION 40. Same as House version.

CONFERENCE

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SECTION 42. Sections 501.095(a) and (b), Transportation Code, are amended to read as follows:

(a) If the department has not issued a nonrepairable vehicle title, nonrepairable record of title, ~~[or]~~ salvage vehicle title, or salvage record of title for the motor vehicle and a comparable ~~[an]~~ out-of-state ownership document for the motor vehicle has not been issued by another state or jurisdiction, a business or governmental entity described by Subdivisions (1)-(3) may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle only to a person who is:

- (1) a licensed salvage vehicle dealer, a used automotive parts recycler under Chapter 2309, Occupations Code, or a metal recycler under Chapter 2302, Occupations Code;
- (2) an insurance company that has paid a claim on the nonrepairable or salvage motor vehicle; or
- (3) a governmental entity~~;~~ ~~or~~  
~~[(4) an out-of-state buyer].~~

(b) An owner ~~[A person]~~, other than a salvage vehicle dealer, a used automotive parts recycler, or an insurance company licensed to do business in this state, who acquired ownership of a nonrepairable or salvage motor vehicle that has not been issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, salvage record of title, or a comparable ownership document issued by another state or jurisdiction shall, before selling the motor vehicle, surrender the properly assigned ~~[certificate of]~~ title for the motor vehicle to the department and apply to the department for the appropriate ownership document~~;~~

- ~~[(1) a nonrepairable vehicle title if the vehicle is a nonrepairable motor vehicle; or~~  
~~[(2) a salvage vehicle title if the vehicle is a salvage motor vehicle].~~

SENATE VERSION (IE)

SECTION 41. Same as House version.

CONFERENCE

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SECTION 43. Section 501.097, Transportation Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (c-1) to read as follows:

(a) An application for a nonrepairable vehicle title, nonrepairable record of title, [Ø] salvage vehicle title, or salvage record of title must:

(1) be made in [Ø] a manner [form] prescribed by the department and accompanied by a \$8 application fee;

(2) include, in addition to any other information required by the department:

(A) the name and current address of the owner; and

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number[; and

~~[(C) a statement describing whether the motor vehicle:~~

~~[(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;~~

~~[(ii) is a self-insured motor vehicle under Section 501.094;~~

~~[(iii) is an export-only motor vehicle under Section 501.099;~~  
~~or~~

~~[(iv) was sold, transferred, or released to the owner or former owner of the motor vehicle or a buyer at a casual sale]; and~~

(3) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

(b) Except as provided by Sections 501.10015 and 501.10025, on [Ø] receipt of a complete application, the properly assigned title or manufacturer's certificate of origin,

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SECTION 42. Section 501.097, Transportation Code, is amended by amending Subsections (a) and (c) and adding Subsection (c-1) to read as follows:

(a) An application for a nonrepairable vehicle title, nonrepairable record of title, [Ø] salvage vehicle title, or salvage record of title must:

(1) be made in [Ø] a manner [form] prescribed by the department and accompanied by a \$8 application fee;

(2) include, in addition to any other information required by the department:

(A) the name and current address of the owner; and

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number[; and

~~[(C) a statement describing whether the motor vehicle:~~

~~[(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;~~

~~[(ii) is a self-insured motor vehicle under Section 501.094;~~

~~[(iii) is an export-only motor vehicle under Section 501.099;~~  
~~or~~

~~[(iv) was sold, transferred, or released to the owner or former owner of the motor vehicle or a buyer at a casual sale]; and~~

(3) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

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and the application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate title for the motor vehicle.

(c) A printed nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a ~~[regular certificate of]~~ title or registered in this state;

(C) be operated on a public highway, in addition to any other requirement of law; and

(2) may only be used as a source for used parts or scrap metal.

(c-1) The department's titling system must include a remark that clearly identifies the vehicle as a salvage or nonrepairable motor vehicle.

SECTION 44. Sections 501.100(a), (b), (c), and (f), Transportation Code, are amended to read as follows:

(a) A vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003, or for which a salvage vehicle title or salvage record of title has been issued may obtain ~~[be issued]~~ a ~~[regular certificate of]~~ title after the motor vehicle has been repaired, rebuilt, or reconstructed ~~[by a person described by Section 501.104(a)]~~ and, in addition to any other requirement of law, only if the application ~~[is accompanied by a separate form that]~~:

(1) describes each major component part used to repair the motor vehicle;

(2) states the name of each person from whom the parts used

SENATE VERSION (IE)

(c) A printed nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a ~~[regular certificate of]~~ title or registered in this state;

(C) be operated on a public highway, in addition to any other requirement of law; and

(2) may only be used as a source for used parts or scrap metal.

(c-1) The department's titling system must include a remark that clearly identifies the vehicle as a salvage or nonrepairable motor vehicle.

SECTION 43. Same as House version.

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~~in assembling the vehicle were obtained; and~~

~~(3) [(2)] shows the identification number required by federal law to be affixed to or inscribed on the part.~~

(b) On receipt of a complete application under this section accompanied by the ~~[\$13]~~ fee for the ~~[certificate of]~~ title, the department shall issue the applicant a ~~[regular certificate of]~~ title ~~[for the motor vehicle].~~

(c) A ~~[regular certificate of]~~ title issued under this section must ~~[:~~

~~[(4)] describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle [; and~~

~~[(2) bear on its face the words "REBUILT SALVAGE" in capital letters that:~~

~~[(A) are red;~~

~~[(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and~~

~~[(C) do not prevent any other words on the title from being read or copied].~~

(f) The department may not issue a regular ~~[certificate of]~~ title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.1003(b) ~~[501.096(b)]~~; or

(3) certificate of authority.

SECTION 45. Section 501.092, Transportation Code, is redesignated as Section 501.1001, Transportation Code, and amended to read as follows:

Sec. 501.1001 ~~[501.092]~~. ~~[INSURANCE COMPANY TO SURRENDER CERTIFICATES OF TITLE TO CERTAIN]~~

SENATE VERSION (IE)

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SECTION 44. Section 501.092, Transportation Code, is redesignated as Section 501.1001, Transportation Code, and amended to read as follows:

Sec. 501.1001 ~~[501.092]~~. ~~[INSURANCE COMPANY TO SURRENDER CERTIFICATES OF TITLE TO CERTAIN]~~

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SALVAGE MOTOR VEHICLES OR NONREPAIRABLE MOTOR VEHICLES FOR INSURANCE COMPANIES OR SELF-INSURED PERSONS. (a) Except as provided by Section 501.10015, an [An] insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a [~~certificate of~~] title issued by this state or a manufacturer's certificate of origin shall surrender a properly assigned title or manufacturer's certificate of origin to the department, in [on] a manner [form] prescribed by the department, except that not earlier than the 46th day after the date of payment of the claim the insurance company may surrender a certificate of title, on a form prescribed by the department, and receive a salvage certificate of title or a nonrepairable certificate of title without obtaining a properly assigned certificate of title if the insurance company:

- [(1) has obtained the release of all liens on the motor vehicle;
- [(2) is unable to locate one or more owners of the motor vehicle; and
- [(3) has provided notice to the last known address in the department's records to each owner that has not been located:
  - [(A) by registered or certified mail, return receipt requested; or
  - [(B) if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent].

(b) For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title or salvage record of title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title or nonrepairable record

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SALVAGE MOTOR VEHICLES OR NONREPAIRABLE MOTOR VEHICLES FOR INSURANCE COMPANIES OR SELF-INSURED PERSONS. (a) An insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a [~~certificate of~~] title issued by this state or a manufacturer's certificate of origin shall surrender a properly assigned title or manufacturer's certificate of origin to the department, in [on] a manner [form] prescribed by the department, except that not earlier than the 31st [46th] day after the date of payment of the claim the insurance company may surrender a [certificate of] title, in [on] a manner [form] prescribed by the department, and receive a salvage vehicle [certificate of] title or a nonrepairable vehicle [certificate of] title without obtaining a properly assigned [certificate of] title if the insurance company:

- (1) has obtained the release of all liens on the motor vehicle;
- (2) is unable to locate one or more owners of the motor vehicle; and
- (3) has provided notice to the last known address in the department's records to each owner that has not been located:
  - (A) by registered or certified mail, return receipt requested; or
  - (B) if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent.

(b) For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title or salvage record of title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title or nonrepairable record

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of title.

~~(c) [An insurance company may not sell a motor vehicle to which this section applies unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.~~

~~[(d) An insurance company may sell a motor vehicle to which this section applies, or assign a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle, only to a salvage vehicle dealer, an out of state buyer, a buyer in a casual sale at auction, a metal recycler, or a used automotive parts recycler. If the motor vehicle is not a salvage motor vehicle or a nonrepairable motor vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle.~~

~~[(e)] An insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title, salvage record of title, ~~[or a]~~ nonrepairable vehicle title, or nonrepairable record of title for the vehicle.~~

~~(d) This subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to the extent it becomes a nonrepairable or salvage motor vehicle. The owner of a motor vehicle to which this subsection applies shall submit to the department before the 31st business day after the date of the damage, in a manner prescribed by the department, a statement that the motor vehicle was self-insured and damaged. When the owner submits a report, the owner shall surrender the ownership document and apply for a nonrepairable vehicle title,~~

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of title.

~~(c) [An insurance company may not sell a motor vehicle to which this section applies unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.~~

~~[(d) An insurance company may sell a motor vehicle to which this section applies, or assign a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle, only to a salvage vehicle dealer, an out of state buyer, a buyer in a casual sale at auction, a metal recycler, or a used automotive parts recycler. If the motor vehicle is not a salvage motor vehicle or a nonrepairable motor vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle.~~

~~[(e)] An insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title, salvage record of title, ~~[or a]~~ nonrepairable vehicle title, or nonrepairable record of title for the vehicle.~~

~~(d) This subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to the extent it becomes a nonrepairable or salvage motor vehicle. The owner of a motor vehicle to which this subsection applies shall submit to the department before the 31st business day after the date of the damage, in a manner prescribed by the department, a statement that the motor vehicle was self-insured and damaged. When the owner submits a report, the owner shall surrender the ownership document and apply for a nonrepairable vehicle title,~~

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nonrepairable record of title, salvage vehicle title, or salvage record of title.

SECTION 46. Subchapter E, Chapter 501, Transportation Code, is amended by adding Sections 501.10015 and 501.10025 to read as follows:

Sec. 501.10015. INSURANCE COMPANY NOT REQUIRED TO SURRENDER CERTIFICATES OF TITLE IN CERTAIN SITUATIONS. (a) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title that the company is unable to obtain may obtain from the department not earlier than the 30th day after the date of payment of the claim:

(1) a salvage vehicle title or salvage record of title for a salvage motor vehicle;

(2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle; or

(3) a title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(b) An application for a title under Subsection (a) must be submitted to the department on a form prescribed by the department and include:

(1) a statement that the insurance company has provided at least two written notices attempting to obtain the title for the motor vehicle; and

(2) evidence acceptable to the department that the insurance company has made payment of a claim involving the motor vehicle.

(c) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered

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nonrepairable record of title, salvage vehicle title, or salvage record of title. [FA1(1)]

**No equivalent provision.**

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by a title for which the company is unable to obtain proper assignment of the title may obtain from the department not earlier than the 30th day after the date of payment of the claim:

(1) a salvage vehicle title or salvage record of title for a salvage motor vehicle;

(2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle; or

(3) a title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(d) An application for a title under Subsection (c) must be submitted to the department on a form prescribed by the department and include:

(1) a statement that the insurance company has provided at least two written notices attempting to obtain a proper assignment of the title; and

(2) the title.

(e) A title issued under Subsection (a) or (c) must be issued in the name of the insurance company.

(f) An insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by an out-of-state ownership document may obtain from the department a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title if:

(1) the motor vehicle was damaged, stolen, or recovered in this state;

(2) the motor vehicle owner from whom the company acquired ownership resides in this state; or

(3) otherwise allowed by department rule.

(g) A title may be issued under Subsection (f) if the insurance company:

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(1) surrenders a properly assigned title on a form prescribed by the department; or

(2) complies with the application process for a title issued under Subsection (a) or (c).

(h) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.

(i) The department by rule may provide that a person required by this section to provide notice may provide the notice electronically, including through the use of e-mail or an interactive website established by the department for that purpose.

(j) Sections 501.1001(c) and 501.095 apply to a motor vehicle acquired by an insurance company as described in Subsection (a), (c), or (f).

(k) The department may adopt rules to implement this section.

Sec. 501.10025. ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR. (a) In this section, "salvage pool operator" has the meaning assigned by Section 2302.001, Occupations Code.

(b) This section applies only to a salvage pool operator who, on request of an insurance company, takes possession of a motor vehicle that is the subject of an insurance claim and the insurance company subsequently:

(1) denies coverage with respect to the motor vehicle; or

(2) does not otherwise take ownership of the motor vehicle.

(b-1) An insurance company described by Subsection (b) shall notify the salvage pool operator of the denial of the claim regarding the motor vehicle or other disposition of the motor vehicle. The insurance company must include in the

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notice the name and address of the owner of the motor vehicle and the lienholder, if any.

(c) Before the 31st day after receiving notice under Subsection (b-1), a salvage pool operator shall notify the owner of the motor vehicle and any lienholder that:

(1) the owner or lienholder must remove the motor vehicle from the salvage pool operator's possession at the location specified in the notice to the owner and any lienholder not later than the 30th day after the date the notice is mailed; and

(2) if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle as described by Subsection (d).

(d) The salvage pool operator may include in the costs described by Subsection (c)(2) only costs actually incurred by the salvage pool operator that have not been reimbursed by a third party or are not subject to being reimbursed by a third party, such as costs of notices, title searches, and towing and other costs incurred with respect to the motor vehicle. The costs described by Subsection (c)(2):

(1) may not include charges for storage or impoundment of the motor vehicle; and

(2) may be deducted only from the proceeds of a sale of the motor vehicle.

(e) The notice required of a salvage pool operator under this section must be sent by registered or certified mail, return receipt requested.

(f) If a motor vehicle is not removed from a salvage pool operator's possession before the 31st day after the date notice is mailed to the motor vehicle's owner and any lienholder under Subsection (c), the salvage pool operator may obtain

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from the department:

(1) a salvage vehicle title or salvage record of title for a salvage motor vehicle; or

(2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle.

(g) An application for a title under Subsection (f) must:

(1) be submitted to the department on a form prescribed by the department; and

(2) include evidence that the notice was mailed as required by Subsection (c) to the motor vehicle owner and any lienholder.

(h) A title issued under this section must be issued in the name of the salvage pool operator.

(i) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.

(j) On receipt of a title under this section, the salvage pool operator shall sell the motor vehicle and retain from the proceeds of the sale the costs incurred by the salvage pool operator as permitted by Subsection (d) along with the cost of titling and selling the motor vehicle. The salvage pool operator shall pay any excess proceeds from the sale to the previous owner of the motor vehicle and the lienholder, if any. The excess proceeds must be mailed to the lienholder.

(k) If the previous owner of the motor vehicle and the lienholder, if any, cannot be identified or located, any excess proceeds from the sale of the motor vehicle under Subsection (j) shall escheat to the State of Texas. The proceeds shall be administered by the comptroller and shall be disposed of in the manner provided by Chapter 74, Property Code.

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SECTION 47. Section 501.093, Transportation Code, is redesignated as Section 501.1002, Transportation Code, and amended to read as follows:

Sec. 501.1002 [~~501.093~~]. OWNER-RETAINED [~~INSURANCE COMPANY REPORT ON CERTAIN~~]

VEHICLES. (a) If an insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, the insurance company shall:

(1) apply on behalf of the owner for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title; or

(2) notify the owner of the information contained in:

(A) Subsection (b); or

(B) Section 501.09111; and

(3) submit to the department, before the 31st day after the date of the payment of the claim, in a manner [on the form] prescribed by the department, a report stating that the insurance company:

(A) [(1)] has paid a claim on the motor vehicle; and

(B) [(2)] has not acquired ownership of the motor vehicle.

(b) The owner of a motor vehicle to which this section applies may not operate or permit operation of the motor vehicle on a public highway or transfer ownership of the motor vehicle by sale or otherwise unless the department has issued a salvage vehicle title, salvage record of title, [or a] nonrepairable vehicle title, or nonrepairable record of title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

~~[(c) Subsection (b) does not apply if:~~

~~[(1) the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle; or~~

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~~[(2) another state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle.]~~

SECTION 48. Section 501.096, Transportation Code, is redesignated as Section 501.1003, Transportation Code, and amended to read as follows:

Sec. 501.1003 ~~[501.096]~~. ~~[NONREPAIRABLE MOTOR VEHICLE OR]~~ SALVAGE DEALER RESPONSIBILITIES ~~[MOTOR VEHICLE DISMANTLED, SCRAPPED, OR DESTROYED]~~.

(a) If a salvage vehicle dealer acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, the dealer shall, before the 31st day after the date the dealer acquires the motor vehicle, submit to the department a report stating that the motor vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

(1) make the report in a manner ~~[on a form]~~ prescribed by the department; and

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

(b) After receiving the report and title or document, the department shall issue the salvage vehicle dealer a receipt for the manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document.

(c) The department shall adopt rules to notify the salvage [vehicle] dealer if the vehicle was not issued a printed title, but has a record of title in the department's titling system

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[shall:

~~[(1) keep on the business premises of the dealer, until the third anniversary of the date the report on the motor vehicle is submitted to the department, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed; and~~

~~[(2) present to the department, on the form prescribed by the department, evidence that the motor vehicle was dismantled, scrapped, or destroyed before the 61st day after the date the dealer completed the dismantling, scrapping, or destruction of the motor vehicle].~~

SECTION 49. Section 501.104, Transportation Code, is amended to read as follows:

Sec. 501.104. REBUILDER TO POSSESS TITLE OR OTHER DOCUMENTATION. (a) This section applies ~~[only]~~ to [:

~~[(1) a rebuilder licensed as a salvage vehicle dealer;~~

~~[(2)] a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles ~~[the business of a rebuilder]~~, regardless of whether the person is licensed to engage in that business [; or~~

~~[(3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period].~~

(b) A person described by Subsection (a) must possess:

(1) an acceptable ~~[a regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out of state]~~ ownership document or proof of ownership for any motor vehicle that is:

(A) owned by the person;

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- (B) in the person's inventory; and
- (C) being offered for resale; or
- (2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:
  - (A) owned by another person;
  - (B) on the person's business or casual premises; and
  - (C) being repaired, rebuilt, or reconstructed for the other person.

SECTION 50. Section 501.105, Transportation Code, is redesignated as Section 501.108, Transportation Code, and amended to read as follows:

Sec. 501.108 [~~501.105~~]. RECORD RETENTION [~~OF RECORDS RELATING TO CERTAIN CASUAL SALES~~].

(a) Each licensed salvage vehicle dealer, used automotive parts recycler, or insurance company that sells a nonrepairable motor vehicle or a salvage motor vehicle at a casual sale shall keep on the business premises of the dealer or the insurance company a list of all casual sales made during the preceding 36-month period that contains:

- (1) the date of the sale;
- (2) the name of the purchaser;
- (3) the name of the jurisdiction that issued the identification document provided by the purchaser, as shown on the document; and
- (4) the vehicle identification number.

(b) ~~A salvage vehicle dealer or used automotive parts recycler shall keep on the business premises of the dealer or recycler, until the third anniversary of the date the report on the motor vehicle is submitted to the department, a record of the vehicle,~~

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its ownership, and its condition as dismantled, scrapped, or destroyed as required by Section 501.1003.

SECTION 51. (a) Section 501.102, Transportation Code, is redesignated as Section 501.109, Transportation Code, and amended to read as follows:

Sec. 501.109 [~~501.102~~]. OFFENSES. (a) A person commits an offense if the person:

- (1) applies to the department for a [~~regular certificate of~~] title for a motor vehicle; and
  - (2) knows or reasonably should know that:
    - (A) the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (B) the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (C) the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (D) the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle;
    - (E) the motor vehicle is an export-only motor vehicle; or
    - (F) the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.
- (b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage motor vehicle in violation of this subchapter.
- (c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the

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SECTION 49. Section 501.102, Transportation Code, is redesignated as Section 501.109, Transportation Code, and amended to read as follows:

Sec. 501.109 [~~501.102~~]. OFFENSES. (a) A person commits an offense if the person:

- (1) applies to the department for a [~~regular certificate of~~] title for a motor vehicle; and
  - (2) knows or reasonably should know that:
    - (A) the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (B) the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (C) the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
    - (D) the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle;
    - (E) the motor vehicle is an export-only motor vehicle; or
    - (F) the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.
- (b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage motor vehicle in violation of this subchapter.
- (c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the

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person:

(1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or  
(2) knows the vehicle has become a nonrepairable motor vehicle or salvage motor vehicle under Section 501.1001 [~~501.094~~].

(d) Except as provided by Subsection (e), an offense under this section is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under this section that the defendant has been previously convicted of:

(1) one offense under this section, the offense is a Class B misdemeanor; or

(2) two or more offenses under this section, the offense is a state jail felony.

(f) Subsection (c) does not apply to an applicant for a title under Sections 501.10015 and 501.10025.

(b) The change in law made by this section applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 52. Section 501.106, Transportation Code, is redesignated as Section 501.110, Transportation Code, and amended to read as follows:

Sec. 501.110 [~~501.106~~]. ENFORCEMENT OF SUBCHAPTER. (a) This subchapter shall be enforced by the

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person:

(1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or  
(2) knows the vehicle has become a nonrepairable motor vehicle or salvage motor vehicle under Section 501.1001 [~~501.094~~].

(d) Except as provided by Subsection (e), an offense under this section is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under this section that the defendant has been previously convicted of:

(1) one offense under this section, the offense is a Class B misdemeanor; or

(2) two or more offenses under this section, the offense is a state jail felony.

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department and any other governmental or law enforcement entity, including the Department of Public Safety, and the personnel of the entity as provided by this subchapter.

(b) The department, an agent, officer, or employee of the department, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance or revocation of a [~~regular certificate of~~] title, nonrepairable vehicle title, nonrepairable record of title, [~~or~~] salvage vehicle title, or salvage record of title under this subchapter.

SECTION 53. Section 501.111(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Subsection (b), a person may perfect a security interest in a motor vehicle that is the subject of a first or subsequent sale only by recording the security interest on the [~~certificate of~~] title as provided by this chapter.

SECTION 54. Section 501.113, Transportation Code, is amended to read as follows:

Sec. 501.113. RECORDATION OF SECURITY INTEREST.

(a) Recordation of a lien under this chapter is considered to occur when:

(1) the department's titling system is updated; or

(2) the county assessor-collector [:

~~(1) is presented with an application for a certificate of title that discloses the lien with tender of the filing fee; or~~

~~(2)] accepts the application of title that discloses the lien with the filing fee.~~

(b) For purposes of Chapter 9, Business & Commerce Code,

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the time of recording a lien under this chapter is considered to be the time of filing the security interest, and on such recordation, the recorded lienholder and assignees under Section 501.114 obtain priority over the rights of a lien creditor, as defined by Section 9.102, Business & Commerce Code, for so long as the lien is recorded on the [~~certificate of~~] title.

SECTION 55. Sections 501.114(b), (d), (e), (f), and (g), Transportation Code, are amended to read as follows:

(b) An assignee or assignor may, but need not to retain the validity, perfection, and priority of the lien assigned, as evidence of the assignment of a lien recorded under Section 501.113:

(1) apply to the county assessor-collector for the assignee to be named as lienholder on the [~~certificate of~~] title; and

(2) notify the debtor of the assignment.

(d) An application under Subsection (b) must be acknowledged[-

~~(1) signed] by the assignee[-and~~

~~(2) accompanied by:~~

~~(A) the applicable fee;~~

~~(B) a copy of the assignment agreement executed by the parties; and~~

~~(C) the certificate of title on which the lien to be assigned is recorded].~~

(e) On receipt of the completed application and fee, the department may:

(1) [~~may~~] amend the department's records to substitute the assignee for the recorded lienholder; and

(2) [~~shall~~] issue a new [~~certificate of~~] title as provided by this

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~~chapter [Section 501.027].~~

(f) The issuance of a ~~[certificate of]~~ title under Subsection (e) is recordation of the assignment.

(g) Regardless of whether application is made for the assignee to be named as lienholder on the ~~[certificate of]~~ title, the time of the recordation of a lien assigned under this section is considered to be the time the lien was initially recorded under Section 501.113.

SECTION 56. Section 501.115, Transportation Code, is amended to read as follows:

Sec. 501.115. DISCHARGE OF LIEN. (a) When a debt or claim secured by a lien has been satisfied, the lienholder shall, within a reasonable time not to exceed the maximum time allowed by Section 348.408, Finance Code, execute and deliver to the owner, or the owner's designee, a discharge of the lien ~~in~~ ~~on~~ a manner ~~[form]~~ prescribed by the department.

(b) The owner may submit ~~[present]~~ the discharge and ~~[certificate of]~~ title to the department ~~for [county assessor-collector with an application for a new certificate of title and the department shall issue]~~ a new ~~[certificate of]~~ title.

SECTION 57. Section 501.116, Transportation Code, is amended to read as follows:

Sec. 501.116. CANCELLATION OF DISCHARGED LIEN. The department may cancel a discharged lien that has been recorded on a ~~[certificate of]~~ title for 10 ~~[six]~~ years or more if the recorded lienholder:

- (1) does not exist; or
- (2) cannot be located for the owner to obtain a release of the

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SECTION 58. Section 501.117, Transportation Code, is amended by amending Subsection (a) and adding Subsections (d), (d-1), (d-2), (e), and (f) to read as follows:

(a) The department by rule shall develop a system under which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on a certificate of title. The department may establish categories of lienholders that may participate in the system and, except as provided by this section, may require a lienholder to participate in the system [~~Participation by a lienholder in the system is voluntary~~].

(d) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system if the department has issued fewer than 100 notifications of security interests in motor vehicles to the depository institution during a calendar year.

(d-1) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system:

(1) during 2011, if the department issues fewer than 200 notifications of security interests in motor vehicles to the depository institution between September 1, 2011, and December 31, 2011; and

(2) during 2012, if the depository institution was exempt under Subdivision (1) and the department issues fewer than 200 notifications of security interests in motor vehicles to the depository institution in 2012.

(d-2) This subsection and Subsection (d-1) expire January 1, 2013.

No equivalent provision.

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(e) The department by rule shall establish a reasonable schedule for compliance with the requirements of Subsection (a) for each category of lienholder that the department requires to participate in the system.

(f) The department may not:

(1) prohibit a lienholder from using an intermediary to access the system; or

(2) require a lienholder to use an intermediary to access the system.

SECTION 59. Sections 501.134(a), (b), (c), (d), and (g), Transportation Code, are amended to read as follows:

(a) If a printed ~~[certificate of]~~ title is lost or destroyed, the owner or lienholder disclosed on the title ~~[certificate]~~ may obtain, in the manner provided by this section and department rule, a certified copy of the lost or destroyed ~~[certificate of]~~ title directly from the department by applying in ~~[on]~~ a manner ~~[form]~~ prescribed by the department and paying a fee of \$2. A fee collected under this subsection shall be deposited to the credit of the state highway fund and may be spent only as provided by Section 501.138.

(b) If a lien is disclosed on a ~~[certificate of]~~ title, the department may issue a certified copy of the original ~~[certificate of]~~ title only to the first lienholder or the lienholder's verified agent.

(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section ~~[, and each subsequent certificate issued for the motor vehicle until the vehicle is transferred]~~. A subsequent purchaser or lienholder of the vehicle only acquires the rights, title, or interest in the vehicle held by the holder of the certified copy.

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(d) A purchaser or lienholder of a motor vehicle having a certified copy issued under this section may at the time of the purchase or establishment of the lien require that the seller or owner indemnify the purchaser or lienholder and all subsequent purchasers of the vehicle against any loss the person may suffer because of a claim presented on the original ~~[certificate of]~~ title.

(g) The department may issue a certified copy of a ~~[certificate of]~~ title ~~[before the fourth business day after the date application is made]~~ only if the applicant:

(1) is the registered owner of the vehicle, the holder of a recorded lien against the vehicle, or a verified agent of the owner or lienholder; and

(2) submits personal identification as required by department rule, ~~including a photograph, issued by an agency of this state or the United States~~].

SECTION 60. Section 501.135(a), Transportation Code, is amended to read as follows:

(a) The department shall:

(1) make a record of each report to the department that a motor vehicle registered in this state has been stolen or concealed in violation of Section 32.33, Penal Code; and

(2) note the fact of the report in the department's records ~~[of the vehicle's certificate of title]~~.

SECTION 61. Sections 501.138(a), (b), and (b-1), Transportation Code, are amended to read as follows:

(a) An applicant for a ~~[certificate of]~~ title, other than the state or a political subdivision of the state, must pay ~~[the county~~

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SECTION 58. Same as House version.

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~~assessor-collector]~~ a fee of:

(1) \$33 if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(2) \$28 if the applicant's residence is any other county.

(b) The fees ~~[county assessor-collector]~~ shall be distributed as follows ~~[send]~~:

(1) \$5 of the fee to the county treasurer for deposit in the officers' salary fund;

(2) \$8 of the fee to the department:

(A) together with the application within the time prescribed by Section 501.023; or

(B) if the fee is deposited in an interest-bearing account or certificate in the county depository or invested in an investment authorized by Subchapter A, Chapter 2256, Government Code, not later than the 35th day after the date on which the fee is received; and

(3) the following amount to the comptroller at the time and in the manner prescribed by the comptroller:

(A) \$20 of the fee if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(B) \$15 of the fee if the applicant's residence is any other county.

(b-1) Fees collected under Subsection (b) to be sent to the comptroller shall be deposited ~~[as follows]~~:

~~[(1) before September 1, 2008, to the credit of the Texas emissions reduction plan fund; and~~

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~~[(2) on or after September 1, 2008,]~~ to the credit of the Texas Mobility Fund, except that \$5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, shall be deposited to the credit of the Texas emissions reduction plan fund.

SECTION 62. Section 520.031, Transportation Code, as amended by Chapters 836 (H.B. 1743) and 1423 (H.B. 2409), Acts of the 76th Legislature, Regular Session, 1999, is transferred to Subchapter H, Chapter 501, Transportation Code, redesignated as Section 501.145, Transportation Code, and reenacted and amended to read as follows:

Sec. 501.145 ~~[520.031]~~. FILING BY PURCHASER [TRANSFEREE]; APPLICATION FOR TRANSFER OF TITLE [AND REGISTRATION]. (a) Not later than the later of the 30th [20th working] day after the date of assignment on [receiving] the documents or the date provided by Section 152.069, Tax Code [under Section 520.022 or 520.0225], the purchaser [transferee] of the used motor vehicle shall file with the county assessor-collector:

(1) ~~[the license receipt and]~~ the certificate of title or other evidence of title; or

(2) if appropriate, a document described by Section 502.457 [520.0225(b)(1) or (2)] and the ~~[certificate of]~~ title or other evidence of ownership [title].

(b) The filing under Subsection (a) is an application for transfer of title as required under this chapter [Chapter 501] and ~~[-if the license receipt is filed,]~~ an application for transfer of the registration of the motor vehicle.

(c) ~~[In this section, "working day" means any day other than a Saturday, a Sunday, or a holiday on which county offices are~~

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~~closed.~~

~~[(d)]~~ Notwithstanding Subsection (a), if the purchaser ~~[transferee]~~ is a member of the armed forces of the United States, a member of the Texas National Guard or of the National Guard of another state serving on active duty under an order of the president of the United States, or a member of a reserve component of the armed forces of the United States serving on active duty under an order of the president of the United States, the documents described by Subsection (a) must be filed with the county assessor-collector not later than the 60th ~~[working]~~ day after the date of assignment of ownership ~~[their receipt by the transferee]~~.

SECTION 63. Section 520.032, Transportation Code, is transferred to Subchapter H, Chapter 501, Transportation Code, redesignated as Section 501.146, Transportation Code, and amended to read as follows:

Sec. 501.146 ~~[520.032]~~. TITLE TRANSFER [FEE]; LATE FEE. (a) ~~[The transferee of a used motor vehicle shall pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of \$2.50 for the transfer of the registration of the motor vehicle.~~

~~[(b)]~~ If the ~~[transferee does not file the]~~ application for the transfer of title is not filed during the period provided by Section 501.145, ~~the [520.031, the transferee is liable for a]~~ late fee is to be paid to the county assessor-collector when the application is filed. If the seller ~~[transferee]~~ holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the seller is liable for the late fee in the amount of ~~[the late fee is]~~ \$10. If the seller ~~[transferee]~~ does not hold a general distinguishing number,

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subject to Subsection (b) ~~[(b-1)]~~ the applicant's ~~[amount of the]~~ late fee is \$25.

~~(b) [(b-1)]~~ If the application is filed after the 60th ~~[31st working]~~ day after the date the purchaser was assigned ownership of ~~[transferee received]~~ the documents under Section 501.0721 ~~[520.022]~~, the late fee imposed under Subsection (a) ~~[(b)]~~ accrues an additional penalty in the amount of \$25 for each subsequent 30-day period, or portion of a 30-day period, in which the application is not filed.

(c) ~~[The county assessor collector and the surety on the county assessor collector's bond are liable for the late fee if the county assessor collector does not collect the late fee.]~~

~~[(d)]~~ Subsections (a) and (b) ~~[and (b-1)]~~ do not apply if the motor vehicle is eligible to be issued:

- (1) classic vehicle license plates under Section 504.501; or
- (2) antique vehicle license plates under Section 504.502.

SECTION 64. Section 520.023, Transportation Code, is transferred to Subchapter H, Chapter 501, Transportation Code, redesignated as Section 501.147, Transportation Code, and amended to read as follows:

Sec. 501.147 ~~[520.023]~~. ~~[POWERS AND DUTIES OF DEPARTMENT ON TRANSFER OF USED] VEHICLE TRANSFER NOTIFICATION.~~ (a) On receipt of a written notice of transfer from the seller ~~[transferor]~~ of a motor vehicle, the department shall indicate the transfer on the motor vehicle records maintained by the department. As an alternative to a written notice of transfer, the department shall establish procedures that permit the seller ~~[transferor]~~ of a motor vehicle to electronically submit a notice of transfer to the department through the department's Internet website. A

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notice of transfer provided through the department's Internet website is not required to bear the signature of the seller [~~transferor~~] or include the date of signing.

(b) [~~The department may design the written notice of transfer to be part of the certificate of title for the vehicle.~~] The notice of transfer [~~form~~] shall be provided by the department and must include a place for the seller [~~transferor~~] to state:

(1) a complete description of the vehicle as prescribed by the department [~~identification number of the vehicle~~];

(2) [~~the number of the license plate issued to the vehicle, if any;~~

[~~(3)~~] the full name and address of the seller [~~transferor~~];

(3) [~~(4)~~] the full name and address of the purchaser [~~transferee~~];

(4) [~~(5)~~] the date the seller [~~transferor~~] delivered possession of the vehicle to the purchaser [~~transferee~~];

(5) [~~(6)~~] the signature of the seller [~~transferor~~]; and

(6) [~~(7)~~] the date the seller [~~transferor~~] signed the form.

(c) This subsection applies only if the department receives notice under Subsection (a) before the 30th day after the date the seller [~~transferor~~] delivered possession of the vehicle to the purchaser or in accordance with Section 152.069, Tax Code [~~transferee~~]. After the date of the transfer of the vehicle shown on the records of the department, the purchaser [~~transferee~~] of the vehicle shown on the records is rebuttably presumed to be:

(1) the owner of the vehicle; and

(2) subject to civil and criminal liability arising out of the use, operation, or abandonment of the vehicle, to the extent that ownership of the vehicle subjects the owner of the vehicle to criminal or civil liability under another provision of law.

(d) The department may adopt[:

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~~[(1)] rules to implement this section [; and~~  
~~[(2) a fee for filing a notice of transfer under this section in an amount not to exceed the lesser of the actual cost to the department of implementing this section or \$5].~~

(e) This section does not impose or establish civil or criminal liability on the owner of a motor vehicle who transfers ownership of the vehicle but does not disclose the transfer to the department.

(f) ~~[This section does not require the department to issue a certificate of title to a person shown on a notice of transfer as the transferee of a motor vehicle.]~~ The department may not issue a ~~[certificate of]~~ title or register ~~[for]~~ the vehicle until the purchaser ~~[transferee]~~ applies for a title to the county assessor-collector as provided by this chapter ~~[Chapter 501]~~.

(g) A transferor who files the appropriate form with the department as provided by, and in accordance with, this section, whether that form is a part of a ~~[certificate of]~~ title or a form otherwise promulgated by the department to comply with the terms of this section, has no vicarious civil or criminal liability arising out of the use, operation, or abandonment of the vehicle by another person. Proof by the transferor that the transferor filed a form under this section is a complete defense to an action brought against the transferor for an act or omission, civil or criminal, arising out of the use, operation, or abandonment of the vehicle by another person after the transferor filed the form. A copy of the form filed under this section is proof of the filing of the form.

SECTION 65. Section 520.033, Transportation Code, is transferred to Subchapter H, Chapter 501, Transportation Code, redesignated as Section 501.148, Transportation Code,

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and amended to read as follows:

Sec. ~~501.148~~ [520.033]. ALLOCATION OF FEES. (a) The county assessor-collector may retain as commission for services provided under this subchapter ~~[half of each transfer fee collected,]~~ half of each late fee~~[, and half of each additional penalty collected under Section 520.032].~~

(b) The county assessor-collector shall report and remit the balance of the fees collected to the department on Monday of each week as other ~~[registration]~~ fees are required to be reported and remitted.

(c) Of each late fee collected from a person who does not hold a general distinguishing number ~~by~~ ~~[that]~~ the department ~~[receives]~~ under Subsection (b), \$10 may be used only to fund a statewide public awareness campaign designed to inform and educate the public about the provisions of this chapter.

SECTION 66. Section 501.152(b), Transportation Code, is amended to read as follows:

(b) It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the ~~[certificate of]~~ title to the vehicle if the sole reason he or she does not have possession of the ~~[certificate of]~~ title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) ~~[of this code].~~

SECTION 67. Section 501.153, Transportation Code, is amended to read as follows:

Sec. 501.153. APPLICATION FOR TITLE FOR STOLEN OR CONCEALED VEHICLE. A person commits an offense

SECTION 63. Same as House version.

SECTION 64. Same as House version.

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if the person applies for a [~~certificate of~~] title for a motor vehicle that the person knows is stolen or concealed in violation of Section 32.33, Penal Code.

SECTION 68. Section 501.154, Transportation Code, is amended to read as follows:

Sec. 501.154. ALTERATION OF CERTIFICATE OR RECEIPT. A person commits an offense if the person alters a manufacturer's [~~or importer's~~] certificate, a title receipt, or a [~~certificate of~~] title.

SECTION 69. Section 501.155(a), Transportation Code, is amended to read as follows:

- (a) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:
- (1) an application for a [~~certificate of~~] title;
  - (2) an application for a certified copy of an original [~~certificate of~~] title;
  - (3) an assignment of title for a motor vehicle;
  - (4) a discharge of a lien on a title for a motor vehicle; or
  - (5) any other document required by the department or necessary to the transfer of ownership of a motor vehicle.

SECTION 70. The heading to Section 501.158, Transportation Code, is amended to read as follows:

Sec. 501.158. SEIZURE OF STOLEN VEHICLE OR VEHICLE WITH ALTERED VEHICLE IDENTIFICATION [SERIAL] NUMBER.

SENATE VERSION (IE)

SECTION 65. Same as House version.

SECTION 66. Same as House version.

SECTION 67. Same as House version.

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SECTION 71. Section 520.035, Transportation Code, is transferred to Subchapter H, Chapter 501, Transportation Code, redesignated as Section 501.161, Transportation Code, and amended to read as follows:

Sec. 501.161 [~~520.035~~]. EXECUTION OF TRANSFER DOCUMENTS; PENALTY. (a) A person who transfers a motor vehicle in this state shall complete [~~execute~~] in full and date as of the date of the transfer all documents relating to the transfer of registration or [~~certificate of~~] title. A person who transfers a vehicle commits an offense if the person fails to execute the documents in full.

(b) A person commits an offense if the person:

(1) accepts a document described by Subsection (a) that does not contain all of the required information; or

(2) alters or mutilates such a document.

(c) An offense under this section is a misdemeanor punishable by a fine of not less than \$50 and not more than \$200.

SECTION 72. Subchapter H, Chapter 501, Transportation Code, is amended by adding Sections 501.162 and 501.163 to read as follows:

Sec. 501.162. MOTOR NUMBER REQUIRED FOR REGISTRATION; PENALTY. A person commits an offense if the person violates Section 501.0331. An offense under this section is a misdemeanor punishable by a fine of not less than \$50 and not more than \$100.

Sec. 501.163. APPLICATION FOR MOTOR NUMBER RECORD; PENALTY. A person who fails to comply with

SECTION 68. Same as House version.

SECTION 69. Same as House version.

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Section 501.0332 commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than \$10 and not more than \$100.

SECTION 73. Chapter 501, Transportation Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. ELECTRONIC TITLING SYSTEM

Sec. 501.171. APPLICATION OF SUBCHAPTER. This subchapter applies only if the department implements a titling system under Section 501.173.

Sec. 501.172. DEFINITIONS. In this subchapter:

(1) "Document" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(2) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) "Electronic document" means a document that is in an electronic form.

(4) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

(5) "Paper document" means a document that is in printed form.

Sec. 501.173. ELECTRONIC TITLING SYSTEM. (a) The board by rule may implement an electronic titling system.

(b) A record of title maintained electronically by the department in the titling system is the official record of vehicle ownership unless the owner requests that the department issue a printed title.

SENATE VERSION (IE)

SECTION 70. Chapter 501, Transportation Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. ELECTRONIC TITLING SYSTEM

Sec. 501.171. APPLICATION OF SUBCHAPTER. This subchapter applies only if the department implements a titling system under Section 501.173.

Sec. 501.172. DEFINITIONS. In this subchapter:

(1) "Document" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(2) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) "Electronic document" means a document that is in an electronic form.

(4) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

(5) "Paper document" means a document that is in printed form.

Sec. 501.173. ELECTRONIC TITLING SYSTEM. (a) The board by rule may implement an electronic titling system.

(b) A record of title maintained electronically by the department in the titling system is the official record of vehicle ownership unless the owner requests that the department issue a printed title.

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Sec. 501.174. VALIDITY OF ELECTRONIC DOCUMENTS. (a) If this chapter requires that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is met by an electronic document that complies with this subchapter.

(b) If a law requires that a document be signed, the requirement is satisfied by an electronic signature.

(c) A requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

Sec. 501.175. RECORDING OF DOCUMENTS. (a) Under the titling system, the department may:

(1) receive, index, store, archive, and transmit electronic documents;

(2) provide for access to, and for search and retrieval of, documents and information by electronic means; and

(3) convert into electronic form:

(A) paper documents that it accepts for the titling of a motor vehicle; and

(B) information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented.

(b) The department shall continue to accept paper documents after the titling system is implemented.

Sec. 501.176. PAYMENT OF FEES BY ELECTRONIC FUNDS TRANSFER OR CREDIT CARD. (a) The department may accept payment by electronic funds transfer,

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Sec. 501.174. VALIDITY OF ELECTRONIC DOCUMENTS. (a) If this chapter requires that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is met by an electronic document that complies with this subchapter.

(b) If a law requires that a document be signed, the requirement is satisfied by an electronic signature.

(c) A requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

Sec. 501.175. RECORDING OF DOCUMENTS. (a) Under the titling system, the department may:

(1) receive, index, store, archive, and transmit electronic documents;

(2) provide for access to, and for search and retrieval of, documents and information by electronic means; and

(3) convert into electronic form:

(A) paper documents that it accepts for the titling of a motor vehicle; and

(B) information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented.

(b) The department shall continue to accept paper documents after the titling system is implemented.

Sec. 501.176. PAYMENT OF FEES BY ELECTRONIC FUNDS TRANSFER OR CREDIT CARD. (a) The department may accept payment by electronic funds transfer,

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credit card, or debit card of any title or registration fee that the department is required or authorized to collect under this chapter.

(b) The department may collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card. The amount of the fee must not exceed the charges incurred by the state because of the use of the electronic funds transfer, credit card, or debit card.

(c) For online transactions the department may collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to any fee charged in accordance with Section 2054.2591, Government Code.

Sec. 501.177. SERVICE CHARGE. If, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, the department may collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The amount of the service charge must be reasonably related to the expense incurred by the department in collecting the original amount.

Sec. 501.178. DISPOSITION OF FEES. All fees collected under this subchapter shall be deposited to the credit of the state highway fund.

Sec. 501.179. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but

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credit card, or debit card of any title or registration fee that the department is required or authorized to collect under this chapter.

(b) The department may collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card in an amount not to exceed the amount of the charges incurred by the department to process the payment.

(c) The department may collect the fee set under Section 2054.2591, Government Code, from a person making a payment by electronic funds transfer, credit card, or debit card through the online project implemented under Section 2054.252, Government Code.

Sec. 501.177. SERVICE CHARGE. If, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, the department may collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The amount of the service charge must be reasonably related to the expense incurred by the department in collecting the original amount.

Sec. 501.178. DISPOSITION OF FEES. All fees collected under this subchapter shall be deposited to the credit of the state highway fund.

Sec. 501.179. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but

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does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

SECTION 74. Section 502.001, Transportation Code, is amended to read as follows:

Sec. 502.001. DEFINITIONS. In this chapter:

(1) "All-terrain vehicle" means a motor vehicle that is:

(A) equipped with a saddle for the use of:

(i) the rider; and

(ii) a passenger, if the motor vehicle is designed by the manufacturer to transport a passenger;

(B) designed to propel itself with three or more tires in contact with the ground;

(C) designed by the manufacturer for off-highway use; and

(D) not designed by the manufacturer primarily for farming or lawn care.

(2) "Apportioned license plate" means a license plate issued in lieu of a truck license plate or combination license plate to a motor carrier in this state who proportionally registers a vehicle owned or leased by the carrier in one or more other states.

(3) [(1-a)] "Board" means the board of the Texas Department of Motor Vehicles.

(4) "Combination license plate" means a license plate issued for a truck or truck-tractor that is used or intended to be used in combination with a semitrailer that has a gross weight of more than 6,000 pounds.

(5) "Combined gross weight" means the empty weight of the truck-tractor or commercial motor vehicle combined with the

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does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)). [FA1(2)]

SECTION 71. Same as House version.

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empty weight of the heaviest semitrailer used or to be used in combination with the truck-tractor or commercial motor vehicle plus the heaviest net load to be carried on the combination during the registration year.

(6) [(1-a)] "Commercial fleet" means a group of at least 25 nonapportioned motor vehicles, semitrailers, or trailers owned, operated, or leased by a corporation, limited or general partnership, limited liability company, or other business entity and used for the business purposes of that entity.

(7) [(2)] "Commercial motor vehicle" means a commercial motor vehicle as defined by Section 644.001[, other than a motorcycle, designed or used primarily to transport property. The term includes a passenger car reconstructed and used primarily for delivery purposes. The term does not include a passenger car used to deliver the United States mail].

(8) "Construction machinery" means a vehicle that:

(A) is used for construction;

(B) is built from the ground up;

(C) is not mounted or affixed to another vehicle such as a trailer;

(D) was originally and permanently designed as machinery;

(E) was not in any way originally designed to transport persons or property; and

(F) does not carry a load, including fuel.

(9) "Credit card" has the meaning assigned by Section 501.002.

(10) "Debit card" has the meaning assigned by Section 501.002.

(11) [(3)] "Department" means the Texas Department of Motor Vehicles.

(12) "Electric bicycle" has the meaning assigned by Section 541.201.

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(13) "Electric personal assistive mobility device" has the meaning assigned by Section 551.201.

(14) "Empty weight" means the unladen weight of a truck-tractor or commercial motor vehicle and semitrailer combination fully equipped, as certified by a public weigher or license and weight inspector of the Department of Public Safety.

(15) [(4)] "Farm semitrailer" or "farm trailer" means a vehicle [semitrailer] designed and used primarily as a farm vehicle.

(16) [(5)] "Farm tractor" has the meaning assigned by Section 541.201 [means a motor vehicle designed and used primarily as a farm implement for drawing other implements of husbandry].

(17) "Forestry vehicle" [(6) "Farm trailer"] means a vehicle [trailer] designed and used exclusively for transporting forest products in their natural state, including logs, debarked logs, untreated ties, stave bolts, plywood bolts, pulpwood billets, wood chips, stumps, sawdust, moss, bark, and wood shavings, and property used in production of those products [primarily as a farm vehicle].

(18) [(7)] "Golf cart" means a motor vehicle designed by the manufacturer primarily for use [transporting persons] on a golf course.

(19) "Gross vehicle weight" has the meaning assigned by Section 541.401.

(20) [(8)] "Implements of husbandry" has the meaning assigned by Section 541.201 [means farm implements, machinery, and tools as used in tilling the soil, including self-propelled machinery specifically designed or adapted for applying plant food materials or agricultural chemicals but not specifically designed or adapted for the sole purpose of transporting the materials or chemicals. The term does not

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~~include a passenger car or truck].~~

(21) [(9)] "Light truck" has the meaning assigned by Section 541.201 [means a commercial motor vehicle that has a manufacturer's rated carrying capacity of one ton or less].

(22) [(10)] "Moped" has the meaning assigned by Section 541.201.

(23) [(11)] "Motor bus" includes every vehicle used to transport persons on the public highways for compensation, other than:

(A) a vehicle operated by muscular power; or

(B) a municipal bus.

(24) [(12)] "Motorcycle" has the meaning assigned by Section 521.001 or 541.201, as applicable [means a motor vehicle designed to propel itself with not more than three wheels in contact with the ground. The term does not include a tractor].

(25) [(13)] "Motor vehicle" means a vehicle that is self-propelled.

(26) "Motorized mobility device" has the meaning assigned by Section 542.009.

(27) [(14)] "Municipal bus" includes every vehicle, other than a passenger car, used to transport persons for compensation exclusively within the limits of a municipality or a suburban addition to the municipality.

(28) "Net carrying capacity" means the heaviest net load that is able to be carried on a vehicle, but not less than the manufacturer's rated carrying capacity.

(29) "Oil well servicing, cleanout, or drilling machinery":

(A) has the meaning assigned by Section 623.149; or

(B) means a mobile crane:

(i) that is an unladen, self-propelled vehicle constructed as a machine and used solely to raise, shift, or lower heavy weights by means of a projecting, swinging mast with an engine for

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power on a chassis permanently constructed or assembled for that purpose; and

(ii) for which the owner has secured a permit from the department under Section 623.142.

(30) [(45)] "Operate temporarily on the highways" means to travel between:

(A) different farms;

(B) a place of supply or storage and a farm; or

(C) an owner's farm and the place at which the owner's farm produce is prepared for market or is marketed.

(31) [(46)] "Owner" means a person who:

(A) holds the legal title of a vehicle;

(B) has the legal right of possession of a vehicle; or

(C) has the legal right of control of a vehicle.

(32) [(47)] "Passenger car" has the meaning assigned by Section 541.201 [means a motor vehicle, other than a motoreycle, golf cart, light truck, or bus, designed or used primarily for the transportation of persons].

(33) "Power sweeper" means an implement, with or without motive power, designed for the removal by a broom, vacuum, or regenerative air system of debris, dirt, gravel, litter, or sand from asphaltic concrete or cement concrete surfaces, including surfaces of parking lots, roads, streets, highways, and warehouse floors. The term includes a vehicle on which the implement is permanently mounted if the vehicle is used only as a power sweeper.

(34) "Private bus" means a bus that:

(A) is not operated for hire; and

(B) is not a municipal bus or a motor bus.

(35) [(48)] "Public highway" includes a road, street, way, thoroughfare, or bridge:

(A) that is in this state;

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- (B) that is for the use of vehicles;
  - (C) that is not privately owned or controlled; and
  - (D) over which the state has legislative jurisdiction under its police power.
- (36) [~~(19)~~] "Public property" means property owned or leased by this state or a political subdivision of this state.
- (37) [~~(19-a)~~] "Recreational off-highway vehicle" means a motor vehicle that is:
- (A) equipped with a non-straddle seat for the use of:
    - (i) the rider; and
    - (ii) a passenger, if the vehicle is designed by the manufacturer to transport a passenger;
  - (B) designed to propel itself with four or more tires in contact with the ground;
  - (C) designed by the manufacturer for off-highway use by the operator only; and
  - (D) not designed by the manufacturer primarily for farming or lawn care.
- (38) [~~(20)~~] "Road tractor" means a vehicle designed for the purpose of mowing the right-of-way of a public highway or a motor vehicle designed or used for drawing another vehicle or a load and not constructed to carry:
- (A) an independent load; or
  - (B) a part of the weight of the vehicle and load to be drawn.
- (39) [~~(21)~~] "Semitrailer" means a vehicle designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.
- (40) "Token trailer" means a semitrailer that:
- (A) has a gross weight of more than 6,000 pounds; and
  - (B) is operated in combination with a truck or a truck-tractor that has been issued:
    - (i) an apportioned license plate;

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- (ii) a combination license plate; or
- (iii) a forestry vehicle license plate.
- (41) "Tow truck" means a motor vehicle adapted or used to tow, winch, or otherwise move another motor vehicle.
- (42) [~~(22)~~] "Trailer" means a vehicle that:
  - (A) is designed or used to carry a load wholly on its own structure; and
  - (B) is drawn or designed to be drawn by a motor vehicle.
- (43) "Travel trailer" has the meaning assigned by Section 501.002.
- (44) [~~(23)~~] "Truck-tractor" means a motor vehicle:
  - (A) designed and used primarily for drawing another vehicle; and
  - (B) not constructed to carry a load other than a part of the weight of the vehicle and load to be drawn.
- (45) [~~(24)~~] "Vehicle" means a device in or by which a person or property is or may be transported or drawn on a public highway, other than a device used exclusively on stationary rails or tracks.

SECTION 75. Section 502.0021, Transportation Code, is amended to read as follows:

Sec. 502.0021. RULES AND FORMS. (a) The department may adopt rules to administer this chapter.

(b) The department shall post forms on the Internet and [~~(1) prescribe forms determined by the department to be necessary for the administration of this chapter; and~~] [~~(2)~~] provide each county assessor-collector with a sufficient [~~an adequate~~] supply of any [~~each form~~] necessary forms on request [~~for the performance of a duty under this chapter by the assessor collector~~].

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SECTION 72. Same as House version.

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SECTION 76. Subchapter A, Chapter 502, Transportation Code, is amended by adding Section 502.011 to read as follows:

Sec. 502.011. REFUSAL TO REGISTER VEHICLE FOR NONPAYMENT OF TOLL OR ADMINISTRATIVE FEE.

(a) The board shall adopt rules, with input from county assessor-collectors and toll project entities, to require the county assessor-collector and the department to refuse to register a motor vehicle if the motor vehicle is the subject of a past due toll or administrative fee owed to a toll project entity. The board's rules may include a time frame for implementation of the refusal process and a requirement for a toll project entity to enter into a contract with the department that includes:

(1) information necessary to determine that a toll or fee is past due;

(2) notification that the registration may be reinstated because of:

(A) payment or other means of discharge of the past due toll or fee; or

(B) perfection of an appeal following conviction of an offense related to the nonpayment of a toll, if applicable;

(3) compensation to the department or the county for reasonable expenses associated with providing services under the contract; and

(4) a time period when the toll or fee is considered past due.

(b) This section does not apply to the registration of a motor vehicle under Section 501.0234, unless the vehicle is titled and registered in the name of a person who holds a general distinguishing number.

No equivalent provision.

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(c) For purposes of this section "toll project entity" has the meaning assigned by Section 372.001, but does not include a county operating under Chapter 284 unless the commissioners court of the county adopts an order expressly electing to have this section apply to the county.

SECTION 77. Section 502.052, Transportation Code, is transferred to Subchapter A, Chapter 502, Transportation Code, redesignated as Section 502.00211, Transportation Code, and amended to read as follows:

Sec. 502.00211 ~~[502.052]~~. DESIGN OF ~~[LICENSE PLATES AND] REGISTRATION INSIGNIA~~; ~~REFLECTORIZED MATERIAL~~. ~~[(a)]~~ The department shall prepare the designs and specifications ~~[of license plates and devices selected by the board]~~ to be used as the registration insignia.

~~[(b)] The department shall design each license plate to include a design at least one half inch wide that represents in silhouette the shape of Texas and that appears between letters and numerals. The department may omit the silhouette of Texas from specially designed license plates.~~

~~[(c) To promote highway safety, each license plate shall be made with a reflectorized material that provides effective and dependable brightness for the period for which the plate is issued. The purchase of reflectorized material shall be submitted to the comptroller for approval.]~~

SECTION 78. The heading to Section 502.0023, Transportation Code, is amended to read as follows:

Sec. 502.0023. EXTENDED REGISTRATION OF COMMERCIAL FLEET ~~[MOTOR]~~ VEHICLES.

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SECTION 73. Same as House version.

SECTION 74. Same as House version.

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SECTION 79. Section 502.0023, Transportation Code, is amended by amending Subsections (a) and (c) and adding Subsection (i) to read as follows:

(a) Notwithstanding Section 502.044(c) [~~502.158(e)~~], the department shall develop and implement a system of registration to allow an owner of a commercial fleet to register the motor vehicles, semitrailers, and trailers in the commercial fleet for an extended registration period of not less than one year or more than eight years. The owner may select the number of years for registration under this section within that range and register the commercial fleet for that period. Payment for all registration fees for the entire registration period selected is due at the time of registration.

(c) In addition to the registration fees prescribed by this chapter [~~Subchapter D~~], an owner registering a commercial fleet under this section shall pay:

(1) an annual commercial fleet registration fee of \$10 per motor vehicle, semitrailer, or trailer in the fleet; and

(2) except as provided by Subsection (e), a one-time license plate manufacturing fee of \$1.50 for each fleet motor vehicle, semitrailer, or trailer license plate.

(i) The department may provide for credits for fleet registration.

SECTION 80. Section 502.185, Transportation Code, is transferred to Subchapter A, Chapter 502, Transportation Code, redesignated as Section 502.010, Transportation Code, and amended to read as follows:

Sec. 502.010 [~~502.185~~]. COUNTY SCOFFLAW [~~REFUSAL~~

SECTION 75. Same as House version.

SECTION 76. Section 502.185, Transportation Code, is transferred to Subchapter A, Chapter 502, Transportation Code, redesignated as Section 502.010, Transportation Code, and amended to read as follows:

Sec. 502.010 [~~502.185~~]. COUNTY SCOFFLAW [~~REFUSAL~~

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~~TO REGISTER VEHICLE IN CERTAIN COUNTIES].~~ (a) A county assessor-collector or the department may refuse to register a motor vehicle if the assessor-collector or the department receives information that the owner of the vehicle: (1) owes the county money for a fine, fee, or tax that is past due; or (2) failed to appear in connection with a complaint, citation, information, or indictment in a court in the county in which a criminal proceeding is pending against the owner.

(b) A county may contract with the department to provide information to the department necessary to make a determination under Subsection (a).

(c) A county that has a contract under Subsection (b) shall notify the department regarding a person for whom the county assessor-collector or the department has refused to register a motor vehicle on:

(1) the person's payment or other means of discharge of the past due fine, fee, or tax; or

(2) perfection of an appeal of the case contesting payment of the fine, fee, or tax.

(d) After notice is received under Subsection (c), the county assessor-collector or the department may not refuse to register the motor vehicle under Subsection (a).

(e) A contract under Subsection (b) must be entered into in accordance with Chapter 791, Government Code, and is subject to the ability of the parties to provide or pay for the services required under the contract.

(f) A county that has a contract under Subsection (b) may impose an additional fee to a person who: (1) fails to pay [paying] a fine, fee, or tax to the county by the date on which the fine, fee, or tax is [after it is past] due; or (2) fails to appear in connection with a complaint, citation,

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~~TO REGISTER VEHICLE IN CERTAIN COUNTIES].~~ (a) A county assessor-collector or the department may refuse to register a motor vehicle if the assessor-collector or the department receives information that the owner of the vehicle owes the county money for a fine, fee, or tax that is past due.

(b) A county may contract with the department to provide information to the department necessary to make a determination under Subsection (a).

(c) A county that has a contract under Subsection (b) shall notify the department regarding a person for whom the county assessor-collector or the department has refused to register a motor vehicle on:

(1) the person's payment or other means of discharge of the past due fine, fee, or tax; or

(2) perfection of an appeal of the case contesting payment of the fine, fee, or tax.

(d) After notice is received under Subsection (c), the county assessor-collector or the department may not refuse to register the motor vehicle under Subsection (a).

(e) A contract under Subsection (b) must be entered into in accordance with Chapter 791, Government Code, and is subject to the ability of the parties to provide or pay for the services required under the contract.

(f) A county that has a contract under Subsection (b) may impose an additional fee to a person paying a fine, fee, or tax to the county after it is past due.

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information, or indictment in a court in the county in which a criminal proceeding is pending against the owner.

(f-1) The additional fee may be used only to reimburse the department or the county for its expenses for providing services under the contract.

(g) In this section:

(1) a fine, fee, or tax is considered past due if it is unpaid 90 or more days after the date it is due; and

(2) registration of a motor vehicle includes renewal of the registration of the vehicle.

(h) This section does not apply to the registration of a motor vehicle under Section 501.0234, unless the vehicle is titled and registered in the name of a person who holds a general distinguishing number.

SECTION 81. The heading to Subchapter B, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER B. REGISTRATION REQUIREMENTS  
~~[STATE ADMINISTRATION]~~

SECTION 82. Section 502.002, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.040, Transportation Code, and amended to read as follows:

Sec. 502.040 ~~[502.002]~~. **REGISTRATION REQUIRED; GENERAL RULE.** (a) Not more than 30 days after purchasing a vehicle or becoming a resident of this state, the ~~[The]~~ owner of a motor vehicle, trailer, or semitrailer shall apply for the registration of the vehicle for:

(1) each registration year in which the vehicle is used or to be

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The additional fee may be used only to reimburse the department or the county for its expenses for providing services under the contract.

(g) In this section:

(1) a fine, fee, or tax is considered past due if it is unpaid 90 or more days after the date it is due; and

(2) registration of a motor vehicle includes renewal of the registration of the vehicle.

(h) This section does not apply to the registration of a motor vehicle under Section 501.0234, unless the vehicle is titled and registered in the name of a person who holds a general distinguishing number.

SECTION 77. Same as House version.

SECTION 78. Same as House version.

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used on a public highway; and

(2) if the vehicle is unregistered for a registration year that has begun and that applies to the vehicle and if the vehicle is used or to be used on a public highway, the remaining portion of that registration year.

(b) The application must be accompanied by personal identification as determined by department rule and made in a manner prescribed by [†] the department;

(1) through the county assessor-collector of the county in which the owner resides; or

(2) if the county in which the owner resides has been declared by the governor as a disaster area, through the county assessor-collector of a county that is one of the closest unaffected counties to a county that asks for assistance and:

(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and

(B) is inoperable for a protracted period of time.

(c) A provision of this chapter that conflicts with this section prevails over this section to the extent of the conflict.

(d) A county assessor-collector, a deputy county assessor-collector, or a person acting on behalf of a county assessor-collector is not liable to any person for:

(1) refusing to register a motor vehicle because of the person's failure to submit evidence of residency that complies with the department's rules; or

(2) registering a motor vehicle under this section.

SECTION 83. Section 502.157, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.041, Transportation Code,

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SECTION 79. Same as House version.

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and amended to read as follows:

Sec. 502.041 [~~502.157~~]. INITIAL REGISTRATION. (a) Notwithstanding Section 502.040 [~~502.002~~], [~~when a motor vehicle must be registered before an application for a certificate of title will be accepted,~~] the owner of a [the] vehicle may concurrently apply for a [~~certificate of~~] title and for registration through the county assessor-collector of the county in which:

- (1) the owner resides; or
  - (2) the vehicle is purchased or encumbered.
- (b) The first time an owner applies for registration of a vehicle, the owner may demonstrate compliance with Section 502.046(a) [~~502.153(a)~~] as to the vehicle by showing proof of financial responsibility in any manner specified in Section 502.046(c) [~~502.153(e)~~] as to:
- (1) any vehicle of the owner; or
  - (2) any vehicle used as part of the consideration for the purchase of the vehicle the owner applies to register.

SECTION 84. Section 502.152, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.042, Transportation Code, and amended to read as follows:

Sec. 502.042 [~~502.152~~]. [~~CERTIFICATE OF~~] TITLE REQUIRED FOR REGISTRATION. [~~(a)~~] The department may not register or renew the registration of a motor vehicle for which a [~~certificate of~~] title is required under Chapter 501 unless the owner:

- (1) obtains a [~~certificate of~~] title for the vehicle; or
- (2) presents satisfactory evidence that a [~~certificate of~~] title was previously issued to the owner by the department or

SECTION 80. Same as House version.

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another jurisdiction.

~~[(b) This section does not apply to an automobile that was purchased new before January 1, 1936.]~~

SECTION 85. Section 502.151, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.043, Transportation Code, and amended to read as follows:

Sec. 502.043 ~~[502.151]~~. APPLICATION FOR REGISTRATION. (a) An application for vehicle registration must:

(1) be made in a manner prescribed and include the information required ~~[on a form furnished]~~ by the department by rule; and

(2) contain a [the] full description ~~[name and address of the owner]~~ of the vehicle as required by department rule [;

~~[(3) contain a brief description of the vehicle;~~

~~[(4) contain any other information required by the department; and~~

~~[(5) be signed by the owner].~~

(b) The department shall deny the ~~[For a new motor vehicle, the description of the vehicle must include the vehicle's:~~

~~[(1) trade name;~~

~~[(2) year model;~~

~~[(3) style and type of body;~~

~~[(4) weight, if the vehicle is a passenger car;~~

~~[(5) net carrying capacity and gross weight, if the vehicle is a commercial motor vehicle;~~

~~[(6) vehicle identification number; and~~

~~[(7) date of sale by the manufacturer or dealer to the applicant.~~

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~~[(e) An applicant for]~~ registration of a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant:

(1) has a business operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration or whose privilege to operate has been suspended, including the applicant entity, a relative, family member, corporate officer, or shareholder;

(2) has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for safety-related reasons;

(3) is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or

(4) fails to ~~must~~ deliver to the county assessor-collector proof of ~~[an affidavit showing]~~ the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered. ~~[The assessor-collector shall keep the affidavit on file.]~~

(c) ~~(d)~~ In lieu of filing an application during a year as provided by Subsection (a), the owner of a vehicle registered in any state for that year or the preceding year may present the registration receipt and transfer receipt, if any. The county assessor-collector shall accept the receipt as an application for renewal of the registration if the receipt indicates the applicant owns the vehicle. This section allows issuance for registration purposes only but does not authorize the department to issue a title.

(d) The department may require an applicant for registration to provide current personal identification as determined by department rule. Any identification number required by the department under this subsection may be entered into the

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department's electronic titling system but may not be printed on the title.

~~[(e) If an owner or claimed owner has lost or misplaced the registration receipt or transfer receipt for the vehicle, the county assessor collector shall register the vehicle on the person's furnishing to the assessor collector satisfactory evidence, by affidavit or otherwise, that the person owns the vehicle.~~

~~[(f) A county assessor collector shall date each registration receipt issued for a vehicle with the date on which the application for registration is made.]~~

SECTION 86. Section 502.158, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.044, Transportation Code, and amended to read as follows:

Sec. 502.044 ~~[502.158]~~. **REGISTRATION PERIOD** ~~[YEAR]~~. (a) The department shall designate a vehicle registration year of 12 consecutive months to begin on the first day of a calendar month and end on the last day of the 12th calendar month.

(b) The department shall designate vehicle registration years so as to distribute the work of the department and the county assessor-collectors as uniformly as possible throughout the year. The department may establish separate registration years for any vehicle or classification of vehicle and may adopt rules to administer the year-round registration system.

(c) The department may designate a registration period of less than 12 months to be ~~[- The registration fee for a registration period of less than 12 months is]~~ computed at a rate of one-twelfth the annual registration fee multiplied by the number of

SECTION 82. Same as House version.

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months in the registration period. The board by rule may allow payment of ~~[department may not designate a registration period of more than 12 months, but:~~

~~[(1) with the consent of the department, an owner may pay] registration fees for a designated period not to exceed the amount of time determined by department rule ~~[of more than 12 months; and~~~~

~~[(2) an owner of a vehicle may pay registration fees for a designated period of 12, 24, or 36 months.~~

~~[(d) An application for registration shall be made during the two months preceding the date on which the registration expires.~~

~~[(e) The fee to be paid for renewing a registration is the fee that will be in effect on the first day of the vehicle registration year].~~

~~(d) [(e)]~~ The department shall issue ~~[the applicant for registration who pays registration fees for a designated period of 24 or 36 months]~~ a registration receipt and registration insignia that are valid until the expiration of the designated period.

SECTION 87. Section 502.176, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.045, Transportation Code, and amended to read as follows:

Sec. 502.045 ~~[502.176]~~. DELINQUENT REGISTRATION.

(a) A registration fee ~~[prescribed by this chapter]~~ for a vehicle becomes delinquent immediately if the vehicle is used on a public highway without the fee having been paid in accordance with this chapter.

(b) An ~~[A county assessor collector that determines that an]~~

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SECTION 83. Same as House version.

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applicant for registration who provides [~~for which payment of the registration fee is delinquent has provided~~] evidence [~~acceptable to the assessor collector sufficient~~] to establish good reason for delinquent registration and who [~~that the application~~] complies with the other requirements for registration under this chapter may [~~shall~~] register the vehicle for a 12-month period that ends on the last day of the 11th month after the month in which the registration occurs under this subsection. [~~The registration period for vehicles registered in accordance with Sections 502.164, 502.167, 502.203, 502.255, 502.267, 502.277, 502.278, 502.293, as added by Chapter 1222, Acts of the 75th Legislature, Regular Session, 1997, and 502.295, as added by Chapter 625, Acts of the 75th Legislature, Regular Session, 1997, will end on the annual registration date, and the registration fees will be prorated.~~]

(c) An [~~A county assessor collector that determines that an~~] applicant for registration who [~~that~~] is delinquent and has not provided evidence acceptable [~~to the assessor collector sufficient~~] to establish good reason for delinquent registration but who [~~that the application~~] complies with the other requirements for registration under this chapter shall register the vehicle for a 12-month period without changing the initial month of registration.

(d) A person who has been arrested or received a citation for a violation of Section 502.472 [~~502.402~~] may register the vehicle being operated at the time of the offense [~~with the county assessor collector~~] for a 12-month period without change to the initial month of registration only if the person:

- (1) meets the other requirements for registration under this chapter; and
- (2) pays an additional charge equal to 20 percent of the

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prescribed fee.

(e) The board by rule [~~county assessor-collector~~] shall adopt a list of evidentiary items sufficient to establish good reason for delinquent registration under Subsection (b) and provide for the [~~forms of~~] evidence that may be used to establish good reason under that subsection. [~~The list of evidentiary items adopted under this section must allow for delinquent registration under Subsection (b) because of:~~

[~~(1) extensive repairs on the vehicle;~~

[~~(2) the absence of the owner of the vehicle from this country;~~

[~~(3) seasonal use of the vehicle; or~~

[~~(4) any other reason determined by the assessor-collector to be a valid explanation for the delinquent registration.~~]

(f) The board [~~department~~] by rule shall adopt procedures to implement this section in connection with the delinquent registration of a vehicle registered directly with the department or through other means.

SECTION 88. Section 502.153, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.046, Transportation Code, and amended to read as follows:

Sec. 502.046 [~~502.153~~]. EVIDENCE OF FINANCIAL RESPONSIBILITY. (a) Evidence [~~Except as provided by Subsection (j), the owner of a motor vehicle, other than a trailer or semitrailer, for which evidence~~] of financial responsibility as [~~is~~] required by Section 601.051 other than for a trailer or semitrailer [~~or a person who represents the owner for purposes of registering a motor vehicle~~] shall be submitted [~~submit evidence of financial responsibility~~] with the application for registration under Section 502.043

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[~~502.151~~]. A county assessor-collector may not register the motor vehicle unless the owner or the owner's representative submits the evidence of financial responsibility.

(b) The county assessor-collector shall examine the evidence of financial responsibility to determine whether it complies with Subsection (c). After examination, [~~examining~~] the evidence [~~-, the assessor-collector~~] shall be returned [~~return the evidence~~] unless it is in the form of a photocopy or an electronic submission.

(c) In this section, evidence of financial responsibility may be:

(1) a document listed under Section 601.053(a) or verified in compliance with Section 601.452;

(2) a liability self-insurance or pool coverage document issued by a political subdivision or governmental pool under the authority of Chapter 791, Government Code, Chapter 119, Local Government Code, or other applicable law in at least the minimum amounts required by Chapter 601;

(3) a photocopy of a document described by Subdivision (1) or (2); or

(4) an electronic submission of a document or the information contained in a document described by Subdivision (1) or (2).

(d) A personal automobile policy used as evidence of financial responsibility under this section must comply with Section 1952.052 et seq. and Sections 2301.051 through 2301.055 [~~Article 5.06 or 5.145~~], Insurance Code.

(e) At the time of registration, the county assessor-collector shall provide to a person registering a motor vehicle a [~~separate~~] statement that the motor vehicle [~~being registered~~] may not be operated in this state unless:

(1) liability insurance coverage for the motor vehicle in at least the minimum amounts required by law remains in effect

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to insure against potential losses; or

(2) the motor vehicle is exempt from the insurance requirement because the person has established financial responsibility in a manner described by Sections ~~[Section]~~ 601.051(2)-(5) or is exempt under Section 601.052.

(f) A county assessor-collector is not liable to any person for refusing to register a motor vehicle to which this section applies because of the person's failure to submit evidence of financial responsibility that complies with Subsection (c).

(g) A county, a county assessor-collector, a deputy county assessor-collector, a person acting for or on behalf of a county or a county assessor-collector, or a person acting on behalf of an owner for purposes of registering a motor vehicle is not liable to any person for registering a motor vehicle under this section.

(h) This section does not prevent a person from registering a motor vehicle by mail or through an electronic submission.

(i) To be valid under this section, an electronic submission must be in a format that is:

(1) submitted by electronic means, including a telephone, facsimile machine, or computer;

(2) approved by the department; and

(3) authorized by the commissioners court for use in the county.

(j) This section does not apply to a vehicle registered pursuant to Section 501.0234.

SECTION 89. Section 502.009, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.047, Transportation Code, and amended to read as follows:

SECTION 85. Same as House version.

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Sec. ~~502.047~~ [502.009]. MOTOR VEHICLE EMISSIONS INSPECTION AND MAINTENANCE REQUIREMENTS.

(a) The Department of Public Safety shall ensure compliance with the motor vehicle emissions inspection and maintenance program through a vehicle inspection sticker-based enforcement system except as provided by this section or Section 548.3011. Subsections (b)-(e) apply only if the United States Environmental Protection Agency determines that the state has not demonstrated, as required by 40 C.F.R. Section 51.361, that sticker-based enforcement of the program is more effective than registration-based enforcement and gives the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality or the governor written notification that the reregistration-based enforcement of the program, as described by those subsections, will be required. If Subsections (b)-(e) are made applicable as provided by this subsection, the department shall terminate reregistration-based enforcement of the program under those subsections on the date the United States Environmental Protection Agency gives the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality or a person the commission designates written notification that reregistration-based enforcement is not required for the state implementation plan.

(b) A ~~[The department may not register a]~~ motor vehicle may not be registered if the department receives from the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality or the Department of Public Safety notification that the registered owner of the vehicle has not complied with Subchapter F, Chapter 548.

(c) A motor vehicle ~~[The county tax assessor collector]~~ may not be registered if the ~~[register a]~~ vehicle was denied registration under Subsection (b) unless ~~[the tax assessor~~

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~~collector has~~] verification is received that the registered vehicle owner is in compliance with Subchapter F, Chapter 548.

(d) The department, the Texas ~~[Natural—Resource Conservation]~~ Commission on Environmental Quality, and the Department of Public Safety shall enter an agreement regarding the responsibilities for costs associated with implementing this section.

(e) A county tax assessor-collector is not liable to any person for refusing to register a motor vehicle because of the person's failure to provide verification of the person's compliance with Subchapter F, Chapter 548.

SECTION 90. Section 502.005, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.048, Transportation Code, and amended to read as follows:

Sec. 502.048 ~~[502.005]~~. REFUSAL TO REGISTER UNSAFE VEHICLE. ~~[(a)]~~ The department may refuse to register a motor vehicle and may cancel, suspend, or revoke a registration if the department determines that a motor vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway.

~~[(b) The department may refuse to register a motorcycle and may suspend or revoke the registration of a motorcycle if the department determines that the motorcycle's braking system does not comply with Section 547.408.]~~

SECTION 91. Section 502.055(b), Transportation Code, is amended to read as follows:

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SECTION 86. Same as House version.

SECTION 87. Same as House version.

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(b) The department may require an applicant for registration under this chapter to provide the department with evidence of:

- (1) the manufacturer's rated carrying capacity for the vehicle;

or

- ~~(2) [the nominal tonnage rating of the vehicle;~~
- ~~[(3)] the gross vehicle weight rating [of the vehicle; or~~
- ~~[(4) —any combination of information described in~~

Subdivisions (1)-(3)].

SECTION 92. Section 502.178, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.057, Transportation Code, and amended to read as follows:

Sec. 502.057 [~~502.178~~]. REGISTRATION RECEIPT. [(a)] The department shall issue or require to be issued to the owner of a vehicle registered under this chapter a registration receipt showing the information required by rule [:  
[(1) ~~the date of issuance;~~  
[(2) ~~the license number assigned to the vehicle;~~  
[(3) ~~the name and address of the owner; and~~  
[(4) ~~other information as determined by the department.~~  
[(b) ~~The registration receipt issued for a commercial motor vehicle, truck tractor, trailer, or semitrailer must show the gross weight for which the vehicle is registered].~~

SECTION 93. Section 502.179, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.058, Transportation Code, and amended to read as follows:

Sec. 502.058 [~~502.179~~]. DUPLICATE REGISTRATION

SECTION 88. Same as House version.

SECTION 89. Same as House version.

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RECEIPT. (a) The owner of a vehicle for which the registration receipt has been lost or destroyed may obtain a duplicate receipt from the department or the county assessor-collector who issued the original receipt by paying a fee of \$2.  
(b) The office issuing a duplicate receipt shall retain the fee received ~~[as a fee of office]~~.

SECTION 94. Section 502.180, Transportation Code, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.059, Transportation Code, and amended to read as follows:

Sec. ~~502.180~~ 502.059 [502.180]. ISSUANCE OF ~~[LICENSE PLATE OR] REGISTRATION INSIGNIA~~. (a) On payment of the prescribed fee ~~[, the department shall issue to]~~ an applicant for motor vehicle registration shall be issued a license plate or set of plates or a device that, when attached to the vehicle as prescribed by the department, is the registration insignia ~~[for the period for which it was issued]~~.

(b) ~~[Subject to Subchapter I, the department shall issue only one license plate or set of plates for a vehicle during a five-year period.]~~

~~[(e)]~~ On application and payment of the prescribed fee for a renewal of the registration of a vehicle through the period set by rule ~~[for the first, second, third, or fourth registration year after the issuance of a license plate or set of plates for the vehicle]~~, the department shall issue a registration insignia for the validation of the license plate or plates to be attached as provided by Subsection ~~(c)~~ (c) ~~[(d)]~~.

~~(c)~~ (c) ~~[(d)]~~ Except as provided by Subsection ~~(f)~~ (f) ~~[(h)]~~, the registration insignia for validation of a license plate shall be attached to the inside of the vehicle's windshield, if the vehicle

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has a windshield, within six inches of the place where the motor vehicle inspection sticker is required to be placed. If the vehicle does not have a windshield, the owner, when applying for registration or renewal of registration, shall notify the department, and the department shall issue a distinctive device for attachment to the rear license plate of the vehicle.

~~(d) Department [(e) The department shall adopt rules for the issuance and use of license plates and registration insignia issued under this chapter. The]~~ rules may provide for the use of an automated registration process, including:

- (1) the automated on-site production of registration insignia; and
- (2) automated on-premises and off-premises self-service registration.

~~(e) Subsection (c) does [(f) Subsections (b) (d) do]~~ not apply to:

- (1) the issuance of specialized license plates as designated by the department, including state official license plates, exempt plates for governmental entities, and temporary registration plates; or
- (2) the issuance or validation of replacement license plates, except as provided by Chapter 504 ~~[Section 502.184]~~.

~~(f) [(g) The department shall provide a separate and distinctive tab to be affixed to the license plate of an automobile, pickup, or recreational vehicle that is offered for rent, as a business, to any part of the public.~~

~~[(h)]~~ The registration insignia ~~[for validation of a license plate]~~ shall be attached to the rear license plate of the vehicle, if the vehicle is:

- (1) a motorcycle;
- (2) machinery used exclusively to drill water wells or

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construction machinery for which a distinguishing license plate has been issued under Section ~~502.146~~ [504.504]; or  
(3) oil well servicing, oil clean out, or oil well drilling machinery or equipment for which a distinguishing license plate has been issued under Subchapter G, Chapter 623.

SECTION 95. Section 502.184, Transportation Code, as effective September 1, 2011, is transferred to Subchapter B, Chapter 502, Transportation Code, redesignated as Section 502.060, Transportation Code, and amended to read as follows:

Sec. 502.060 [~~502.184~~]. **REPLACEMENT OF REGISTRATION INSIGNIA.** (a) The owner of a registered motor vehicle may obtain a replacement registration insignia by:

(1) certifying that the replacement registration insignia will not be used on any other vehicle owned or operated by the person making the statement;

(2) paying a fee of \$6 plus the fees required by Section 502.356(a) [~~502.1705(a)~~] for each replacement registration insignia, except as provided by other law; and

(3) returning each replaced registration insignia in the owner's possession.

(b) No fee is required under this section if the replacement fee for a license plate has been paid under Section 504.007 [~~502.1841~~].

(c) [~~The fee for replacement of license plates issued under Section 504.507 is the amount prescribed by the department as necessary to recover the cost of providing the replacement plates.~~

~~[(d) If license plates approved under Section 504.501(b) or~~

SENATE VERSION (IE)

SECTION 91. Same as House version.

CONFERENCE

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~~504.502(e) are lost, stolen, or mutilated, the owner of the vehicle may obtain approval of another set of license plates as provided by Section 504.501 or 504.502, respectively. The fee for approval of replacement license plates is \$5.~~

~~[(e)] A county assessor-collector may not issue a replacement registration insignia without complying with this section.~~

~~(d) [(f)] A county assessor-collector shall retain \$2.50 of each fee collected under this section and shall report and send the remainder to the department.~~

~~[(g)] Replacement license plates may be used in the registration year in which the plates are issued and during each succeeding year of the five-year period as prescribed by Section 502.180(b) if the registration insignia is properly attached.~~

~~[(h)] Subsection (g) does not apply to the issuance of specialized license plates as designated by the department, including state official license plates, exempt plates for governmental entities, and temporary registration plates.~~

~~[(i)] The owner of a vehicle listed in Section 502.180(h) may obtain replacement plates and a replacement registration insignia by paying a fee of \$5 plus the fees required by Sections 502.170(a) and 502.1705(a).]~~

SECTION 96. The heading to Subchapter C, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER C. SPECIAL REGISTRATIONS [~~COUNTY ADMINISTRATION~~]

SECTION 97. Section 502.0025, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation

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SECTION 92. Same as House version.

SECTION 93. Same as House version.

CONFERENCE

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Code, redesignated as Section 502.090, Transportation Code, and amended to read as follows:

Sec. 502.090 [~~502.0025~~]. **EFFECT OF CERTAIN MILITARY SERVICE ON REGISTRATION REQUIREMENT.** (a) This section applies only to a motor vehicle that is owned by a person who:

- (1) is a resident of this state;
  - (2) is on active duty in the armed forces of the United States;
  - (3) is stationed in or has been assigned to another nation under military orders; and
  - (4) has registered the vehicle or been issued a license for the vehicle under the applicable status of forces agreement by:
    - (A) the appropriate branch of the armed forces of the United States; or
    - (B) the nation in which the person is stationed or to which the person has been assigned.
- (b) Unless the registration or license issued for a vehicle described by Subsection (a) is suspended, canceled, or revoked by this state as provided by law:
- (1) Section 502.040(a) [~~502.002(a)~~] does not apply; and
  - (2) the registration or license issued by the armed forces or host nation remains valid and the motor vehicle may be operated in this state under that registration or license for a period of not more than 90 days after the date on which the vehicle returns to this state.

SECTION 98. Section 502.054, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation Code, redesignated as Section 502.091, Transportation Code, and amended to read as follows:

Sec. 502.091 [~~502.054~~]. INTERNATIONAL

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SECTION 94. Same as House version.

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REGISTRATION PLAN [AGREEMENTS WITH OTHER JURISDICTIONS; OFFENSE]. (a) The department, through its director, may enter into an agreement with an authorized officer of another jurisdiction, including another state of the United States, a foreign country or a state, province, territory, or possession of a foreign country, to provide for:

- (1) the registration of vehicles by residents of this state and nonresidents on an allocation or mileage apportionment plan, as under the International Registration Plan; and
- (2) the exemption from payment of registration fees by nonresidents if residents of this state are granted reciprocal exemptions.

(b) The department may adopt and enforce rules to carry out the International Registration Plan or other agreement under this section.

(c) To carry out the International Registration Plan or other agreement under this section, the department shall direct that fees collected for other jurisdictions under the agreement be deposited to the credit of the proportional registration distributive fund in the state treasury and distributed to the appropriate jurisdiction through that fund. The department is not required to refund any amount less than \$10 unless required by the plan.

(d) This section prevails to the extent of conflict with another law relating to the subject of this section.

(e) A person commits an offense if the person owns or operates a vehicle not registered in this state in violation of:

- (1) an agreement under this section; or
- (2) the applicable registration laws of this state, in the absence of an agreement under this section.

(f) An offense under Subsection (e) is a misdemeanor punishable by a fine not to exceed \$200.

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SECTION 99. Section 502.355, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation Code, redesignated as Section 502.092, Transportation Code, and amended to read as follows:

Sec. 502.092 [~~502.355~~]. NONRESIDENT-OWNED VEHICLES USED TO TRANSPORT FARM PRODUCTS[; ~~OFFENSE~~]. (a) The department may issue to a nonresident owner a permit for a truck, truck-tractor, trailer, or semitrailer that:

- (1) is registered in the owner's home state or country; and
- (2) will be used to transport:
  - (A) farm products produced in this state from the place of production to a place of market or storage or a railhead that is not more than 75 miles from the place of production;
  - (B) machinery used to harvest farm products produced in this state; or
  - (C) farm products produced outside this state from the point of entry into this state to a place of market, storage, or processing or a railhead or seaport that is not more than 80 miles from the point of entry.
- (b) The department shall issue a distinguishing insignia for a vehicle issued a permit under this section. The insignia must be attached to the vehicle in lieu of regular license plates and must show the permit expiration date. A permit issued under this section is valid until the earlier of:
  - (1) the date the vehicle's registration in the owner's home state or country expires; or
  - (2) the 30th day after the date the permit is issued.
- (c) A person may obtain a permit under this section by:
  - (1) applying to the department in a manner [~~on a form~~]

SECTION 95. Same as House version.

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prescribed by the department;

(2) paying a fee equal to 1/12 the registration fee prescribed by this chapter for the vehicle;

(3) furnishing satisfactory evidence that the motor vehicle is insured under an insurance policy that complies with Section 601.072 and that is written by:

(A) an insurance company or surety company authorized to write motor vehicle liability insurance in this state; or

(B) with the department's approval, a surplus lines insurer that meets the requirements of Chapter 981, Insurance Code, and rules adopted by the commissioner of insurance under that chapter, if the applicant is unable to obtain insurance from an insurer described by Paragraph (A); and

(4) furnishing evidence that the vehicle has been inspected as required under Chapter 548.

(d) A nonresident owner may not obtain more than three permits under this section during a registration year.

(e) A vehicle for which a permit is issued under this section may not be operated in this state after the permit expires unless the owner:

(1) obtains another temporary permit; or

(2) registers the vehicle under Section 502.253, 502.254, 502.255 [~~502.162, 502.165, 502.166~~], or 502.256 [~~502.167~~], as appropriate, for the remainder of the registration year.

(f) A vehicle for which a permit is issued under this section may not be registered under Section 502.433 [~~502.163~~].

(g) A mileage referred to in this section is a state highway mileage.

~~[(h) A person operating a vehicle under a permit issued under this section commits an offense if the person:~~

~~[(1) transports farm products to a place of market, storage, or processing or a railhead or seaport that is farther from the~~

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~~place of production or point of entry, as appropriate, than the distance provided for in the permit; or~~

~~[(2) follows a route other than that prescribed by the board.~~

~~[(i) An offense under Subsection (h) is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.]~~

SECTION 100. Section 502.353, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation Code, redesignated as Section 502.093, Transportation Code, and amended to read as follows:

Sec. 502.093 ~~[502.353]~~. ~~[FOREIGN COMMERCIAL VEHICLES;]~~ ANNUAL PERMITS ~~[; OFFENSE]~~. (a) The department may issue an annual permit in lieu of registration to a foreign commercial motor vehicle, trailer, or semitrailer that [:

~~[(1)]~~ is subject to registration in this state [;] and

~~[(2)]~~ is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered.

(b) A permit issued under this section [:

~~[(1) is in lieu of registration; and~~

~~[(2)]~~ is valid for a vehicle registration year to begin on the first day of a calendar month designated by the department and end on the last day of the last calendar month of the registration year.

(c) A permit may not be issued under this section for the importation of citrus fruit into this state from a foreign country except for foreign export or processing for foreign export.

(d) A person may obtain a permit under this section by:

(1) applying in the manner prescribed by [tø] the department;

(2) paying a fee in the amount required by Subsection (e) in

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SECTION 96. Same as House version.

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~~the manner prescribed by the department, including a service charge for a credit card payment or escrow account [cash or by postal money order or certified check]; and~~

(3) furnishing evidence of financial responsibility for the motor vehicle that complies with Sections 502.046(c) [~~502.153(e)~~] and 601.168(a), the policies to be written by an insurance company or surety company authorized to write motor vehicle liability insurance in this state.

(e) The fee for a permit under this section is the fee that would be required for registering the vehicle under Section 502.253 [~~502.162~~] or 502.255 [~~502.167~~], except as provided by Subsection (f).

(f) A vehicle registered under this section is exempt from the token fee and is not required to display the associated distinguishing license plate if the vehicle:

(1) is a semitrailer that has a gross weight of more than 6,000 pounds; and

(2) is used or intended to be used in combination with a truck tractor or commercial motor vehicle with a gross vehicle weight [~~manufacturer's rated carrying capacity~~] of more than 10,000 pounds [~~one ton~~].

(g) A vehicle registered under this section is not subject to the fee required by Section 502.401 [~~502.172~~] or 502.403 [~~502.173~~].

~~[(h) The department may:~~

~~[(1) adopt rules to administer this section; and~~

~~[(2) prescribe an application for a permit and other forms under this section.~~

~~[(i) A person who violates this section commits an offense. An offense under this section is a misdemeanor punishable by a fine not to exceed \$200.]~~

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SECTION 101. Section 502.352, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation Code, redesignated as Section 502.094, Transportation Code, and amended to read as follows:

Sec. 502.094 [~~502.352~~]. 72- OR 144-HOUR PERMITS [~~FOREIGN COMMERCIAL VEHICLES~~]. (a) The

department may issue a temporary registration permit in lieu of registration for a commercial motor vehicle, trailer, semitrailer, or motor bus that:

(1) is owned by a resident of the United States, Canada, or the United Mexican States;

(2) is subject to registration in this state; and

(3) is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or province in which the vehicle is registered.

(b) A permit issued under this section [:

~~[(1) is in lieu of registration; and~~

~~[(2)]~~ is valid for the period stated on the permit, effective from the date and time shown on the receipt issued as evidence of registration under this section.

(c) A person may obtain a permit under this section by:

(1) applying to the county assessor-collector, the department, or the department's wire service agent, if the department has a wire service agent;

(2) paying a fee of \$25 for a 72-hour permit or \$50 for a 144-hour permit in the manner prescribed by the department that may include a service charge for a credit card payment or escrow account[:

~~[(A) in cash;~~

~~[(B) by postal money order;~~

~~[(C) by certified check;~~

~~[(D) by wire transfer through the department's wire service~~

SENATE VERSION (IE)

SECTION 97. Same as House version.

CONFERENCE

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agent, if any;

~~[(E) by an escrow account; or~~

~~[(F) where the service is provided, by a credit card issued by:~~

~~[(i) a financial institution chartered by a state or the United States; or~~

~~[(ii) a nationally recognized credit organization approved by the board;~~

~~[(3) paying a discount or service charge for a credit card payment or escrow account, in addition to the fee];~~

~~(3) [(4)]~~ furnishing to the county assessor-collector, the department, or the department's wire service agent, evidence of financial responsibility for the vehicle that complies with Sections ~~502.046(c)~~ ~~[502.153(e)]~~ and 601.168(a) ~~[and is written by an insurance company or surety company authorized to write motor vehicle liability insurance in this state]; and~~

~~(4) [(5)]~~ submitting a copy of the applicable federal declaration form required by the Federal Motor Carrier Safety Administration or its successor in connection with the importation of a motor vehicle or motor vehicle equipment subject to the federal motor vehicle safety, bumper, and theft prevention standards.

(d) A county assessor-collector shall report and send a fee collected under this section in the manner provided by Section 502.198 ~~[Sections 502.102 and 502.105]~~. Each week, a wire service agent shall send to the department a report of all permits issued by the agent during the previous week. The board ~~[department]~~ by rule shall prescribe the format ~~[form]~~ and content of a report required by this subsection.

(e) ~~[The department may:~~

~~[(1) adopt rules to administer this section; and~~

~~[(2) prescribe an application for a permit and other forms~~

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~~under this section.~~

~~(f)~~ A vehicle issued a permit under this section is subject to Subchapters B and F, Chapter 548, unless the vehicle:

(1) is registered in another state of the United States, in a province of Canada, or in a state of the United Mexican States; or

(2) is mobile drilling or servicing equipment used in the production of gas, crude petroleum, or oil, including a mobile crane or hoisting equipment, mobile lift equipment, forklift, or tug.

~~(f)~~ ~~(g)~~ A commercial motor vehicle, trailer, semitrailer, or motor bus apprehended for violating a registration law of this state:

(1) may not be issued a permit under this section; and

(2) is immediately subject to registration in this state.

~~(g)~~ ~~(h)~~ A person who operates a commercial motor vehicle, trailer, or semitrailer with an expired permit issued under this section is considered to be operating an unregistered vehicle subject to each penalty prescribed by law.

~~(h)~~ ~~(i)~~ The department may establish one or more escrow accounts in the state highway fund for the prepayment of a 72-hour permit or a 144-hour permit. Any fee established by the department for the administration of this subsection shall be administered as required by an agreement entered into by the department.

SECTION 102. Section 502.354, Transportation Code, is transferred to Subchapter C, Chapter 502, Transportation Code, redesignated as Section 502.095, Transportation Code, and amended to read as follows:

Sec. 502.095 ~~[502.354]~~. ONE-TRIP [SINGLE] OR 30-DAY

SECTION 98. Same as House version.

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TRIP PERMITS [~~;- OFFENSE~~]. (a) The department may issue a temporary permit in lieu of registration for a vehicle ~~[that:~~

~~[(1) is]~~ subject to registration in this state ~~that~~ [~~;- and~~ ~~[(2)]~~] is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered.

(b) A permit issued under this section [~~;-~~

~~[(1) is in lieu of registration; and~~

~~[(2)]~~] is valid for:

~~(1) [(A)]~~ one trip, as provided by Subsection (c); or

~~(2) [(B)]~~ 30 days, as provided by Subsection (d).

(c) A one-trip permit is valid for one trip between the points of origin and destination and those intermediate points specified in the application and registration receipt. Unless the vehicle is a bus operating under charter that is not covered by a reciprocity agreement with the state or country in which the bus is registered, a one-trip permit is for the transit of the vehicle only, and the vehicle may not be used for the transportation of any passenger or property. A one-trip permit may not be valid for longer than 15 days from the effective date of registration.

(d) A 30-day permit may be issued only to a passenger vehicle, a private bus, a trailer or semitrailer with a gross weight of not more than 10,000 pounds, a light truck, or a light commercial vehicle with a gross vehicle weight ~~[manufacturer's rated carrying capacity]~~ of more than 10,000 pounds ~~[one ton]~~ that will operate unladen. A person may obtain multiple 30-day permits. The department may issue a single registration receipt to apply to all of the periods for which the vehicle is registered.

(e) A person may obtain a permit under this section by:

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- (1) applying ~~as [on a form]~~ provided by the department to:
- (A) the county assessor-collector of the county in which the vehicle will first be operated on a public highway; or
  - (B) the department in Austin or at one of the department's vehicle title and registration regional offices;
- (2) paying a fee, in the manner prescribed by the department including a registration service charge for a credit card payment or escrow account ~~[cash or by postal money order or certified check,]~~ of:
- (A) \$5 for a one-trip permit; or
  - (B) \$25 for each 30-day period; and
- (3) furnishing evidence of financial responsibility for the vehicle in a form listed under Section 502.046(c) ~~[502.153(e)]~~.
- (f) A registration receipt ~~[and temporary tag]~~ shall be carried in the vehicle at all times during the period in which it is valid ~~[issued on forms provided by the department]~~. The temporary tag must contain all pertinent information required by this section and must be displayed in the rear window of the vehicle so that the tag is clearly visible and legible when viewed from the rear of the vehicle. If the vehicle does not have a rear window, the temporary tag must be attached on or carried in the vehicle to allow ready inspection. The registration receipt must be carried in the vehicle at all times during the period in which it is valid.
- (g) The department may refuse and may instruct a county assessor-collector to refuse to issue a temporary registration for any vehicle if, in the department's opinion, the vehicle or the owner of the vehicle has been involved in operations that constitute an abuse of the privilege granted by this section. A registration issued after notice to a county assessor-collector under this subsection is void.

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~~[(h) A person issued a temporary registration under this section who operates a vehicle in violation of Subsection (f) commits an offense. An offense under this subsection is a Class C misdemeanor.~~

~~[(i) The department may:~~

~~[(1) adopt rules to administer this section; and~~

~~[(2) prescribe an application for a permit and other forms under this section.]~~

SECTION 103. The heading to Subchapter D, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER D. VEHICLES NOT ISSUED  
REGISTRATION [~~PROCEDURES AND FEES~~]

SECTION 104. Section 502.006, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, redesignated as Section 502.140, Transportation Code, and amended to read as follows:

Sec. 502.140 [~~502.006~~]. CERTAIN OFF-HIGHWAY VEHICLES. (a) Except as provided by Subsection (b), a person may not register an all-terrain vehicle or a recreational off-highway vehicle, with or without design alterations, for operation on a public highway.

(b) The state, a county, or a municipality may register an all-terrain vehicle or a recreational off-highway vehicle for operation on a public beach or highway to maintain public safety and welfare.

(c) A recreational off-highway vehicle registered as provided by Subsection (b) may be operated on a public or private beach in the same manner as a golf cart may be operated on a

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SECTION 99. Same as House version.

SECTION 100. Same as House version.

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public or private beach under Section 551.403 ~~[502.0074]~~. The operator must hold and have in the operator's possession a driver's license issued under Chapter 521 or a commercial driver's license issued under Chapter 522.

(d) Section 504.401 ~~[502.172]~~ does not apply to an all-terrain vehicle or a recreational off-highway vehicle.

(e) Operation of an all-terrain vehicle or recreational off-highway vehicle in compliance with Section 663.037 does not require registration under Subsection (b).

SECTION 105. Section 502.0072, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, and redesignated as Section 502.142, Transportation Code, to read as follows:

Sec. 502.142 ~~[502.0072]~~. MANUFACTURED HOUSING. Manufactured housing, as defined by Section 1201.003, Occupations Code, is not a vehicle subject to this chapter.

SECTION 106. Section 502.0073, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, redesignated as Section 502.143, Transportation Code, and amended to read as follows:

Sec. 502.143 ~~[502.0073]~~. OTHER VEHICLES ~~[POWER SWEEPERS]~~. ~~[(a)]~~ An owner may ~~[of a power sweeper is]~~ not ~~[required to]~~ register the following vehicles for operation on a public highway:

- (1) power sweepers;
- (2) motorized mobility devices;
- (3) electric personal assistive mobility devices; and
- (4) electric bicycles ~~[sweeper]~~.

SENATE VERSION (IE)

SECTION 101. Same as House version.

SECTION 102. Same as House version.

CONFERENCE

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~~[(b) In this section, "power sweeper" means an implement, with or without motive power, designed for the removal by broom, vacuum, or regenerative air system of debris, dirt, gravel, litter, or sand from asphaltic concrete or cement concrete surfaces, including surfaces of parking lots, roads, streets, highways, and warehouse floors. The term includes a vehicle on which the implement is permanently mounted if the vehicle is used only as a power sweeper.]~~

SECTION 107. Section 502.0078, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, and redesignated as Section 502.144, Transportation Code, to read as follows:

Sec. 502.144 ~~[502.0078]~~. VEHICLES OPERATED ON PUBLIC HIGHWAY SEPARATING REAL PROPERTY UNDER VEHICLE OWNER'S CONTROL. Where a public highway separates real property under the control of the owner of a motor vehicle, the operation of the motor vehicle by the owner or the owner's agent or employee across the highway is not a use of the motor vehicle on the public highway.

SECTION 108. Section 502.0079, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, redesignated as Section 502.145, Transportation Code, and amended to read as follows:

Sec. 502.145 ~~[502.0079]~~. VEHICLES OPERATED BY CERTAIN NONRESIDENTS. (a) ~~[A nonresident owner of a motor vehicle, trailer, or semitrailer that is registered in the state or country in which the person resides may operate the~~

SENATE VERSION (IE)

SECTION 103. Same as House version.

SECTION 104. Same as House version.

CONFERENCE

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~~vehicle to transport persons or property for compensation without being registered in this state, if the person does not exceed two trips in a calendar month and each trip does not exceed four days.~~

~~[(b) A nonresident owner of a privately owned vehicle that is not registered in this state may not make more than five occasional trips in any calendar month into this state using the vehicle. Each occasional trip into this state may not exceed five days.]~~

[(e)] A nonresident owner of a privately owned passenger car that is registered in the state or country in which the person resides and that is not operated for compensation may operate the car in this state for the period in which the car's license plates are valid. In this subsection, "nonresident" means a resident of a state or country other than this state whose presence in this state is as a visitor and who does not engage in gainful employment or enter into business or an occupation, except as may otherwise be provided by any reciprocal agreement with another state or country.

~~(b) [(d)]~~ This section does not prevent:

- (1) a nonresident owner of a motor vehicle from operating the vehicle in this state for the sole purpose of marketing farm products raised exclusively by the person; or
- (2) a resident of an adjoining state or country from operating in this state a privately owned and registered vehicle to go to and from the person's place of regular employment and to make trips to purchase merchandise, if the vehicle is not operated for compensation.

~~(c) [(e)]~~ The privileges provided by this section may be allowed only if, under the laws of the appropriate state or country, similar privileges are granted to vehicles registered under the laws of this state and owned by residents of this

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state.

(d) ~~[(f)]~~ This section does not affect the right or status of a vehicle owner under any reciprocal agreement between this state and another state or country.

SECTION 109. Section 504.504, Transportation Code, is transferred to Subchapter D, Chapter 502, Transportation Code, redesignated as Section 502.146, Transportation Code, and amended to read as follows:

Sec. 502.146 ~~[504.504]~~. CERTAIN FARM VEHICLES AND DRILLING AND CONSTRUCTION EQUIPMENT.

(a) The department shall issue specialty license plates to a vehicle described by Subsection (b) or (c). The fee for the license plates is \$5.

(b) An owner is not required to register a vehicle that is used only temporarily on the highways if the vehicle is:

(1) a farm trailer or farm semitrailer with a gross weight of more than 4,000 pounds but not more than 34,000 pounds that is used exclusively to transport:

(A) seasonally harvested agricultural products or livestock from the place of production to the place of processing, market, or storage; or

(B) farm supplies from the place of loading to the farm;

(2) machinery used exclusively for the purpose of drilling water wells; ~~[(e)]~~

(3) oil well servicing or drilling machinery and if at the time of obtaining the license plates, the applicant submits proof that the applicant has a permit under Section 623.142; or

~~(4) construction machinery [that is not designed to transport persons or property on a public highway].~~

(c) An owner is not required to register a vehicle that is:

SECTION 105. Same as House version.

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- (1) a farm trailer or farm semitrailer owned by a cotton gin and used exclusively to transport agricultural products without charge from the place of production to the place of processing, market, or storage;
- (2) a trailer used exclusively to transport fertilizer without charge from a place of supply or storage to a farm; or
- (3) a trailer used exclusively to transport cottonseed without charge from a place of supply or storage to a farm or place of processing.
- (d) A vehicle described by Subsection (b) is exempt from the inspection requirements of Subchapters B and F, Chapter 548.
- (e) This section does not apply to a farm trailer or farm semitrailer that:
  - (1) is used for hire;
  - (2) has metal tires operating in contact with the highway;
  - (3) is not equipped with an adequate hitch pinned or locked so that it will remain securely engaged to the towing vehicle while in motion; or
  - (4) is not operated and equipped in compliance with all other law.
- (f) A vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated while unregistered and is immediately subject to the applicable registration fees and penalties prescribed by this chapter [~~Chapter 502~~].
- (g) In this section, the gross weight of a trailer or semitrailer is the combined weight of the vehicle and the load carried on the highway.

SECTION 109A. (a) Section 502.161, Transportation Code, is amended by adding Subsection (a-1) to read as follows:

SENATE VERSION (IE)

No equivalent provision.

CONFERENCE

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(a-1) For purposes of Subsection (a), a light truck that weighs 6,000 pounds or less is considered a passenger car.

(b) This section takes effect August 31, 2011.

SECTION 110. Sections 502.180(b) and (c), Transportation Code, are amended to read as follows:

(b) Subject to Subchapter I, the department shall issue only one license plate or set of plates for a vehicle during a [~~five-year~~] period of no less than eight years.

(c) On application and payment of the prescribed fee for a renewal of the registration of a vehicle for each [~~the first, second, third, or fourth~~] registration year after the issuance of a license plate or set of plates for the vehicle, the department shall issue a registration insignia for the validation of the license plate or plates to be attached as provided by Subsection (d).

SECTION 111. Section 502.184(g), Transportation Code, is amended to read as follows:

(g) Replacement license plates may be used in the registration year in which the plates are issued and during each succeeding year of a [~~the five-year~~] period of no less than eight years as prescribed by Section 502.180(b) if the registration insignia is properly attached.

SECTION 112. The heading to Subchapter E, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER E. ADMINISTRATION OF FEES  
~~[SPECIALLY DESIGNATED LICENSE PLATES;~~

No equivalent provision.

No equivalent provision.

SECTION 106. Same as House version.

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~~EXEMPTIONS FOR GOVERNMENTAL AND QUASI-GOVERNMENTAL VEHICLES]~~

SECTION 113. Section 502.159, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.190, Transportation Code, and amended to read as follows:

Sec. 502.190 ~~[502.159]~~. SCHEDULE OF REGISTRATION FEES. The department shall post ~~[compile and furnish to each county assessor-collector]~~ a complete schedule of registration fees on the Internet ~~[to be collected on the various makes, models, and types of vehicles]~~.

SECTION 114. Section 502.004, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.191, Transportation Code, and amended to read as follows:

Sec. 502.191 ~~[502.004]~~. COLLECTION OF FEES. (a) A person may not collect a registration fee under this chapter unless the person is:

- (1) an officer or employee of the department; or
- (2) a county assessor-collector or a deputy county assessor-collector.

(b) The department may accept electronic payment by electronic funds transfer, credit card, or debit card of any fee that the department is authorized to collect under this chapter.

(c) The department may collect a fee for processing a payment by electronic funds transfer, credit card, or debit card. The amount of the fee must not exceed the charges incurred by the state because of the use of the electronic funds

SECTION 107. Same as House version.

SECTION 108. Section 502.004, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.191, Transportation Code, and amended to read as follows:

Sec. 502.191 ~~[502.004]~~. COLLECTION OF FEES. (a) A person may not collect a registration fee under this chapter unless the person is:

- (1) an officer or employee of the department; or
- (2) a county assessor-collector or a deputy county assessor-collector.

(b) The department may accept electronic payment by electronic funds transfer, credit card, or debit card of any fee that the department is authorized to collect under this chapter.

(c) The department may collect a fee for processing a payment by electronic funds transfer, credit card, or debit card in an amount not to exceed the amount of the charges incurred by the department to process the payment.

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transfer, credit card, or debit card.

(d) For online transactions the department may collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to the amount of any fee charged in accordance with Section 2054.2591, Government Code.

(e) If, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, the department may collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The amount of the service charge must be reasonably related to the expense incurred by the department in collecting the original amount.

SECTION 115. Subchapter E, Chapter 502, Transportation Code, is amended by adding Section 502.192 to read as follows:

Sec. 502.192. TRANSFER FEE. The purchaser of a used motor vehicle shall pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of \$2.50 for the transfer of the registration of the motor vehicle. The county assessor-collector may retain as commission for services provided under this subchapter half of each transfer fee collected.

SECTION 116. Section 502.181, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation

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(d) The department may collect the fee set under Section 2054.2591, Government Code, from a person making a payment by electronic funds transfer, credit card, or debit card through the online project implemented under Section 2054.252, Government Code.

(e) If, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, the department may collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The amount of the service charge must be reasonably related to the expense incurred by the department in collecting the original amount. [FA1(3)]

SECTION 109. Same as House version.

SECTION 110. Same as House version.

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Code, redesignated as Section 502.193, Transportation Code, and amended to read as follows:

Sec. ~~502.193~~ [502.184]. PAYMENT ~~[OF REGISTRATION FEE]~~ BY CHECK DRAWN AGAINST INSUFFICIENT FUNDS. (a) A county assessor-collector who receives from any person a check or draft for ~~[drawn on a bank or trust company in]~~ payment of a registration fee for a registration year that has not ended ~~[on a motor vehicle, trailer, or motorcycle sidecar]~~ that is returned unpaid because of insufficient funds or no funds in the bank or trust company to the credit of the drawer of the check or draft shall certify the fact to the sheriff or a constable or highway patrol officer in the county after attempts to contact the person fail to result in the collection of payment. The certification must be made before the 30th day after the date the check or draft is returned unpaid and:

- (1) be under the assessor-collector's official seal;
- (2) include the name and address of the person who gave the ~~[assessor-collector the]~~ check or draft;
- (3) include the license plate number and make of the vehicle;
- (4) be accompanied by the check or draft; and
- (5) be accompanied by documentation of any attempt to contact the person and collect payment.

(b) On receiving a complaint under Subsection (a) from the county assessor-collector, the sheriff, constable, or highway patrol officer shall find the person who gave the ~~[assessor-collector the]~~ check or draft, if the person is in the county, and demand immediate redemption of the check or draft from the person. If the person fails or refuses to redeem the check or draft, the sheriff, constable, or highway patrol officer shall:

- (1) seize and remove the license plates and registration insignia from the vehicle; and

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(2) return the license plates and registration insignia to the county assessor-collector.

SECTION 117. Section 502.182, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.194, Transportation Code, and amended to read as follows:

Sec. 502.194 ~~[502.182]~~. CREDIT FOR REGISTRATION FEE PAID ON MOTOR VEHICLE SUBSEQUENTLY DESTROYED. (a) The owner of a motor vehicle that is destroyed to the extent that it cannot afterwards be operated on a public highway is entitled to a registration fee credit if the prorated portion of the registration fee for the remainder of the registration year is more than \$15. The owner must claim the credit by [:

~~[(1)] sending the registration fee receipt [and the license plates] for the vehicle to the department [; and~~  
~~[(2)] executing a statement on a form provided by the department showing that the license plates have been surrendered to the department].~~

(b) The department, on satisfactory proof that the vehicle is destroyed, shall issue a registration fee credit slip to the owner in an amount equal to the prorated portion of the registration fee for the remainder of the registration year. The owner, during the same or the next registration year, may use the registration fee credit slip as payment or part payment for the registration of another vehicle to the extent of the credit.

~~[(c) A statement executed under Subsection (a)(2) shall be delivered to a purchaser of the destroyed vehicle. The purchaser may surrender the statement to the department in lieu of the vehicle license plates.~~

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SECTION 111. Same as House version.

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~~[(d) The department shall adopt rules to administer this section.]~~

SECTION 118. Section 502.183, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.195, Transportation Code, and amended to read as follows:

Sec. 502.195 ~~[502.183]~~. REFUND OF OVERCHARGED REGISTRATION FEE. (a) The owner of a motor vehicle ~~[that is required to be registered]~~ who pays an annual registration fee in excess of the statutory amount is entitled to a refund of the overcharge.

(b) The county assessor-collector who collects the excessive fee shall refund an overcharge on presentation to the assessor-collector of satisfactory evidence of the overcharge~~[-The owner must make a claim for a refund of an overcharge]~~ not later than the first ~~[fifth]~~ anniversary of the date the excessive registration fee was paid.

(c) A refund shall be paid from the fund in which the county's share of registration fees is deposited.

SECTION 112. Same as House version.

SECTION 119. Section 502.051, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, and redesignated as Section 502.196, Transportation Code, to read as follows:

Sec. 502.196 ~~[502.051]~~. DEPOSIT OF REGISTRATION FEES IN STATE HIGHWAY FUND. Except as otherwise provided by this chapter, the board and the department shall deposit all money received from registration fees in the state treasury to the credit of the state highway fund.

SECTION 113. Same as House version.

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SECTION 120. Section 502.101, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, and redesignated as Section 502.197, Transportation Code, to read as follows:

Sec. 502.197 [~~502.101~~]. REGISTRATION BY MAIL OR ELECTRONIC MEANS; SERVICE CHARGE. (a) A county assessor-collector may collect a service charge of \$1 from each applicant registering a vehicle by mail. The service charge shall be used to pay the costs of handling and postage to mail the registration receipt and insignia to the applicant.

(b) With the approval of the commissioners court of a county, a county assessor-collector may contract with a private entity to enable an applicant for registration to use an electronic off-premises location. A private entity may charge an applicant not more than \$1 for the service provided.

(c) The department may adopt rules to cover the timely application for and issuance of registration receipts and insignia by mail or through an electronic off-premises location.

SECTION 121. Section 502.102, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.198, Transportation Code, and amended to read as follows:

Sec. 502.198 [~~502.102~~]. DISPOSITION OF FEES GENERALLY. (a) Except as provided by Sections 502.1982 [~~502.103~~] and 502.357 [~~502.104~~], this section applies to all fees collected by a county assessor-collector under this chapter.

SECTION 114. Same as House version.

SECTION 115. Same as House version.

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(b) Each Monday, a county assessor-collector shall credit to the county road and bridge fund an amount equal to the net collections made during the preceding week until the amount so credited for the calendar year equals the total of:

- (1) \$60,000;
- (2) \$350 for each mile of county road maintained by the county, according to the most recent information available from the department, not to exceed 500 miles; and
- (3) an additional amount of fees equal to the amount calculated under Section 502.1981 [~~502.1025~~].

(c) After the credits to the county road and bridge fund equal the total computed under Subsection (b), each Monday the county assessor-collector shall:

- (1) credit to the county road and bridge fund an amount equal to 50 percent of the net collections made during the preceding week, until the amount so credited for the calendar year equals \$125,000; and
- (2) send to the department an amount equal to 50 percent of those collections.

(d) After the credits to the county road and bridge fund equal the total amounts computed under Subsections (b) and (c)(1), each Monday the county assessor-collector shall send to the department all collections made during the preceding week.

~~[(e) Each Monday the county assessor-collector shall send to the department a copy of each receipt issued the previous week for a registration fee under this chapter.]~~

SECTION 122. Section 502.1025, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.1981, Transportation Code, and amended to read as follows:

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SECTION 116. Same as House version.

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Sec. ~~502.1981~~ ~~[502.1025]~~. CALCULATION OF ADDITIONAL FEE AMOUNTS RETAINED BY A COUNTY. (a) The county tax assessor-collector each calendar year shall calculate five percent of the tax and penalties collected by the county tax assessor-collector under Chapter 152, Tax Code, in the preceding calendar year. In addition, the county tax assessor-collector shall calculate each calendar year an amount equal to five percent of the tax and penalties that the comptroller:

(1) collected under Section 152.047, Tax Code, in the preceding calendar year; and

(2) determines are attributable to sales in the county.

(b) A county tax assessor-collector shall retain under Section ~~502.198(b)~~ ~~[502.102(b)]~~ fees based on the following percentage of the amounts calculated under Subsection ~~[subsection]~~ (a) during each of the following fiscal years:

~~(1) [in fiscal year 2006, 90 percent;~~

~~[(2) in fiscal year 2007, 80 percent;~~

~~[(3) in fiscal year 2008, 70 percent;~~

~~[(4) in fiscal year 2009, 60 percent;~~

~~[(5) in fiscal year 2010, 50 percent;~~

~~[(6) in fiscal year 2011, 40 percent;~~

~~[(7) in fiscal year 2012, 30 percent;~~

~~[(8) in fiscal year 2013, 20 percent;~~

~~[(9) in fiscal year 2014, 10 percent;~~

~~[(10) in fiscal year 2015 and succeeding years, 0 percent.~~

(c) The county shall credit the amounts retained under Subsection (b) to the county road and bridge fund. Money credited to the fund under this section may only be used for:

(1) county road construction, maintenance, and repair;

(2) bridge construction, maintenance, and repair;

(3) the purchase of right-of-way for road or highway

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purposes; or  
(4) the relocation of utilities for road or highway purposes.

SECTION 123. Section 502.103, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.1982, Transportation Code, and amended to read as follows:

Sec. 502.1982 [~~502.103~~]. DISPOSITION OF OPTIONAL COUNTY ROAD AND BRIDGE FEE. Each Monday a county assessor-collector shall apportion the collections for the preceding week for a fee imposed under Section 502.401 [~~502.172~~] by:

- (1) crediting an amount equal to 97 percent of the collections to the county road and bridge fund; and
- (2) sending to the department an amount equal to three percent of the collections to defray the department's costs of administering Section 502.401 [~~502.172~~].

SECTION 124. Section 502.106, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.1983, Transportation Code, and amended to read as follows:

Sec. 502.1983 [~~502.106~~]. DEPOSIT OF FEES IN INTEREST-BEARING ACCOUNT. (a) Except as provided by Sections 502.1982 [~~502.103~~] and 502.357 [~~502.104~~], a county assessor-collector may:

- (1) deposit the fees in an interest-bearing account or certificate in the county depository; and
- (2) send the fees to the department not later than the 34th day after the date the fees are due under Section 502.357

SECTION 117. Same as House version.

SECTION 118. Same as House version.

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[~~502.104~~].

(b) The county owns all interest earned on fees deposited under this section. The county treasurer shall credit the interest to the county general fund.

SECTION 125. Section 502.107, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, and redesignated as Section 502.1984, Transportation Code, to read as follows:

Sec. ~~502.1984~~ [~~502.107~~]. INTEREST ON FEES. (a) A fee required to be sent to the department under this chapter bears interest for the benefit of the state highway fund at an annual rate of 10 percent beginning on the 60th day after the date the county assessor-collector collects the fee.

(b) The department shall audit the registration and transfer fees collected and disbursed by each county assessor-collector and shall determine the exact amount of interest due on any fee not sent to the department.

(c) The state has a claim against a county assessor-collector and the sureties on the assessor-collector's official bond for the amount of interest due on a fee.

SECTION 119. Same as House version.

SECTION 126. Section 502.108, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, redesignated as Section 502.1985, Transportation Code, and amended to read as follows:

Sec. ~~502.1985~~ [~~502.108~~]. USE OF REGISTRATION FEES RETAINED BY COUNTY. (a) Money credited to the county road and bridge fund under Section ~~502.198~~ [~~502.102~~] or ~~502.1982~~ [~~502.103~~] may not be used to pay the

SECTION 120. Same as House version.

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compensation of the county judge or a county commissioner. The money may be used only for the construction and maintenance of lateral roads in the county, under the supervision of the county engineer.

(b) If there is not a county engineer, the commissioners court of the county may require the services of the department's district engineer or resident engineer to supervise the construction and surveying of lateral roads in the county.

(c) A county may use money allocated to it under this chapter to:

- (1) pay obligations issued in the construction or improvement of any roads, including state highways in the county;
- (2) improve the roads in the county road system; or
- (3) construct new roads.

(d) To the maximum extent possible, contracts for roads constructed by a county using funds provided under this chapter should be awarded by competitive bids.

SECTION 127. Section 502.110, Transportation Code, is transferred to Subchapter E, Chapter 502, Transportation Code, and redesignated as Section 502.1986, Transportation Code, to read as follows:

Sec. 502.1986 [~~502.110~~]. CONTINGENT PROVISION FOR DISTRIBUTION OF FEES BETWEEN STATE AND COUNTIES. If the method of distributing vehicle registration fees collected under this chapter between the state and counties is declared invalid because of inequality of collection or distribution of those fees, 60 percent of each fee shall be distributed to the county collecting the fee and 40 percent shall be sent to the state in the manner provided by this chapter.

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SECTION 121. Same as House version.

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SECTION 128. The heading to Subchapter F, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER F. REGULAR REGISTRATION FEES  
~~[SPECIALIZED LICENSE PLATES; EXEMPTIONS FOR PRIVATELY OWNED VEHICLES]~~

SECTION 129. Section 502.160, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, and redesignated as Section 502.251, Transportation Code, to read as follows:  
Sec. 502.251 ~~[502.160]~~. FEE: MOTORCYCLE OR MOPED. The fee for a registration year for registration of a motorcycle or moped is \$30.

**No equivalent provision.**

SECTION 122. Same as House version.

SECTION 123. Same as House version.

SECTION 124. Section 502.161, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, redesignated as Section 502.252, Transportation Code, and amended to read as follows:  
Sec. 502.252 ~~[502.161]~~. FEE: VEHICLES THAT WEIGH 6,000 POUNDS OR LESS. (a) The fee for a registration year for registration of a vehicle with a gross weight of 6,000 pounds or less is \$50.75, unless otherwise provided in this chapter.  
(b) ~~(c)~~ For registration purposes, the weight of a passenger car, a municipal bus, or a private bus is the weight generally accepted as its correct shipping weight plus 100 pounds.  
~~(d) In this section, "private bus" has the meaning assigned by~~

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~~Section 502.294.]~~

SECTION 130. Section 502.162, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, redesignated as Section 502.253, Transportation Code, and amended to read as follows:

Sec. ~~502.253~~ [502.162]. FEE: VEHICLES THAT WEIGH MORE THAN 6,000 POUNDS. [(a)] The fee for a registration year for registration of a vehicle with a gross weight of more than 6,000 pounds is as follows unless otherwise provided in this chapter:

Weight Classification in pounds	Fee Schedule
6,001-10,000	\$54.00
10,001-18,000	\$110.00
18,001-25,999	\$205.00
26,000-40,000	\$340.00
40,001-54,999	\$535.00
55,000-70,000	\$740.00
70,001-80,000	\$840.00

~~[(b) The gross weight of a vehicle is the actual weight of the vehicle, fully equipped with a body and other equipment, as certified by a public weigher or a license and weight inspector of the Department of Public Safety, plus its net carrying capacity.~~

~~[(c) The net carrying capacity of a vehicle other than a bus is the heaviest net load to be carried on the vehicle, but not less than the manufacturer's rated carrying capacity.~~

~~[(d) The net carrying capacity of a bus is computed by multiplying its seating capacity by 150 pounds. The seating~~

SECTION 125. Same as House version.

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capacity of a bus is:

~~[(1) the manufacturer's rated seating capacity, excluding the operator's seat; or~~

~~[(2) if the manufacturer has not rated the vehicle for seating capacity, a number computed by allowing one passenger for each 16 inches of seating on the bus, excluding the operator's seat.]~~

SECTION 131. Section 502.166, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, redesignated as Section 502.254, Transportation Code, and amended to read as follows:

Sec. 502.254 ~~[502.166]~~. FEE: TRAILER, TRAVEL TRAILER, OR SEMITRAILER. (a) The fee for a registration year for registration of a trailer, travel trailer, or semitrailer with a gross weight of 6,000 pounds or less is \$45.00.

(b) ~~[(a-1)]~~ The fee for a registration year for registration of a trailer, travel trailer, or semitrailer with a gross weight of more than 6,000 pounds is calculated by gross weight according to Section 502.253 ~~[502.162]~~.

~~[(b) The gross weight of a trailer or semitrailer is the actual weight of the vehicle, as certified by a public weigher or a license and weight inspector of the Department of Public Safety, plus its net carrying capacity.~~

~~[(c) The net carrying capacity of a vehicle is the heaviest net load to be carried on the vehicle, but not less than the manufacturer's rated carrying capacity.~~

~~[(d) The department may issue specially designed license~~

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~~plates for rental trailers and travel trailers that include, as appropriate, the words "rental trailer" or "travel trailer."~~

~~[(e) In this section:~~

~~[(1) "Rental fleet" means five or more vehicles that are:~~

~~[(A) owned by the same owner;~~

~~[(B) offered for rent or rented without drivers; and~~

~~[(C) designated by the owner in the manner prescribed by the department as a rental fleet.~~

~~[(2) "Rental trailer" means a utility trailer that:~~

~~[(A) has a gross weight of 4,000 pounds or less; and~~

~~[(B) is part of a rental fleet.~~

~~[(3) "Travel trailer" means a house trailer type vehicle or a camper trailer that is:~~

~~[(A) less than eight feet in width or 40 feet in length, exclusive of any hitch installed on the vehicle; and~~

~~[(B) designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use and not as a permanent dwelling; provided that "travel trailer" shall not include a utility trailer, enclosed trailer, or other trailer not having human habitation as its primary purpose.]~~

SECTION 132. Section 502.167, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, redesignated as Section 502.255, Transportation Code, and amended to read as follows:

Sec. 502.255 [502.167]. TRUCK-TRACTOR OR COMMERCIAL MOTOR VEHICLE COMBINATION FEE; SEMITRAILER TOKEN FEE. (a) This section applies only to a truck-tractor or commercial motor vehicle with a gross

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SECTION 127. Same as House version.

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weight of more than 10,000 pounds that is used or is to be used in combination with a semitrailer that has a gross weight of more than 6,000 pounds.

(b) The fee for a registration year for registration of a truck-tractor or commercial motor vehicle is calculated by gross weight according to Section 502.253 [~~502.162~~].

(c) The fee for a registration year for registration of a semitrailer used in the manner described by Subsection (a), regardless of the date the semitrailer is registered, is:

(1) \$30, for a semitrailer being propelled by a power unit for which a permit under Section 623.011 has been issued; or

(2) \$15, for a semitrailer being propelled by a power unit for which a permit under Section 623.011 has not been issued.

(d) A registration made under Subsection (c) is valid only when the semitrailer is used in the manner described by Subsection (a).

(e) For registration purposes, a semitrailer converted to a trailer by means of an auxiliary axle assembly retains its status as a semitrailer.

(f) A combination of vehicles may not be registered under this section for a combined gross weight of less than 18,000 pounds.

(g) This section does not apply to:

(1) a combination of vehicles that includes a vehicle that has a distinguishing license plate under Section 502.146 [~~504.504~~];

(2) a truck-tractor or commercial motor vehicle registered or to be registered with \$5 distinguishing license plates for which the vehicle is eligible under this chapter;

(3) a truck-tractor or commercial motor vehicle used exclusively in combination with a semitrailer of the travel trailer [~~house trailer~~] type; or

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- (4) a vehicle registered or to be registered:
- (A) with a temporary registration permit;
  - (B) under Section ~~502.433~~ [502.163]; or
  - (C) under Section ~~502.435~~ [502.188].
- (h) The department may adopt rules to administer this section.
- (i) The department may issue specially designed license plates for token trailers.
- (j) A person may register a semitrailer under this section [~~for a registration period of five consecutive years~~] if the person:
- (1) applies to the department for [~~the five-year~~] registration;
  - (2) provides proof of the person's eligibility to register the vehicle under this subsection as required by the department; and
  - (3) pays a fee of \$15, plus any applicable fee under Section ~~502.401~~ [502.172], for each year included in the registration period.
- ~~[(k) If during the five year registration period for a vehicle registered under Subsection (j) the amount of a fee imposed under that subsection is increased, the owner of the vehicle is liable to the department for the amount of the increase. If the amount of a fee is decreased, the owner of the vehicle is not entitled to a refund.~~
- ~~[(1) In this section:~~
- ~~[(1) "Combined gross weight" means the empty weight of the truck tractor or commercial motor vehicle combined with the empty weight of the heaviest semitrailer used or to be used in combination with the truck tractor or commercial motor vehicle plus the heaviest net load to be carried on the combination during the registration year.~~
- ~~[(2) "Empty weight" means the unladen weight of the truck tractor or commercial motor vehicle and semitrailer~~

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~~combination fully equipped, as certified by a public weigher or license and weight inspector of the Department of Public Safety.~~

~~[(3) "Token trailer" means a semitrailer that:~~

~~[(A) has a gross weight of more than 6,000 pounds; and~~

~~[(B) is operated in combination with a truck or a truck tractor that has been issued:~~

~~[(i) an apportioned license plate;~~

~~[(ii) a combination license plate; or~~

~~[(iii) a forestry vehicle license plate.~~

~~[(4) "Apportioned license plate" means a license plate issued in lieu of truck license plates or combination license plates to a motor carrier in this state who proportionally registers a vehicle owned by the carrier in one or more other states.~~

~~[(5) "Combination license plate" means a license plate issued for a truck or truck tractor that:~~

~~[(A) has a manufacturer's rated carrying capacity of more than one ton; and~~

~~[(B) is used or intended to be used in combination with a semitrailer that has a gross weight of more than 6,000 pounds.]~~

SECTION 133. Section 502.165, Transportation Code, as effective September 1, 2011, is transferred to Subchapter F, Chapter 502, Transportation Code, redesignated as Section 502.256, Transportation Code, and amended to read as follows:

Sec. 502.256 [~~502.165~~]. FEE: ROAD TRACTOR. The fee for a registration year for registration of a road tractor is the fee prescribed by weight as certified by a public weigher or a license and weight inspector of the Department of Public

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CONFERENCE

SECTION 128. Same as House version.

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CONFERENCE

Safety under Section 502.252 [~~502.164~~] or 502.253 [~~502.162~~], as applicable.

SECTION 134. The heading to Subchapter G, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER G. ADDITIONAL FEES [~~TEMPORARY REGISTRATION~~]

SECTION 135. Section 502.1705, Transportation Code, as effective September 1, 2011, is transferred to Subchapter G, Chapter 502, Transportation Code, redesignated as Section 502.356, Transportation Code, and amended to read as follows:

Sec. 502.356 [~~502.1705~~]. [~~ADDITIONAL FEE FOR~~] AUTOMATED REGISTRATION AND TITLING [~~TITLE~~] SYSTEM. (a) In addition to other registration fees for a license plate or set of license plates or other device used as the registration insignia, a fee of \$1 shall be collected.

(b) The department may use money collected under this section to provide for or enhance:

- (1) automated on-premises and off-premises registration; and
- (2) services related to the titling of vehicles.

SECTION 136. Section 502.1715, Transportation Code, as amended by Chapters 892 (S.B. 1670) and 1108 (H.B. 2337), Acts of the 79th Legislature, Regular Session, 2005, is transferred to Subchapter G, Chapter 502, Transportation Code, redesignated as Section 502.357, Transportation Code, and reenacted and amended to read as follows:

SECTION 129. Same as House version.

SECTION 130. Same as House version.

SECTION 131. Same as House version.

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CONFERENCE

Sec. 502.357 [~~502.1715~~]. FINANCIAL RESPONSIBILITY  
[~~ADDITIONAL FEE FOR CERTAIN DEPARTMENT~~]

PROGRAMS. (a) In addition to other fees imposed for registration of a motor vehicle, at the time of application for registration or renewal of registration of a motor vehicle for which the owner is required to submit evidence of financial responsibility under Section 502.046 [~~502.153~~], the applicant shall pay a fee of \$1. In addition to other fees imposed for registration of a motor vehicle, at the time of application for registration of a motor vehicle that is subject to Section 501.0234, the applicant shall pay a fee of \$1. Fees collected under this section shall be remitted weekly to the department.

(b) Fees collected under this section shall be deposited to the credit of the state highway fund. Subject to appropriations, the money shall be used by the Department of Public Safety to:

(1) support the Department of Public Safety's reengineering of the driver's license system to provide for the issuance by the Department of Public Safety of a driver's license or personal identification certificate, to include use of image comparison technology;

(2) establish and maintain a system to support the driver responsibility program under Chapter 708; and

(3) make lease payments to the master lease purchase program for the financing of the driver's license reengineering project.

(c) Fees collected under this section shall be deposited to the credit of the state highway fund. Subject to appropriation, the money may be used by the Department of Public Safety, the Texas Department of Insurance, the Department of Information Resources, and the department to carry out Subchapter N, Chapter 601.

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(d) The Department of Public Safety, the Texas Department of Insurance, the Department of Information Resources, and the department shall jointly adopt rules and develop forms necessary to administer this section.

SECTION 137. Section 502.1675, Transportation Code, is transferred to Subchapter G, Chapter 502, Transportation Code, redesignated as Section 502.358, Transportation Code, and amended to read as follows:

Sec. 502.358 [~~502.1675~~]. TEXAS EMISSIONS REDUCTION PLAN SURCHARGE. (a) In addition to the registration fees charged under Section 502.255 [~~502.167~~], a surcharge is imposed on the registration of a truck-tractor or commercial motor vehicle under that section in an amount equal to 10 percent of the total fees due for the registration of the truck-tractor or commercial motor vehicle under that section.

(b) The county tax assessor-collector shall remit the surcharge collected under this section to the comptroller at the time and in the manner prescribed by the comptroller for deposit in the Texas emissions reduction plan fund.

(c) This section expires August 31, 2019.

SECTION 138. Section 502.171, Transportation Code, is transferred to Subchapter G, Chapter 502, Transportation Code, redesignated as Section 502.359, Transportation Code, and amended to read as follows:

Sec. 502.359 [~~502.171~~]. ADDITIONAL FEE FOR CERTAIN VEHICLES USING DIESEL MOTOR. (a) The registration fee under this chapter for a motor vehicle other

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SECTION 132. Same as House version.

SECTION 133. Same as House version.

CONFERENCE

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than a passenger car, a truck with a gross vehicle weight [~~manufacturer's rated carrying capacity~~] of 18,000 pounds [~~two tons~~] or less, or a vehicle registered in combination under Section 502.255 [~~502.167~~] is increased by 11 percent if the vehicle has a diesel motor.

(b) ~~The~~ [A county assessor collector shall show on the] registration receipt for a motor vehicle, other than a passenger car or a truck with a gross vehicle weight [~~manufacturer's rated carrying capacity~~] of 18,000 pounds [~~two tons~~] or less, must show that the vehicle has a diesel motor.

(c) The department may adopt rules to administer this section.

SECTION 139. The heading to Subchapter H, Chapter 502, Transportation Code, is amended to read as follows:

SUBCHAPTER H. OPTIONAL FEES [~~OFFENSES AND PENALTIES~~]

SECTION 140. Section 502.172, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.401, Transportation Code, and amended to read as follows:

Sec. 502.401 [~~502.172~~]. OPTIONAL COUNTY FEE FOR ROAD AND BRIDGE FUND. (a) The commissioners court of a county by order may impose an additional fee, not to exceed \$10, for registering a vehicle in the county.

(b) A vehicle that may be registered under this chapter without payment of a registration fee may be registered in a county imposing a fee under this section without payment of the additional fee.

(c) A fee imposed under this section may take effect only on

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SECTION 134. Same as House version.

SECTION 135. Same as House version.

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January 1 of a year. The county must adopt the order and notify the department not later than September 1 of the year preceding the year in which the fee takes effect.

(d) A fee imposed under this section may be removed. The removal may take effect only on January 1 of a year. A county may remove the fee only by:

- (1) rescinding the order imposing the fee; and
- (2) notifying the department not later than September 1 of the year preceding the year in which the removal takes effect.

(e) The county assessor-collector of a county imposing a fee under this section shall collect the additional fee for a vehicle when other fees imposed under this chapter are collected.

(f) The department shall collect the additional fee on a vehicle that is owned by a resident of a county imposing a fee under this section ~~and~~ that ~~under this chapter,~~ must be registered directly with the department. The department shall send all fees collected for a county under this subsection to the county treasurer to be credited to the county road and bridge fund.

(g) The department shall adopt rules ~~and develop forms~~ necessary to administer registration ~~by mail~~ for a vehicle being registered in a county imposing a fee under this section.

SECTION 141. Section 502.1725, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.402, Transportation Code, and amended to read as follows:

Sec. 502.402 ~~[502.1725]~~. OPTIONAL COUNTY FEE FOR TRANSPORTATION PROJECTS. (a) This section applies only to:

- (1) a county:

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CONFERENCE

SECTION 136. Section 502.1725, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.402, Transportation Code, and amended to read as follows:

Sec. 502.402 ~~[502.1725]~~. OPTIONAL COUNTY FEE FOR TRANSPORTATION PROJECTS. (a) This section applies only to

- a county:

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(A) ~~[(4)]~~ that borders the United Mexican States;  
(B) ~~[(2)]~~ that has a population of more than 300,000; and  
(C) ~~[(3)]~~ in which the largest municipality has a population of less than 300,000; and

(2) a county that has a population of less than 50,000 that:

(A) borders the United Mexican States; and

(B) contains at least one federal military base.

(b) The commissioners court of a county by order may impose an additional fee, not to exceed \$10, for ~~[registering]~~ a vehicle registered in the county.

(c) A vehicle that may be registered under this chapter without payment of a registration fee may be registered ~~[in a county imposing a fee]~~ under this section without payment of the additional fee.

(d) A fee imposed under this section may take effect ~~[only on January 1 of a year. The county must adopt the order]~~ and ~~[notify the department not later than September 1 of the year preceding the year in which the fee takes effect.~~

~~[(e) A fee imposed under this section may] be removed in accordance with the requirements of Section 502.401[. The removal may take effect only on January 1 of a year. A county may remove the fee only by:~~

~~[(1) rescinding the order imposing the fee; and~~

~~[(2) notifying the department not later than September 1 of the year preceding the year in which the removal takes effect].~~

~~(e) [(f)]~~ The ~~[county assessor collector of a county imposing a fee under this section shall collect the]~~ additional fee shall be collected for a vehicle when other fees imposed under this chapter are collected. The ~~[county shall send the]~~ fee revenue collected shall be sent:

(1) to the regional mobility authority of the county to fund long-term transportation projects in the county if the county is

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(1) that borders the United Mexican States;  
(2) that has a population of more than 300,000; and  
(3) in which the largest municipality has a population of less than 300,000.

(b) The commissioners court of a county by order may impose an additional fee, not to exceed \$10, for ~~[registering]~~ a vehicle registered in the county.

(c) A vehicle that may be registered under this chapter without payment of a registration fee may be registered ~~[in a county imposing a fee]~~ under this section without payment of the additional fee.

(d) A fee imposed under this section may take effect ~~[only on January 1 of a year. The county must adopt the order]~~ and ~~[notify the department not later than September 1 of the year preceding the year in which the fee takes effect.~~

~~[(e) A fee imposed under this section may] be removed in accordance with the requirements of Section 502.401[. The removal may take effect only on January 1 of a year. A county may remove the fee only by:~~

~~[(1) rescinding the order imposing the fee; and~~

~~[(2) notifying the department not later than September 1 of the year preceding the year in which the removal takes effect].~~

~~(e) [(f)]~~ The ~~[county assessor collector of a county imposing a fee under this section shall collect the]~~ additional fee shall be collected for a vehicle when other fees imposed under this chapter are collected. The ~~[county shall send the]~~ fee revenue collected shall be sent to the regional mobility authority of the county to fund long-term transportation projects in the county.

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included in an authority; or

(2) to the county treasurer to be credited to the county public transportation fund if the county is not included in an authority.

~~(f) [(g) The department shall collect the additional fee on a vehicle that is owned by a resident of a county imposing a fee under this section and that, under this chapter, must be registered directly with the department. The department shall send all fees collected for a county under this subsection to the regional mobility authority of the county to fund long term transportation projects in the county.~~

~~[(h)] The department shall adopt rules [and develop forms] necessary to administer registration [by mail] for a vehicle being registered in a county imposing a fee under this section.~~

SECTION 142. Section 502.173, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.403, Transportation Code, and amended to read as follows:

Sec. ~~502.403~~ [502.173]. **OPTIONAL COUNTY FEE FOR CHILD SAFETY.** (a) The commissioners court of a county that has a population greater than 1.3 million and in which a municipality with a population of more than one million is primarily located may impose by order an additional fee of not less than 50 cents or more than \$1.50 for ~~[registering]~~ a vehicle registered in the county. The commissioners court of any other county may impose by order an additional fee of not more than \$1.50 for registering a vehicle in the county.

(b) A vehicle that may be registered under this chapter without payment of a registration fee may be registered ~~[in a county imposing a fee under this section]~~ without payment of

~~(f) [(g) The department shall collect the additional fee on a vehicle that is owned by a resident of a county imposing a fee under this section and that, under this chapter, must be registered directly with the department. The department shall send all fees collected for a county under this subsection to the regional mobility authority of the county to fund long term transportation projects in the county.~~

~~[(h)] The department shall adopt rules [and develop forms] necessary to administer registration [by mail] for a vehicle being registered in a county imposing a fee under this section.~~

SECTION 137. Same as House version.

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the additional fee.

~~(c) A fee imposed under this section may take effect [only on January 1 of a year. The county must adopt the order] and [notify the department not later than September 10 of the year preceding the year in which the fee takes effect.~~

~~[(d) A fee imposed under this section may] be removed in accordance with the provisions of Section 502.401. ~~[(The removal may take effect only on January 1 of a year. A county may remove the fee only by:~~~~

~~[(1) rescinding the order imposing the fee; and~~

~~[(2) notifying the department not later than September 1 of the year preceding the year in which the removal takes effect.]~~

~~(d) [(e)] The [county assessor-collector of a county imposing a fee under this section shall collect the] additional fee shall be collected for a vehicle when other fees imposed under this chapter are collected.~~

~~(e) [(f)] A county imposing a fee under this section may deduct for administrative costs an amount of not more than 10 percent of the revenue it receives from the fee. The county may also deduct from the fee revenue an amount proportional to the percentage of county residents who live in unincorporated areas of the county. After making the deductions provided for by this subsection, the county shall send the remainder of the fee revenue to the municipalities in the county according to their population.~~

~~(f) [(g)] A municipality with a population greater than 850,000 shall deposit revenue from a fee imposed under this subsection to the credit of the child safety trust fund created under Section 106.001, Local Government Code. A municipality with a population less than 850,000 shall use revenue from a fee imposed under this section in accordance with Article 102.014(g), Code of Criminal Procedure.~~

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~~(g) [(h)]~~ After deducting administrative costs, a county may use revenue from a fee imposed under this section only for a purpose permitted by Article 102.014(g) ~~[Subsection (g); Article 102.014]~~, Code of Criminal Procedure.

SECTION 143. Section 502.174, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.404, Transportation Code, and amended to read as follows:

Sec. 502.404 ~~[502.174]~~. VOLUNTARY ASSESSMENT FOR YOUNG FARMER LOAN GUARANTEES. (a) When a person registers a commercial motor vehicle under Section 502.433 ~~[502.163]~~, the person shall pay a voluntary assessment of \$5.

(b) The county assessor-collector shall send an assessment collected under this section to the comptroller, at the time and in the manner prescribed by the Texas Agricultural Finance Authority, for deposit in the Texas agricultural fund.

(c) The Texas Agricultural Finance Authority shall prescribe procedures under which an assessment collected under this section may be refunded. The county assessor-collector of the county in which an assessment is collected shall:

- (1) implement the refund procedures; and
- (2) provide notice of those procedures to a person paying an assessment at the time of payment.

SECTION 144. Section 502.1745, Transportation Code, is transferred to Subchapter H, Chapter 502, Transportation Code, redesignated as Section 502.405, Transportation Code, and amended to read as follows:

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SECTION 138. Same as House version.

SECTION 139. Same as House version.

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Sec. 502.405 [~~502.1745~~]. DONOR EDUCATION, AWARENESS, AND REGISTRY PROGRAM [~~VOLUNTARY FEE~~]. (a) The department shall provide to each county assessor-collector the educational materials for prospective donors provided as required by the Donor Education, Awareness, and Registry Program of Texas under Chapter 49, Health and Safety Code. The [A county assessor-collector shall make the] educational materials shall be made available in each office authorized to accept applications for registration of motor vehicles.

(b) A person may elect to pay [county assessor-collector shall collect] an additional fee of \$1 for the registration or renewal of registration of a motor vehicle to pay the costs of the Donor Education, Awareness, and Registry Program of Texas, established under Chapter 49, Health and Safety Code, and of the Texas Organ, Tissue, and Eye Donor Council, established under Chapter 113, Health and Safety Code [~~, if the person registering or renewing the registration of a motor vehicle opts to pay the additional fee~~]. Notwithstanding any other provision of this chapter, [~~the county assessor-collector shall remit~~] all fees collected under this subsection shall be remitted to the comptroller, who shall maintain the identity of the source of the fees.

(c) Three percent of all money collected under this section may be appropriated only to the department to administer this section.

SECTION 145. The heading to Subchapter I, Chapter 502, Transportation Code, is amended to read as follows:  
SUBCHAPTER I. ALTERNATE REGISTRATION FEES  
[~~TRANSFER AND REMOVAL OF LICENSE PLATES FOR~~

SECTION 140. Same as House version.

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~~THE SALE OR TRANSFER OF USED VEHICLES]~~

SECTION 146. Section 502.164, Transportation Code, is transferred to Subchapter I, Chapter 502, Transportation Code, and redesignated as Section 502.431, Transportation Code, to read as follows:

Sec. 502.431 ~~[502.164]~~. FEE: MOTOR VEHICLE USED EXCLUSIVELY TO TRANSPORT AND SPREAD FERTILIZER. The fee for a registration year for registration of a motor vehicle designed or modified and used exclusively to transport to the field and spread fertilizer, including agricultural limestone, is \$75.

SECTION 141. Same as House version.

SECTION 147. Section 502.1586, Transportation Code, is transferred to Subchapter I, Chapter 502, Transportation Code, redesignated as Section 502.432, Transportation Code, and amended to read as follows:

Sec. 502.432 ~~[502.1586]~~. ~~[REGISTRATION PERIOD FOR TRUCK TRACTOR OR COMMERCIAL MOTOR]~~ VEHICLE TRANSPORTING SEASONAL AGRICULTURAL PRODUCTS. (a) The department shall provide for a monthly registration period for a truck-tractor or a commercial motor vehicle ~~[that]~~:

- (1) that is used exclusively to transport a seasonal agricultural product; ~~[and]~~
- (2) that would otherwise be registered for a vehicle registration year; and
- (3) for which the owner can show proof of payment of the

SECTION 142. Same as House version.

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heavy vehicle use tax or exemption.

~~(b) The department shall [adopt forms for registration under this section. An applicant must indicate the number of months registration is applied for.~~

~~(c) The department shall design,] prescribe [, and furnish] a registration receipt that is valid until the expiration of the designated registration period.~~

~~(c) [(d)] The registration fee for a registration under this section is computed at a rate of one-twelfth the annual registration fee under Section 502.253 [~~502.162~~], 502.255 [~~502.163~~], or 502.433 [~~502.167~~], as applicable, multiplied by the number of months in the registration period specified in the application for the registration, which may not be less than one month or longer than six months.~~

~~(d) [(e) A person issued a registration under this section commits an offense if the person, during the registration period for the truck tractor or commercial motor vehicle, uses the truck tractor or commercial motor vehicle for a purpose other than to transport a seasonal agricultural product.~~

~~[(f) A truck tractor or commercial motor vehicle may not be registered under this section for a registration period that is less than one month or longer than six months.~~

~~[(g)] For purposes of this section, "to transport a seasonal agricultural product" includes any transportation activity necessary for the production, harvest, or delivery of an agricultural product that is produced seasonally.~~

SECTION 148. Section 502.163, Transportation Code, is transferred to Subchapter I, Chapter 502, Transportation Code, redesignated as Section 502.433, Transportation Code, and amended to read as follows:

SECTION 143. Same as House version.

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Sec. 502.433 [~~502.163~~]. FEE: COMMERCIAL FARM MOTOR VEHICLE [~~USED PRIMARILY FOR FARM PURPOSES; OFFENSE~~]. (a) The registration fee for a commercial motor vehicle as a farm vehicle is 50 percent of the applicable fee under Section 502.253 [~~502.162~~] if the vehicle's owner will use the vehicle for commercial purposes only to transport:

(1) the person's own poultry, dairy, livestock, livestock products, timber in its natural state, or farm products to market or another place for sale or processing;

(2) laborers from their place of residence to the owner's farm or ranch; or

(3) without charge, materials, tools, equipment, or supplies from the place of purchase or storage to the owner's farm or ranch exclusively for the owner's use or for use on the farm or ranch.

(b) A commercial motor vehicle may be registered under this section despite its use for transporting without charge the owner or a member of the owner's family:

(1) to attend church or school;

(2) to visit a doctor for medical treatment or supplies; or

(3) for other necessities of the home or family.

(c) Subsection (b) does not permit the use of a vehicle registered under this section in connection with gainful employment other than farming or ranching.

(d) The department shall provide distinguishing license plates for a vehicle registered under this section.

~~[(e) The owner of a commercial motor vehicle registered under this section commits an offense if the person uses or permits to be used the vehicle for a purpose other than one permitted by this section. Each use or permission for use in violation of this section is a separate offense.]~~

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~~[(f) An offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.]~~

SECTION 149. Section 502.351, Transportation Code, is transferred to Subchapter I, Chapter 502, Transportation Code, redesignated as Section 502.434, Transportation Code, and amended to read as follows:

Sec. 502.434 ~~[502.351]~~. FARM VEHICLES: EXCESS WEIGHT.

(a) The owner of a registered commercial motor vehicle, truck-tractor, trailer, or semitrailer may obtain a short-term permit to haul loads of a weight more than that for which the vehicle is registered by paying an additional fee before the additional weight is hauled to transport:

(1) the person's own seasonal agricultural products to market or another point for sale or processing;

(2) seasonal laborers from their place of residence to a farm or ranch; or

(3) materials, tools, equipment, or supplies, without charge, from the place of purchase or storage to a farm or ranch exclusively for use on the farm or ranch.

(b) A permit may not be issued under this section for a period that is less than one month or that:

(1) is greater than one year; or

(2) extends beyond the expiration of the registration year for the vehicle.

(c) A permit issued under this section for a quarter must be for a calendar quarter.

(d) The fee for a permit under this section is a percentage of the difference between the registration fee otherwise prescribed ~~[by this chapter]~~ for the vehicle and the annual fee for the desired weight, as follows:

SECTION 144. Same as House version.

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One month (30 consecutive days)      10    percent

One quarter      30 percent

Two quarters    60 percent

Three quarters   90 percent

(e) The department shall design, prescribe, and furnish a sticker, plate, or other means of indicating the additional weight and the registration period for each vehicle registered under this section.

SECTION 150. Section 502.188, Transportation Code, is transferred to Subchapter I, Chapter 502, Transportation Code, redesignated as Section 502.435, Transportation Code, and amended to read as follows:

Sec. 502.435 [~~502.188~~]. CERTAIN SOIL CONSERVATION EQUIPMENT. (a) The owner of a truck-tractor, semitrailer, or low-boy trailer used on a highway exclusively to transport the owner's soil conservation machinery or equipment used in clearing real property, terracing, or building farm ponds, levees, or ditches may register the vehicle for a fee equal to 50 percent of the fee otherwise prescribed by this chapter for the vehicle.

(b) An owner may register only one truck-tractor and only one semitrailer or low-boy trailer under this section.

(c) An owner [~~applying for registration under this section~~] must certify [~~submit a statement~~] that the vehicle is to be used only as provided by Subsection (a).

(d) The registration receipt issued for a vehicle registered under this section must be carried in or on the vehicle and [~~shall~~] state the nature of the operation for which the vehicle may be used. [~~The receipt must be carried at all times in or on~~]

SECTION 145. Same as House version.

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~~the vehicle to permit ready inspection.]~~

(e) A vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated while unregistered and is immediately subject to the applicable registration fees and penalties prescribed by this chapter.

SECTION 151. Chapter 502, Transportation Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. REGISTRATIONS EXEMPT FROM FEES

SECTION 152. Section 502.201, Transportation Code, as effective September 1, 2011, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.451, Transportation Code, and amended to read as follows:

Sec. 502.451 ~~[502.201].~~ ~~[LICENSE PLATES FOR]~~

EXEMPT VEHICLES. (a) Before license plates are issued or delivered to the owner of a vehicle that is exempt by law from payment of registration fees, the department must approve the application for registration. The department may not approve an application if there is the appearance that:

(1) the vehicle was transferred to the owner or purported owner:

(A) for the sole purpose of evading the payment of registration fees; or

(B) in bad faith; or

(2) the vehicle is not being used in accordance with the exemption requirements.

SECTION 146. Same as House version.

SECTION 147. Same as House version.

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(b) The department shall revoke the registration of a vehicle issued license plates under this section and may recall the plates if the vehicle is no longer:

- (1) owned and operated by the person whose ownership of the vehicle qualified the vehicle for the exemption; or
- (2) used in accordance with the exemption requirements.

(c) [~~(d)~~] The department shall provide by rule for the issuance of specially designated license plates for vehicles that are exempt by law. Except as provided by Subsection (f) [~~(g)~~], the license plates must bear the word "exempt."

(d) [~~(e)~~] A license plate under Subsection (c) [~~(d)~~] is not issued annually, but remains on the vehicle until:

- (1) the registration is revoked as provided by Subsection (b); or
- (2) the plate is lost, stolen, or mutilated.

(e) [~~(f)~~] A person who operates on a public highway a vehicle after the registration has been revoked is liable for the penalties for failing to register a vehicle.

(f) [~~(g)~~] The department shall provide by rule for the issuance of regularly designed license plates not bearing the word "exempt" for a vehicle that is exempt by law and that is:

- (1) a law enforcement vehicle, if the agency certifies to the department that the vehicle will be dedicated to law enforcement activities;
- (2) a vehicle exempt from inscription requirements under a rule adopted as provided by Section 721.003; or
- (3) a vehicle exempt from inscription requirements under an order or ordinance adopted by a governing body of a municipality or commissioners court of a county as provided by Section 721.005, if the applicant presents a copy of the order or ordinance.

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SECTION 153. Section 502.2015, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.452, Transportation Code, and amended to read as follows:

Sec. 502.452 [~~502.2015~~]. LIMITATION ON ISSUANCE OF EXEMPT LICENSE PLATES; SEIZURE OF CERTAIN VEHICLES. (a) The department may not issue exempt license plates for a vehicle owned by the United States, this state, or a political subdivision of this state unless when application is made for registration of the vehicle, the person who under Section 502.453 [~~502.202~~] has authority to certify to the department that the vehicle qualifies for registration under that section also certifies in writing to the department that there is printed on each side of the vehicle, in letters that are at least two inches high or in an emblem that is at least 100 square inches in size, the name of the agency, department, bureau, board, commission, or officer of the United States, this state, or the political subdivision of this state that has custody of the vehicle. The letters or emblem must be of a color sufficiently different from the body of the vehicle to be clearly legible from a distance of 100 feet.

(b) The department may not issue exempt license plates for a vehicle owned by a person other than the United States, this state, or a political subdivision of this state unless, when application is made for registration of the vehicle, the person who under Section 502.453 [~~502.202~~] has authority to certify to the department that the vehicle qualifies for registration under that section also certifies in writing to the department that the name of the owner of the vehicle is printed on the vehicle in the manner prescribed by Subsection (a).

(c) A peace officer listed in Article 2.12, Code of Criminal Procedure, may seize a motor vehicle displaying exempt

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SECTION 148. Same as House version.

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license plates if the vehicle is:

- (1) operated on a public highway; and
- (2) not identified in the manner prescribed by Subsection (a) or (b), unless the vehicle is covered by Subsection (f).
- (d) A peace officer who seizes a motor vehicle under Subsection (c) may require that the vehicle be:
  - (1) moved to the nearest place of safety off the main-traveled part of the highway; or
  - (2) removed and placed in the nearest vehicle storage facility designated or maintained by the law enforcement agency that employs the peace officer.
- (e) To obtain the release of the vehicle, in addition to any other requirement of law, the owner of a vehicle seized under Subsection (c) must:
  - (1) remedy the defect by identifying the vehicle as required by Subsection (a) or (b); or
  - (2) agree in writing with the law enforcement agency to provide evidence to that agency, before the 10th day after the date the vehicle is released, that the defect has been remedied by identifying the vehicle as required by Subsection (a) or (b).
- (f) Subsections (a) and (b) do not apply to a vehicle to which Section ~~502.451(f)~~ ~~[502.201(g) or 502.206]~~ applies.
- (g) For purposes of this section, an exempt license plate is a license plate issued by the department that is plainly marked with the word "exempt."

SECTION 154. Section 502.202, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.453, Transportation Code, and amended to read as follows:  
Sec. 502.453 ~~[502.202]~~. GOVERNMENT-OWNED

SECTION 149. Same as House version.

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VEHICLES; PUBLIC SCHOOL BUSES; FIRE-FIGHTING VEHICLES; COUNTY MARINE LAW ENFORCEMENT VEHICLES. (a) The owner of a motor vehicle, trailer, or semitrailer may annually apply for registration under Section 502.451 ~~[502.204]~~ and is exempt from the payment of a registration fee under this chapter if the vehicle is:

(1) owned by and used exclusively in the service of:

(A) the United States;

(B) this state; or

(C) a county, municipality, or school district in this state;

(2) owned by a commercial transportation company and used exclusively to provide public school transportation services to a school district under Section 34.008, Education Code;

(3) designed and used exclusively for fire fighting;

(4) owned by a volunteer fire department and used exclusively in the conduct of department business; ~~[or]~~

(5) privately owned and used by a volunteer exclusively in county marine law enforcement activities, including rescue operations, under the direction of the sheriff's department; or

(6) used by law enforcement under an alias for covert criminal investigations.

(b) An application for registration under this section must be made by a person having the authority to certify that the vehicle meets the exemption requirements prescribed by Subsection (a). An application for registration under this section of a fire-fighting vehicle described by Subsection (a)(3) must include a reasonable description of the vehicle and of any fire-fighting equipment mounted on the vehicle. An application for registration under this section of a vehicle described by Subsection (a)(5) must include a statement signed by a person having the authority to act for a sheriff's department that the vehicle is used exclusively in marine law

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enforcement activities under the direction of the sheriff's department.

SECTION 155. Section 502.203, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.454, Transportation Code, and amended to read as follows:

Sec. 502.454 [~~502.203~~]. VEHICLES USED BY NONPROFIT DISASTER RELIEF ORGANIZATIONS. (a) The owner of a commercial motor vehicle, trailer, or semitrailer may apply for registration under Section 502.451 [~~502.201~~] and is exempt from the payment of the registration fee that would otherwise be required by this chapter if the vehicle is owned and used exclusively for emergencies by a nonprofit disaster relief organization.

(b) An application for registration under this section must include:

(1) a statement by the owner of the vehicle that the vehicle is used exclusively for emergencies and has not been used for any other purpose;

(2) a statement signed by an officer of the nonprofit disaster relief organization that the vehicle has not been used for any purpose other than emergencies and qualifies for registration under this section; and

(3) a reasonable description of the vehicle and the emergency equipment included in the vehicle.

(c) An applicant for registration under this section must pay a fee of \$5.

(d) A commercial motor vehicle registered under this section must display the name of the organization that owns it on each front door.

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SECTION 150. Same as House version.

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- (e) A vehicle registered under this section must display at all times an appropriate license plate showing the vehicle's status.
- (f) A vehicle registered under this section that is used for any purpose other than an emergency may not again be registered under this section.

SECTION 156. Section 502.2035, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, and redesignated as Section 502.455, Transportation Code, to read as follows:

Sec. 502.455 [~~502.2035~~]. TRAILERS AND SEMITRAILERS OWNED BY RELIGIOUS ORGANIZATIONS. (a) A trailer or semitrailer may be registered without payment if the trailer or semitrailer is:

- (1) owned by an organization that qualifies as a religious organization under Section 11.20, Tax Code; and
- (2) used primarily for the purpose of transporting property in connection with the charitable activities and functions of the organization.

(b) An application for registration under this section must include a statement signed by an officer of the religious organization stating that the trailer or semitrailer qualifies for registration under this section.

SECTION 157. Section 502.204, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.456, Transportation Code, and amended to read as follows:

Sec. 502.456 [~~502.204~~]. EMERGENCY SERVICES VEHICLES. (a) A vehicle may be registered without

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SECTION 151. Same as House version.

SECTION 152. Same as House version.

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payment if:

(1) the vehicle is owned or leased by an emergency medical services provider that:

(A) is a nonprofit entity; or

(B) is created and operated by:

(i) a county;

(ii) a municipality; or

(iii) any combination of counties and municipalities through a contract, joint agreement, or other method provided by Chapter 791, Government Code, or other law authorizing counties and municipalities to provide joint programs; and

(2) the vehicle:

(A) is authorized under an emergency medical services provider license issued by the Department of State [~~Texas Board of~~] Health Services under Chapter 773, Health and Safety Code, and is used exclusively as an emergency medical services vehicle; or

(B) is an emergency medical services chief or supervisor vehicle and is used exclusively as an emergency services vehicle.

(b) A vehicle may be registered without payment of a registration fee if the vehicle:

(1) is owned by the Civil Air Patrol, Texas Wing; and

(2) is used exclusively as an emergency services vehicle by members of the Civil Air Patrol, Texas Wing.

(c) An application for registration under Subsection (a) must be accompanied by a copy of the license issued by the Department of State [~~Texas Board of~~] Health Services. An application for registration of an emergency medical services vehicle must include a statement signed by an officer of the emergency medical services provider that the vehicle is used exclusively as an emergency response vehicle and qualifies

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for registration under this section. An application for registration of an emergency medical services chief or supervisor vehicle must include a statement signed by an officer of the emergency medical services provider stating that the vehicle qualifies for registration under this section.

(d) An application for registration under Subsection (b) must include a statement signed by an officer of the Civil Air Patrol, Texas Wing, that the vehicle is used exclusively as an emergency services vehicle by members of the Civil Air Patrol, Texas Wing.

(e) The department must approve an application for registration under this section as provided by Section 502.451 [~~502.201~~].

SECTION 158. Section 520.0225, Transportation Code, is transferred to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.457, Transportation Code, and amended to read as follows:

Sec. 502.457 [~~520.0225~~]. PERSONS ON ACTIVE DUTY IN ARMED FORCES OF UNITED STATES. (a) This section applies only to a used motor vehicle that is owned by a person who:

- (1) is on active duty in the armed forces of the United States;
- (2) is stationed in or has been assigned to another nation under military orders; and
- (3) has registered the vehicle or been issued a license for the vehicle under the applicable status of forces agreement by:
  - (A) the appropriate branch of the armed forces of the United States; or
  - (B) the nation in which the person is stationed or to which the person has been assigned.

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SECTION 153. Same as House version.

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(b) The requirement [~~in Section 520.021~~] that a used vehicle be registered under the law of this state does not apply to a vehicle described by Subsection (a). In lieu of delivering the license receipt to the transferee of the vehicle, as required by Section 501.0721 [~~520.022~~], the person selling, trading, or otherwise transferring a used motor vehicle described by Subsection (a) shall deliver to the transferee:

(1) a letter written on official letterhead by the owner's unit commander attesting to the registration of the vehicle under Subsection (a)(3); or

(2) the registration receipt issued by the appropriate branch of the armed forces or host nation.

(c) A registration receipt issued by a host nation that is not written in the English language must be accompanied by:

(1) a written translation of the registration receipt in English; and

(2) an affidavit, in English and signed by the person translating the registration receipt, attesting to the person's ability to translate the registration receipt into English.

SECTION 159. Chapter 502, Transportation Code, is amended by adding Subchapter K to read as follows:  
SUBCHAPTER K. OFFENSES AND PENALTIES

SECTION 160. Section 502.401, Transportation Code, is transferred to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.471, Transportation Code, and amended to read as follows:  
Sec. 502.471 [~~502.401~~]. GENERAL PENALTY. (a) A person commits an offense if the person violates a provision

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SECTION 154. Same as House version.

SECTION 155. Same as House version.

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of this chapter and no other penalty is prescribed for the violation.

(b) This section does not apply to a violation of Section 502.003, 502.042, 502.197 [~~502.101~~, ~~502.109~~, ~~502.112~~, ~~502.113~~, ~~502.114~~, ~~502.152~~, ~~502.164~~], or 502.431 [~~502.282~~].

(c) Unless otherwise specified, an [~~An~~] offense under this section is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 161. Section 502.402, Transportation Code, is transferred to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.472, Transportation Code, and amended to read as follows:

Sec. 502.472 [~~502.402~~]. OPERATION OF VEHICLE UNDER IMPROPER REGISTRATION [~~UNREGISTERED MOTOR VEHICLE~~]. [(a)] A person commits an offense if the person operates a motor vehicle that has not been registered or registered for a class other than that to which the vehicle belongs as required by law. [~~An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$200.~~]

SECTION 156. Same as House version.

SECTION 162. Section 502.404, Transportation Code, is transferred to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.473, Transportation Code, and amended to read as follows:

Sec. 502.473 [~~502.404~~]. OPERATION OF VEHICLE WITHOUT [~~LICENSE PLATE OR~~] REGISTRATION INSIGNIA. (a) [~~A person commits an offense if the person operates on a public highway during a registration period a~~

SECTION 157. Same as House version.

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~~passenger car or commercial motor vehicle that does not display two license plates, at the front and rear of the vehicle, that have been:~~

~~[(1) assigned by the department for the period; or~~

~~[(2) validated by a registration insignia issued by the department that establishes that the vehicle is registered for the period.~~

~~[(b)] A person commits an offense if the person operates on a public highway during a registration period a [passenger car or commercial] motor vehicle[, other than a vehicle assigned license plates for the registration period,] that does not properly display the registration insignia issued by the department that establishes that the license plates have been validated for the period.~~

~~(b) [(e)] A person commits an offense if the person operates on a public highway during a registration period a road tractor, motorcycle, trailer, or semitrailer that does not display [a license plate, attached to the rear of the vehicle, that has been:~~

~~[(1) assigned by the department for the period; or~~

~~[(2) validated by] a registration insignia issued by the department that establishes that the vehicle is registered for the period.~~

~~(c) This section does [(d) Subsections (a) and (b) do] not apply to a dealer operating a vehicle as provided by law.~~

~~(d) [(e) An offense under this section is a misdemeanor punishable by a fine not to exceed \$200.~~

~~[(f) A court may dismiss a charge brought under Subsection (a) if the defendant:~~

~~[(1) remedies the defect before the defendant's first court appearance; and~~

~~[(2) pays an administrative fee not to exceed \$10.~~

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~~[(g)]~~ A court may dismiss a charge brought under Subsection (a) ~~[(b)]~~ if the defendant:

(1) shows that:

~~[(A)]~~ the ~~[passenger car or commercial]~~ motor vehicle was issued a registration insignia by the department that was attached to the motor vehicle, establishing that ~~[establishes that]~~ the vehicle was registered for the period during which the offense was committed; and

~~[(B)]~~ ~~the registration insignia described in Paragraph (A) was attached to the passenger car or commercial motor vehicle before the defendant's first court appearance; and]~~

(2) pays an administrative fee not to exceed \$10.

SECTION 163. Subchapter K, Chapter 502, Transportation Code, as added by this Act, is amended by adding Section 502.474 to read as follows:

Sec. 502.474. OPERATION OF ONE-TRIP PERMIT VEHICLE. A person commits an offense if the person operates a vehicle for which a one-trip permit is required without the registration receipt and properly displayed temporary tag.

SECTION 164. Section 502.409, Transportation Code, is transferred to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.475, Transportation Code, and amended to read as follows:

Sec. 502.475 ~~[502.409]~~. WRONG, FICTITIOUS, ALTERED, OR OBSCURED INSIGNIA [LICENSE PLATE]. (a) A person commits an offense if the person attaches to or displays on a motor vehicle a ~~[number plate or]~~

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SECTION 158. Same as House version.

SECTION 159. Same as House version.

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registration insignia that:

- (1) is assigned to a different motor vehicle;
- (2) is assigned to the vehicle under any other motor vehicle law other than by the department;
- (3) is assigned for a registration period other than the registration period in effect; or
- (4) is fictitious[;
- ~~[(5) has blurring or reflective matter that significantly impairs the readability of the name of the state in which the vehicle is registered or the letters or numbers of the license plate number at any time;~~
- ~~[(6) has an attached illuminated device or sticker, decal, emblem, or other insignia that is not authorized by law and that interferes with the readability of the letters or numbers of the license plate number or the name of the state in which the vehicle is registered; or~~
- ~~[(7) has a coating, covering, protective material, or other apparatus that:~~
  - ~~[(A) distorts angular visibility or detectability;~~
  - ~~[(B) alters or obscures one half or more of the name of the state in which the vehicle is registered; or~~
  - ~~[(C) alters or obscures the letters or numbers of the license plate number or the color of the plate].~~
- (b) Except as provided by Subsection (d) ~~[(f)]~~, an offense under Subsection (a) is a misdemeanor punishable by a fine of not more than \$200, unless it is shown at the trial of the offense that the owner knowingly altered or made illegible the letters, numbers, and other identification marks, in which case the offense is a Class B misdemeanor.
- (c) ~~[Subsection (a)(7) may not be construed to apply to:~~
  - ~~[(1) a trailer hitch installed on a vehicle in a normal or customary manner;~~

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~~[(2) a transponder, as defined by Section 228.057, that is attached to a vehicle in the manner required by the issuing authority;~~

~~[(3) a wheelchair lift or wheelchair carrier that is attached to a vehicle in a normal or customary manner;~~

~~[(4) a trailer being towed by a vehicle; or~~

~~[(5) a bicycle rack that is attached to a vehicle in a normal or customary manner.~~

~~[(e)]~~ A court may dismiss a charge brought under Subsection (a)(3)~~[(5), (6), or (7)]~~ if the defendant:

(1) remedies the defect before the defendant's first court appearance; and

(2) pays an administrative fee not to exceed \$10.

~~(d)~~ ~~[(f)]~~ An offense under Subsection (a)(4) is a Class B misdemeanor.

SECTION 165. Subchapter K, Chapter 502, Transportation Code, as added by this Act, is amended by adding Sections 502.476, 502.477, 502.478, and 502.479 to read as follows:

Sec. 502.476. ANNUAL PERMITS; OFFENSE. A person who violates Section 502.093 commits an offense.

Sec. 502.477. NONRESIDENT-OWNED VEHICLES USED TO TRANSPORT AGRICULTURAL PRODUCT; OFFENSE. (a) A person operating a vehicle under a permit issued under Section 502.092 commits an offense if the person transports farm products to a place of market, storage, or processing or a railhead or seaport that is farther from the place of production or point of entry, as appropriate, than the distance provided for in the permit.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.

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Sec. 502.478. COMMERCIAL MOTOR VEHICLE USED PRIMARILY FOR AGRICULTURAL PURPOSES; OFFENSE. (a) The owner of a commercial motor vehicle registered under Section 502.433 commits an offense if the person uses or permits the use of the vehicle for a purpose other than one allowed under Section 502.433. Each use or permission of use in violation of this section is a separate offense.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.

Sec. 502.479. SEASONAL AGRICULTURAL VEHICLE; OFFENSE. A person issued a registration under Section 502.432 commits an offense if the person, during the registration period, uses the truck-tractor or commercial motor vehicle for a purpose other than to transport a seasonal agricultural product.

SECTION 166. Section 520.014, Transportation Code, is transferred to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.480, Transportation Code, and amended to read as follows:

Sec. 502.480 [~~520.014~~]. VIOLATION BY COUNTY ASSESSOR-COLLECTOR; PENALTY. (a) A county assessor-collector commits an offense if the county assessor-collector knowingly accepts an application for the registration of a motor vehicle that:

(1) has had the original motor number or vehicle identification number removed, erased, or destroyed; and

(2) does not bear a motor number or vehicle identification number assigned by the department.

(b) An offense under this section is a misdemeanor

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SECTION 161. Same as House version.

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punishable by a fine of not less than \$10 and not more than \$50.

SECTION 167. Chapter 502, Transportation Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. REGISTRATION AND TRANSFER OF USED VEHICLES

SECTION 168. Section 502.451, Transportation Code, is transferred to Subchapter L, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.491, Transportation Code, and amended to read as follows:

Sec. 502.491 [~~502.451~~]. TRANSFER OF VEHICLE REGISTRATION [~~AND REMOVAL OF LICENSE PLATES~~]. (a) On the sale or transfer of a motor vehicle [~~to a dealer~~], [~~as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, the dealer shall remove each license plate and~~] the registration insignia issued for the motor vehicle shall be removed.

~~[(a-1) On a sale or transfer of a motor vehicle to a person that does not hold a general distinguishing number issued under Chapter 503, the seller or transferor may remove each license plate and the registration insignia issued for the motor vehicle.]~~

(b) [~~A license plate removed from a motor vehicle under Subsection (a) or (a-1) must be:~~

~~[(1) disposed of in the manner specified by the department; or  
[(2) transferred to another vehicle owned by the seller or~~

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SECTION 162. Same as House version.

SECTION 163. Section 502.451, Transportation Code, is transferred to Subchapter L, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.491, Transportation Code, and amended to read as follows:

Sec. 502.491 [~~502.451~~]. TRANSFER OF VEHICLE REGISTRATION [~~AND REMOVAL OF LICENSE PLATES~~]. (a) On the sale or transfer of a motor vehicle [~~to a dealer~~], [~~as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, the dealer shall remove each license plate and~~] the registration insignia issued for the motor vehicle shall be removed.

~~[(a-1) On a sale or transfer of a motor vehicle to a person that does not hold a general distinguishing number issued under Chapter 503, the seller or transferor may remove each license plate and the registration insignia issued for the motor vehicle.]~~

(b) On a sale or transfer of a motor vehicle in which neither party holds a general distinguishing number issued under Chapter 503, the [~~A license plate removed from a motor vehicle under Subsection (a) or (a-1) must be:~~

~~[(1) disposed of in the manner specified by the department; or  
[(2) transferred to another vehicle owned by the seller or~~

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~~transferor as provided by Section 502.452.~~

~~[(e)]~~ The part of the registration period remaining at the time of the sale or transfer shall continue with the vehicle being sold or transferred and does not transfer with the license plates or registration validation insignia. To continue the remainder of the registration period, the purchaser or transferee must file the documents required under Section 501.145 ~~[520.031]~~.

SECTION 169. Section 502.454, Transportation Code, is transferred to Subchapter L, Chapter 502, Transportation Code, as added by this Act, redesignated as Section 502.492, Transportation Code, and amended to read as follows:

Sec. 502.492 ~~[502.454]~~. TEMPORARY TRANSIT PERMIT FOR A VEHICLE PURCHASED ~~[IN A PRIVATE PARTY TRANSACTION]~~. (a) A purchaser ~~[or transferee]~~ may obtain from the department a temporary transit ~~[single trip]~~ permit to operate a motor vehicle:

- (1) that is subject to registration in this state;
- (2) from which the license plates and the registration insignia have been removed as authorized by Section 502.491 or 504.901 ~~[502.451(a-1)]~~; and
- (3) that is not authorized to travel on a public roadway because the required license plates and the registration

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~~transferor as provided by Section 502.452.~~

~~[(e) The]~~ part of the registration period remaining at the time of the sale or transfer shall continue with the vehicle being sold or transferred and does not transfer with the license plates or registration validation insignia. To continue the remainder of the registration period, the purchaser or transferee must file the documents required under Section 501.145 ~~[520.031]~~.

(c) On the sale or transfer of a motor vehicle to a dealer, as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, the registration period remaining at the time of the sale or transfer expires at the time of the sale or transfer. On the sale of a used motor vehicle by a dealer, the dealer shall issue to the buyer new registration documents for an entire registration year. [FA3]

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insignia are not attached to the vehicle.

(b) The department may issue the permit in accordance with this section.

(c) A permit issued under this section is valid for one trip between the point of origin and the destination and those intermediate points specified in the permit.

(d) A permit issued under this section may not be valid for longer than a five-day period.

(e) A person may obtain a permit under this section by applying, as ~~[on a form]~~ provided by the department, to the department. Application may be made using the department's Internet website.

(f) A person is eligible to receive only one permit under this section for a motor vehicle.

(g) A permit receipt issued under this section must be in ~~[on]~~ a manner ~~[form]~~ provided by the department. The receipt must contain the information required by this section and shall be carried in the vehicle at all times during which it is valid.

(h) The department may refuse to issue a permit under this section for any vehicle if in the department's opinion the applicant has been involved in operations that constitute an abuse of the privilege granted under this section.

SECTION 170. The heading to Chapter 504, Transportation Code, is amended to read as follows:  
CHAPTER 504. [~~SPECIALTY~~] LICENSE PLATES

SECTION 165. Same as House version.

SECTION 171. Section 504.001(a), Transportation Code, is amended by adding Subdivision (3) to read as follows:

SECTION 166. Same as House version.

(3) "Purchaser" and "seller" have the meanings assigned by

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Section 501.002.

SECTION 172. Section 504.004, Transportation Code, is redesignated as Section 504.0011, Transportation Code, and amended to read as follows:

Sec. 504.0011 [~~504.004~~]. RULES [~~AND FORMS~~]. The board may adopt rules [~~and the department may issue forms~~] to implement and administer this chapter.

SECTION 167. Same as House version.

SECTION 173. Section 504.002, Transportation Code, is amended to read as follows:

Sec. 504.002. [~~PROVISIONS OF~~] GENERAL PROVISIONS [~~APPLICABILITY~~]. Unless expressly provided by this chapter or by department rule:

(1) ~~except for license plates specified as exempt, any vehicle is eligible to be issued specialty license plates, provided that the department may vary the design of a license plate to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck;~~

~~[(2) an application for specialty license plates must be submitted in the manner specified by the department, provided that if issuance of a specialty license plate is limited to particular persons or motor vehicles, the application must be accompanied by evidence satisfactory to the department that the applicant or the applicant's vehicle is eligible;~~

~~[(3) the fee for issuance of a [specialty] license plate, including replacement plates, is in addition to each other fee that is paid for [ø] at the time of the registration of the motor vehicle and shall be deposited to the credit of the state highway fund;~~

SECTION 168. Same as House version.

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(2) if the registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device shall be aligned with the registration period, and the specialty plate fee shall be adjusted pro rata, except that if the statutory annual fee for a specialty license plate is \$5 or less, it may not be prorated;

~~(3) [(4) each fee described by this chapter is an annual fee, provided that the department may prorate the fee for a specialty license plate fee on a monthly basis to align the license plate fee to the registration period for the motor vehicle for which the license plate was issued, and if a fee is prorated the allocation of the fee by this chapter to an account or fund shall be prorated in proportion;~~

~~[(5)] the department is the exclusive owner of the design of each [specialty] license plate;~~

~~(4) [(6) the director may refuse to issue a specialty license plate with a design or alphanumeric pattern that the director considers potentially objectionable to one or more members of the public and the director's refusal may not be overturned in the absence of an abuse of discretion;~~

~~[(7) for each specialty license plate that is issued through a county tax assessor collector and for which the department is allocated a portion of a fee for administrative costs, the department shall credit 50 cents from its administrative costs to the county treasurer of the applicable county, who shall credit the money to the general fund of the county to defray the costs to the county of administering this chapter;~~

~~[(8)] if a [specialty] license plate is lost, stolen, or mutilated, an application for a replacement plate must be accompanied by the fee prescribed by Section 502.060 [502.184(a)(2);~~

~~[(9) if the owner of a motor vehicle for which a specialty license plate is issued disposes of the vehicle or for any reason~~

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~~ceases to be eligible for that specialty license plate, the owner shall return the specialty license plate to the department]; and (5) the department shall prepare the designs and specifications of license plates [(10) a person who is issued a specialty license plate may not transfer it to another person or vehicle without first receiving approval from the department].~~

SECTION 174. Section 504.103, Transportation Code, is transferred to Subchapter A, Chapter 504, Transportation Code, redesignated as Section 504.005, Transportation Code, and amended to read as follows:

Sec. 504.005 ~~[504.103]~~. DESIGN AND ALPHANUMERIC PATTERN. (a) The department has sole control over the design, typeface, color, and alphanumeric pattern for all ~~[a personalized] license plates [plate]~~.

(b) The department shall prepare the designs and specifications of license plates and devices selected by the board to be used as a unique identifier.

(c) The department shall design each license plate to include a design at least one-half inch wide that represents in silhouette the shape of Texas and that appears between letters and numerals. The department may omit the silhouette of Texas from specially designed license plates.

(d) To promote highway safety, each license plate shall be made with a reflectorized material that provides effective and dependable brightness for the period for which the plate is issued.

SECTION 175. Subchapter A, Chapter 504, Transportation Code, is amended by adding Section 504.0051 to read as

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SECTION 169. Same as House version.

SECTION 170. Same as House version.

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follows:

Sec. 504.0051. PERSONALIZED LICENSE PLATES. (a) The department shall issue personalized license plates, including those issued in accordance with the marketing vendor as provided in Subchapter J. The department may not issue more than one set of license plates with the same alphanumeric pattern.

(b) The department may not issue a replacement set of personalized plates to the same person before the period set by rule unless the applicant for issuance of replacement plates pays the fee required by Section 504.007.

SECTION 176. Section 502.053, Transportation Code, is transferred to Subchapter A, Chapter 504, Transportation Code, redesignated as Section 504.006, Transportation Code, and amended to read as follows:

Sec. 504.006 [502.053]. COST OF MANUFACTURING [LICENSE PLATES OR REGISTRATION INSIGNIA]. (a) The department shall reimburse the Texas Department of Criminal Justice for the cost of manufacturing license plates [or registration insignia] as [the license plates or insignia and] the invoices [invoice] for the license plates [or insignia] are delivered to the department.

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

- (1) the cost of metal, paint, and other materials purchased;
- (2) the inmate maintenance cost per shift [~~day~~];
- (3) overhead expenses;
- (4) miscellaneous charges; and

SECTION 171. Same as House version.

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(5) a previously ~~agreed upon~~ [approved] amount of profit for the work.

~~[(c) The annual profit received by the Texas Department of Criminal Justice from all contracts for the manufacturing of license plates or related manufacturing may not be less than the profit received by the Texas Department of Corrections for manufacturing license plates for use in 1974.]~~

SECTION 177. Section 502.1841, Transportation Code, as effective September 1, 2011, is transferred to Subchapter A, Chapter 504, Transportation Code, redesignated as Section 504.007, Transportation Code, and amended to read as follows:

Sec. 504.007 [~~502.1841~~]. REPLACEMENT LICENSE PLATES. (a) The owner of a registered motor vehicle may obtain replacement license plates for the vehicle by:

(1) certifying that the replacement plates will not be used on any other vehicle owned or operated by the person making the statement;

(2) paying a fee of \$6 plus the fee required by Section 502.356(a) [~~502.1705(a)~~] for each set of replacement license plates, unless otherwise specified by law; and

(3) returning to the department each license plate in the owner's possession for which a replacement license plate is obtained.

(b) Replacement license plates may not be issued except as provided by this section.

(c) A county assessor-collector shall retain \$2.50 of each fee collected under this section and forward the remainder of the fee to the department.

(d) The fee required by this section applies to the issuance of

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SECTION 172. Same as House version.

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license plates for a transferred used vehicle for which the registration and license plates were not transferred under Section 504.901 [Subchapter I].

(e) Replacement license plates may be used in the registration year in which the plates are issued and during each succeeding year of the registration period as set by rule if the registration insignia is properly displayed on the vehicle.

(f) Subsection (e) does not apply to the issuance of specialized license plates for limited distribution, including exempt plates for governmental entities and temporary registration plates.

SECTION 178. Subchapter A, Chapter 504, Transportation Code, is amended by adding Section 504.008 to read as follows:

Sec. 504.008. SPECIALTY LICENSE PLATES. (a) The department shall prepare the designs and specifications of specialty license plates.

(b) Any motor vehicle other than a vehicle manufactured for off-highway use only is eligible to be issued specialty license plates, provided that the department may vary the design of a license plate to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck.

(c) An application for specialty license plates must be submitted in the manner specified by the department, provided that if issuance of a specialty license plate is limited to particular persons or motor vehicles, the application must be accompanied by evidence satisfactory to the department that the applicant or the applicant's vehicle is eligible.

(d) Each fee described by this chapter is an annual fee, provided that the department may prorate the fee for a

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SECTION 173. Same as House version.

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specialty license plate fee on a monthly basis to align the license plate fee to the registration month for the motor vehicle for which the license plate was issued, and if a fee is prorated the allocation of the fee by this chapter to an account or fund shall be prorated in proportion.

(e) The director or the director's designee may refuse to issue a specialty license plate with a design or alphanumeric pattern that the director or designee considers potentially objectionable to one or more members of the public and the director or designee's refusal may not be overturned in the absence of an abuse of discretion.

(f) For each specialty license plate that is issued by a county assessor-collector and for which the department is allocated a portion of the fee for administrative costs, the department shall credit 50 cents from its administrative costs to the county treasurer of the applicable county, who shall credit the money to the general fund of the county to defray the costs to the county of administering this chapter.

(g) If the owner of a motor vehicle for which a specialty license plate is issued disposes of the vehicle or for any reason ceases to be eligible for that specialty license plate, the owner shall return the specialty license plate to the department.

(h) A person who is issued a specialty license plate may not transfer the plate to another person or vehicle unless the department approves the transfer.

SECTION 179. Section 504.003, Transportation Code, is redesignated as Section 504.009, Transportation Code, and amended to read as follows:

Sec. 504.009 [~~504.003~~]. SOUVENIR LICENSE PLATES.

(a) The department may issue a souvenir version of any

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SECTION 174. Same as House version. [FA4(1) and FA4(2) revert the text to the House engrossed version.]

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specialty license plate for any vehicle[, ~~including a motorcycle~~].

(b) The fee for a single souvenir license plate is \$20. The fee shall be deposited to the credit of the state highway fund unless the souvenir license plate is a replica of a specialty license plate issued under Subchapter G or I for which the fee is deposited to an account other than the state highway fund, in which case:

(1) \$10 of the fee for the souvenir license plate shall be deposited to the credit of the designated account; and

(2) \$10 of the fee for the souvenir license plate shall be deposited to the credit of the state highway fund.

(c) If a souvenir license plate issued before November 19 ~~September 1~~, 2009, is personalized, the fee for the plate is \$40. Of the fee:

(1) \$20 shall be deposited to the credit of the state highway fund;

(2) \$10 shall be deposited to the credit of the designated account if the souvenir license plate is a replica of a specialty license plate issued under Subchapter G or I for which the fee is deposited to a designated account other than the state highway fund; and

(3) the remainder shall be deposited to the credit of the general revenue fund.

(c-1) The fee for a souvenir license plate issued on or after November 19 ~~September 1~~, 2009, is the amount established under Section 504.851(c).

(d) A souvenir license plate may not be used on a motor vehicle[, ~~including a motorcycle,~~] and is not an insignia of registration for a motor vehicle. Each souvenir license plate must be identified by the department in a way that identifies it to law enforcement officers and others as a souvenir license

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plate.

(e) A beneficiary of a specialty license plate issued under Subchapter G or I, as designated by the applicable section of those subchapters, may purchase the specialty license plates, in minimum amounts determined by the department [~~boxes of 25~~], for use or resale by the beneficiary. The beneficiary shall pay the required fee per plate, less the amount of the fee that would be deposited to the credit of the designated account.

SECTION 180. Subchapter A, Chapter 504, Transportation Code, is amended by adding Section 504.010 to read as follows:

Sec. 504.010. ISSUANCE AND PLACEMENT OF LICENSE PLATE. (a) On payment of the prescribed fee, an applicant for motor vehicle registration shall be issued a license plate or set of plates.

(b) Subject to Section 504.901, the department shall issue only one license plate or set of plates for a vehicle during the registration period set by rule.

(c) The board may adopt rules regarding the placement of license plates for a motor vehicle, road tractor, motorcycle, trailer, or semitrailer.

SECTION 181. Subchapter B, Chapter 504, Transportation Code, is amended by adding Section 504.101 to read as follows:

Sec. 504.101. PERSONALIZED LICENSE PLATES. The department shall issue personalized license plates, including those sold by the private vendor under a contract with the department as provided by Section 504.851.

SECTION 175. Same as House version.

SECTION \_\_. Same as House version. [FA4(9)]

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SECTION 182. Sections 504.201(b), (d), and (g), Transportation Code, are amended to read as follows:

(b) The department shall issue specialty license plates for a motor vehicle that:

- (1) has a gross vehicle weight [~~manufacturer's rated carrying capacity~~] of 18,000 pounds [~~two tons~~] or less; and
- (2) is regularly operated for noncommercial use by or for the transportation of a person with a permanent disability.

(d) Except as provided by Subsection (d-1), the initial application for specialty license plates under this section must be accompanied by a written statement from a physician who is licensed to practice medicine in this state or in a state adjacent to this state or who is authorized by applicable law to practice medicine in a hospital or other health facility of the Department of Veterans Affairs. If the applicant has a mobility problem caused by a disorder of the foot, the written statement may be issued by a person licensed to practice podiatry in this state or a state adjacent to this state. In this subsection, "podiatry" has the meaning assigned by Section 681.001. The statement must certify that the person making the application or on whose behalf the application is made is legally blind or has a mobility problem that substantially impairs the person's ability to ambulate. The statement must also certify whether a mobility problem is temporary or permanent. A written statement is not required as acceptable medical proof if:

- (1) the person with a disability:
  - (A) has had a limb, hand, or foot amputated; or
  - (B) must use a wheelchair; and
- (2) the applicant executes a statement [~~and the county~~]

SECTION 176. Same as House version.

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~~assessor-collector processing the application execute an affidavit] attesting to the person's disability before the county assessor-collector.~~

(g) In addition to a license plate issued under this section, an eligible person is entitled to be issued a set of the license plates for each motor vehicle owned by the person that has a gross vehicle weight ~~[carrying capacity]~~ of 18,000 pounds ~~[two tons]~~ or less and is equipped with special equipment that:

- (1) is designed to allow a person who has lost the use of one or both of the person's legs to operate the vehicle; and
- (2) is not standard equipment on that type of vehicle for use by a person who has use of both legs.

SECTION 183. Section 504.202, Transportation Code, is amended by amending Subsections (b) and (f) and adding Subsection (i) to read as follows:

(b) A veteran of the United States armed forces is entitled to register, for the person's own use, motor vehicles under this section if:

- (1) the person has suffered, as a result of military service:
    - (A) at least a 50 percent service-connected disability; or
    - (B) a 40 percent service-connected disability because of the amputation of a lower extremity;
  - (2) the person receives compensation from the United States because of the disability; and
  - (3) the motor vehicle:
    - (A) is owned by the person; and
    - (B) has a gross vehicle weight ~~[manufacturer's rated carrying capacity]~~ of 18,000 pounds ~~[two tons]~~ or less.
- (f) The fee for the first set of license plates is \$3. There is no fee for each additional set of license plates. ~~[If a license plate~~

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SECTION 177. Same as House version.

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~~is lost, stolen, or mutilated, on payment of a \$1 fee the department shall issue a set of replacement plates.]~~

(i) A license plate with the letters "DV" may be personalized with up to four characters.

SECTION 184. Section 504.203(b), Transportation Code, is amended to read as follows:

(b) An application for license plates under this section must be accompanied by a written statement acknowledged ~~signed~~ by the administrator or manager of the institution, facility, or retirement community certifying that the institution, facility, or retirement community regularly transports, as a part of the services that the institution, facility, or retirement community provides, one or more eligible persons who reside in the institution, facility, or retirement community. The department shall determine the eligibility of the institution, facility, or retirement community on the evidence the applicant provides.

SECTION 185. Section 504.301, Transportation Code, is amended to read as follows:

Sec. 504.301. PROVISIONS GENERALLY APPLICABLE TO MILITARY SPECIALTY LICENSE PLATES.

(a) Unless expressly provided by this subchapter or department rule:

- (1) the department shall design specialty license plates for the military; and
- (2) a person is not eligible to be issued a specialty license plate under this subchapter if the person was discharged from the armed forces under conditions less than honorable.

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SECTION 178. Same as House version.

SECTION \_\_. Section 504.301, Transportation Code, is amended to read as follows:

Sec. 504.301. PROVISIONS GENERALLY APPLICABLE TO MILITARY SPECIALTY LICENSE PLATES.

(a) Unless expressly provided by this subchapter or department rule:

- (1) the department shall design specialty license plates for the military; and
- (2) a person is not eligible to be issued a specialty license plate under this subchapter if the person was discharged from the armed forces under conditions less than honorable.

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(b) Notwithstanding any other provision of this subchapter, the department may design the wording on the specialty license plates to accommodate legibility and reflectivity.

SECTION 186. Section 504.3011, Transportation Code, is amended to read as follows:

Sec. 504.3011. DESIGN OF CERTAIN LICENSE PLATES FOR THE MILITARY. ~~[(a) License plates issued under Section 504.303 must at a minimum bear a color depiction of the emblem of the appropriate branch of the United States armed forces.~~

~~[(b) License plates issued under Section 504.308(a) or 504.315(e), (f), or (g) must at a minimum bear a color depiction of the appropriate medal.~~

~~[(e)] The department shall design military license plates that:~~

(1) bear a color depiction of the emblem of the appropriate branch of the United States armed forces or a color depiction of the appropriate medal as provided by the United States Department of Defense; and

(2) include the words "Honorably Discharged" for license plates issued to former members of the United States armed forces [to which this section applies in consultation with veterans organizations].

SECTION 187. Section 504.315(d), Transportation Code, is amended to read as follows:

(d) The department shall issue specialty license plates for survivors of the attack on Pearl Harbor on December 7, 1941. The license plates must include the words "Pearl Harbor

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(b) Notwithstanding any other provision of this subchapter, the department may design the wording on a specialty license plate authorized by this subchapter to enhance the legibility and reflectivity of the license plate. [FA1(6)]

SECTION 179. Same as House version. [FA1(4) reverts the text to the House engrossed version.]

SECTION 180. Same as House version.

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Survivor," ~~[and must be consecutively numbered.]~~ A person is eligible if the person:

- (1) served in the United States armed forces;
- (2) was stationed in the Hawaiian Islands on December 7, 1941; and
- (3) survived the attack on Pearl Harbor on December 7, 1941.

SECTION 188. Subchapter D, Chapter 504, Transportation Code, is amended by adding Section 504.317 to read as follows:

Sec. 504.317. SURVIVING SPOUSES OF DISABLED VETERANS SPECIALTY LICENSE PLATES. (a) In this section, "surviving spouse" means the individual married to a disabled veteran at the time of the veteran's death.

(b) The department shall issue specialty license plates for surviving spouses of disabled veterans of the United States armed forces.

SECTION 189. Subchapter E, Chapter 504, Transportation Code, is amended by adding Section 504.400 to read as follows:

Sec. 504.400. FEES FOR CERTAIN RESTRICTED PLATES. The department shall issue, without charge, not more than three sets of specialty license plates under this subchapter.

SECTION 190. Sections 504.401(a) and (c), Transportation Code, are amended to read as follows:

- (a) The department shall issue ~~[without charge]~~ specialty

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SECTION \_\_. Same as House version. [FA1(6)]

SECTION 181. Same as House version.

SECTION 182. Same as House version.

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license plates that include the words "State Official" to a state official. [~~The license plates must include the words "State Official."~~]

(c) The registration remains [~~license plates remain~~] valid until December 31 of each year.

SECTION 191. Section 504.402(a), Transportation Code, is amended to read as follows:

(a) The department shall issue [~~without charge~~] specialty license plates to [for] members of congress, which [~~License plates issued under this section~~] must include the words "U.S. Congress."

SECTION 192. Section 504.403(a), Transportation Code, is amended to read as follows:

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

SECTION 193. Section 504.403(d)(2), Transportation Code, is amended to read as follows:

- (2) "State judge" means:
- (A) a justice of the supreme court;
  - (B) a judge of the court of criminal appeals;
  - (C) a judge of a court of appeals of this state;
  - (D) a district court judge;
  - (E) a presiding judge of an administrative judicial district; or
  - (F) a statutory county court judge.

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SECTION 183. Same as House version.

SECTION 184. Same as House version.

SECTION 185. Same as House version.

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SECTION 194. Section 504.404(a), Transportation Code, is amended to read as follows:

(a) The department shall issue [~~without charge~~] specialty license plates to [~~for~~] current federal administrative law judges that [~~The license plates shall~~] bear the words "U.S. A. L. Judge."

SECTION 195. Section 504.405(a), Transportation Code, is amended to read as follows:

(a) The department shall issue [~~without charge~~] specialty license plates for current county judges of this state that [~~The license plates shall~~] bear the words "County Judge."

SECTION 196. Section 504.406, Transportation Code, is amended to read as follows:

Sec. 504.406. TEXAS CONSTABLES. The department shall issue [~~without charge~~] specialty license plates for Texas constables that [~~The license plates shall~~] bear the words "Texas Constable."

SECTION 197. Section 504.412, Transportation Code, is redesignated as Section 504.4061, Transportation Code, and amended to read as follows:

Sec. 504.4061 [~~504.412~~]. FOREIGN ORGANIZATION VEHICLES. (a) The department shall issue specialty license plates for an instrumentality established by a foreign government recognized by the United States before January 1,

SECTION 186. Same as House version.

SECTION 187. Same as House version.

SECTION 188. Same as House version.

SECTION 189. Same as House version.

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1979, that is without official representation or diplomatic relations with the United States. The license plates must include the words "Foreign Organization" and shall remain valid for seven [~~five~~] years.

(b) A person entitled to specialty license plates under this section may register the vehicle without payment of any fee paid for or at the time of registration.

SECTION 198. Section 504.509, Transportation Code, as effective September 1, 2011, is transferred to Subchapter E, Chapter 504, Transportation Code, and redesignated as Section 504.415, Transportation Code, to read as follows:

Sec. 504.415 [~~504.509~~]. VEHICLES CARRYING MOBILE AMATEUR RADIO EQUIPMENT. The department shall issue specialty license plates for a person who holds an amateur radio station license issued by the Federal Communications Commission and who operates receiving and transmitting mobile amateur radio equipment. The license plates shall include the person's amateur call letters as assigned by the Federal Communications Commission. A person may register more than one vehicle equipped with mobile amateur radio equipment under this section, and the department shall issue license plates that include the same amateur call letters for each vehicle.

SECTION 199. Section 504.501(b), Transportation Code, is amended to read as follows:

(b) A person eligible for the license plates may instead use license plates that were issued by this state in the same year as the model year of the vehicle and are approved by the

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SECTION 190. Same as House version.

SECTION \_\_. (a) Section 504.501(b), Transportation Code, **as effective September 1, 2011**, is amended to read as follows:

(b) A person eligible for the license plates may instead use license plates that were issued by this state in the same year as the model year of the vehicle and are approved by the

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department [~~if the plates are approved for the vehicle before January 1, 2014~~]. The department may require the attachment of a registration insignia to the license plate in a manner that does not affect the display of information originally on the license plate.

SECTION 200. The heading to Subchapter F, Chapter 504, Transportation Code, is amended to read as follows:

SUBCHAPTER F. SPECIALTY LICENSE PLATES WITH RESTRICTED DISTRIBUTION AND REGULAR LICENSE PLATE FEES [~~FOR CERTAIN VEHICLES~~]

SECTION 201. Section 504.502(g), Transportation Code, is amended to read as follows:

(g) A person entitled to specialty license plates or to department approval under this section may register the vehicle without payment of any fees paid for or at the time of registration except the fee for the license plate. [~~An owner of a vehicle registered under this subsection who violates this section commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.~~]

SECTION 202. Section 504.503, Transportation Code, is amended to read as follows:

Sec. 504.503. MUNICIPAL, MOTOR, AND PRIVATE BUSES. [~~(a)~~] The department shall issue without charge specialty license plates for municipal buses, motor buses, and

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department [~~if the plates are approved for the vehicle before January 1, 2014~~]. The department may require the attachment of a registration insignia to the license plate in a manner that does not affect the display of information originally on the license plate.

(b) This section takes effect September 1, 2011. [FA1(6)]

SECTION 191. Same as House version.

SECTION 192. Same as House version.

SECTION 193. Same as House version.

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private buses. The license plates must include the words "City Bus," "Motor Bus," or "Private Bus," as appropriate.

~~[(b) In this section, "private bus" means a bus that:~~

~~[(1) is not operated for hire; and~~

~~[(2) is not classified as a municipal bus or a motor bus.]~~

SECTION 203. The heading to Section 504.506, Transportation Code, is amended to read as follows:  
Sec. 504.506. ~~[CERTAIN]~~ LOG LOADER VEHICLES.

SECTION 204. Sections 504.407 and 504.408, Transportation Code, are transferred to Subchapter F, Chapter 504, Transportation Code, and redesignated as Sections 504.511 and 504.512, Transportation Code, to read as follows:  
Sec. 504.511 ~~[504.407]~~. PEACE OFFICERS WOUNDED OR KILLED IN LINE OF DUTY. (a) The department shall issue specialty license plates for:

(1) a person wounded in the line of duty as a peace officer; or  
(2) a surviving spouse, parent, brother, sister, or adult child, including an adopted child or stepchild, of a person killed in the line of duty as a peace officer.

(b) License plates issued under this section must include the words "To Protect and Serve" above an insignia depicting a yellow rose superimposed over the outline of a badge.

(c) The fee for issuance of the license plates is \$20.

(d) In this section, "peace officer" has the meaning assigned by Section 1.07, Penal Code.

Sec. 504.512 ~~[504.408]~~. GOLD STAR MOTHER, SPOUSE, OR FAMILY MEMBER. (a) The department shall issue a specialty license plate for the mother, surviving spouse, or

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SECTION 194. Same as House version.

SECTION 195. Same as House version.

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immediate family member of a person who died while serving in the United States armed forces. License plates issued under this section must include the words "Gold Star Mother," "Gold Star Spouse," or "Gold Star Family" and a gold star. A person may not be issued more than one set of the license plates at a time.

(a-1) In this section "immediate family member" means the parent, child, or sibling of a person who died while serving in the United States armed forces.

(b) The fee for issuance of the license plates is \$10.

SECTION 205. Section 504.409, Transportation Code, as effective September 1, 2011, and as amended by Chapters 1136 (H.B. 2553) and 1381 (S.B. 1616), Acts of the 81st Legislature, Regular Session, 2009, is transferred to Subchapter F, Chapter 504, Transportation Code, redesignated as Section 504.513, Transportation Code, and reenacted and amended to read as follows:

Sec. 504.513 [~~504.409~~]. **FIREFIGHTERS.** (a) The department shall issue specialty license plates for:

(1) volunteer firefighters certified by:

(A) the Texas Commission on Fire Protection; or

(B) the State Firemen's and Fire Marshals' Association of Texas; and

(2) fire protection personnel as that term is defined by Section 419.021, Government Code.

(b) [~~(c)~~] A person may be issued not more than three sets of license plates.

SECTION 206. Sections 504.410 and 504.411,

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SECTION 196. Same as House version.

SECTION 197. Same as House version.

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Transportation Code, are transferred to Subchapter F, Chapter 504, Transportation Code, redesignated as Sections 504.514 and 504.515, Transportation Code, and amended to read as follows:

Sec. 504.514 [~~504.410~~]. EMERGENCY MEDICAL SERVICES PERSONNEL. (a) The department shall issue specialty license plates for emergency medical services personnel certified by the [~~Texas~~] Department of State Health Services under Subchapter C, Chapter 773, Health and Safety Code.

(b) The fee for issuance of the license plates is \$8.

(c) A person may be issued only one set of the license plates.

Sec. 504.515 [~~504.411~~]. HONORARY CONSULS. (a) The department shall issue specialty license plates for a person who is an honorary consul authorized by the United States to perform consular duties. License plates issued under this section must include the words "Honorary Consul."

(b) The fee for issuance of the license plates is \$40.

SECTION 207. Subchapter F, Chapter 504, Transportation Code, is amended by adding Section 504.516 to read as follows:

Sec. 504.516. RENTAL TRAILER OR TRAVEL TRAILER FEE: TRAILER OR SEMITRAILER. (a) The department may issue specially designed license plates for rental trailers and travel trailers that include, as appropriate, the words "rental trailer" or "travel trailer."

(b) In this section:

(1) "Rental fleet" means vehicles that are designated in the manner prescribed by the department as a rental fleet.

(2) "Rental trailer" means a utility trailer.

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SECTION 198. Same as House version.

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(3) "Travel trailer" has the meaning assigned by Section 501.002.

SECTION 208. Section 504.6011, Transportation Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) The sponsor of a specialty license plate [~~authorized to be issued under this subchapter before September 1, 2009,~~] may contract with the private vendor authorized under Subchapter J for the marketing and sale of the specialty license plate.

(d) A sponsor of a specialty license plate authorized to be issued under this subchapter before November 19, 2009, may reestablish its specialty license plate under Sections 504.601 and 504.702 and be credited its previous deposit with the department if a contract entered into by the sponsor under Subsection (a) terminates.

SECTION 209. Section 504.614, Transportation Code, is amended by amending Subsection (a) and adding Subsection (b-1) to read as follows:

(a) The department may issue specialty license plates that include the name and insignia of a professional sports team located in this state. The department shall design the license plates in consultation with the professional sports team and may enter a trademark license with the professional sports team or its league to implement this section. A license plate may be issued under this section only for a professional sports team that:

(1) certifies to the department that the requirements of Section 504.702 are met [~~it has determined that at least 3,500~~

SECTION \_\_. Same as House version. [FA4(9)]

SECTION 199. Same as House version. [FA4(3),(4) revert the text to the House engrossed version.]

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~~persons will apply for the plates]; and~~

(2) plays its home games in a facility constructed or operated, in whole or in part, with public funds.

(b-1) A public entity that receives money under Subsection (b) may contract with the private vendor under Section 504.6011 to distribute the entity's portion of the money in a manner other than that described by Subsection (b).

SECTION 210. Section 504.615, Transportation Code, is amended by amending Subsections (a) and (e) and adding Subsection (d-1) to read as follows:

(a) The department shall issue specialty license plates that include the name and insignia of a college. The department shall design the license plates in consultation with the applicable college. The department may issue a license plate under this section only for a college that certifies to the department that the requirements of Section 504.702 are met ~~[it has determined that at least 1,500 persons will apply for the plates].~~

(d-1) If the fee is for the issuance of license plates for a college described by Subsection (e)(3), the money:

(1) shall be deposited to the credit of the Texas Higher Education Coordinating Board; and

(2) is supplementary and is not income for purposes of reducing general revenue appropriations to that board.

(e) In this section, "college" means:

(1) an institution of higher education as defined by Section 61.003, Education Code; ~~[or]~~

(2) a private college or university described by Section 61.222, Education Code; or

(3) a college or university that is not located in this state.

SECTION 200. Same as House version.

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SECTION 211. Section 504.616(a), Transportation Code, is amended to read as follows:

(a) The department shall issue specialty license plates including the words "Texas Reads" that [~~"Texas Reads."~~ ~~The department shall design the license plates to~~] incorporate one or more submissions from middle school students in a competition conducted by the department.

SECTION 212. The heading to Section 504.642, Transportation Code, is amended to read as follows:  
Sec. 504.642. TEXAS COUNCIL OF [COUNTY] CHILD WELFARE BOARDS [~~BOARD~~] LICENSE PLATES.

SECTION 213. Section 504.642(a), Transportation Code, is amended to read as follows:

(a) The department shall issue Texas Council of [County] Child Welfare Boards specialty license plates. The department shall design the license plates in consultation with the Texas Council of Child Welfare Boards, Inc.

SECTION 214. Section 504.647(a), Transportation Code, is amended to read as follows:

(a) The department shall issue Fight Terrorism specialty license plates that [~~—The license plates shall~~] include a pentagon-shaped border surrounding:  
(1) the date "9-11-01" with the likeness of the World Trade Center towers forming the "11";

SECTION 201. Same as House version.

SECTION 202. Same as House version.

SECTION 203. Same as House version.

SECTION 204. Same as House version.

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- (2) the likeness of the United States flag; and
- (3) the words "Fight Terrorism."

SECTION 215. Section 504.413, Transportation Code, is transferred to Subchapter G, Chapter 504, Transportation Code, and redesignated as Section 504.659, Transportation Code, to read as follows:

Sec. 504.659 [~~504.413~~]. MEMBERS OF AMERICAN LEGION. (a) The department shall issue specialty license plates for members of the American Legion. The license plates shall include the words "Still Serving America" and the emblem of the American Legion. The department shall design the license plates in consultation with the American Legion.

(b) The fee for the license plates is \$30.

(c) After deduction of \$8 to reimburse the department for its administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the American Legion, Department of Texas account in the state treasury. Money in the account may be used only by the Texas Veterans Commission in making grants to the American Legion Endowment Fund for scholarships and youth programs sponsored by the American Legion, Department of Texas.

SECTION 216. Section 504.702, Transportation Code, is amended by amending Subsection (b) and adding Subsections (e) and (f) to read as follows:

(b) The department may manufacture the specialty license plates only if a request for manufacture of the license plates is filed with the department. The request must be:

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SECTION 205. Same as House version.

SECTION 206. Same as House version.

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- (1) made ~~in~~ ~~[on]~~ a manner prescribed ~~[form adopted]~~ by the department;
  - (2) filed before the fifth anniversary of the effective date of the law that authorizes the issuance of the specialty license plates; and
  - (3) accompanied by:
    - ~~[(A)]~~ a deposit of \$8,000~~;~~ ~~or~~
    - ~~[(B)]~~ ~~applications for issuance of at least 1,900 sets of the license plates plus the fees for issuance of that number of sets].~~
- (e) The department may issue license plates under:
- (1) Section 504.614 for a particular professional sports team only if \$8,000 has been deposited with the department for that sports team; or
  - (2) Section 504.615 for a particular institution of higher education or private college or university only if \$8,000 has been deposited with the department for that institution, college, or university.
- (f) Money deposited with the department under Subsection (b)(3) or (e) shall be returned by the department to the person who made the deposit after 800 sets of plates have been issued.

SECTION 217. Sections 504.801(a), (b), (d), and (d-1), Transportation Code, as effective September 1, 2011, are amended to read as follows:

- (a) The department may create new specialty license plates on its own initiative or on receipt of an application from a potential sponsor. A new specialty license plate created under this section must comply with each requirement of Section 504.702 unless the license is created by the department on its

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SECTION 207. Same as House version. [FA4(5),(6) revert the text to the House engrossed version.]

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own initiative. The department may permit a specialty license plate created under this section to be personalized. The redesign of an existing specialty license plate at the request of a sponsor shall be treated like the issuance of a new specialty license plate~~[, except that the department may require a nonrefundable design fee].~~

(b) Any nonprofit entity ~~[person]~~ may submit an application to the department to sponsor a new specialty license plate ~~[by submitting an application to the department]~~. An application may nominate a state agency to receive funds derived from the issuance of the license plates. The application may also identify uses to which those funds should be appropriated.

(d) The fee for issuance of license plates created under this subchapter before November 19 ~~[September 1]~~, 2009, is \$30 unless the department sets a higher fee. This subsection does not apply to a specialty license plate marketed and sold by a private vendor at the request of the specialty license plate sponsor.

(d-1) The fee for issuance of license plates created under this subchapter on or after November 19 ~~[September 1]~~, 2009, is the amount established under Section 504.851.

SECTION 218. The heading to Section 504.802, Transportation Code, is amended to read as follows:  
Sec. 504.802. **MARKETING AND SALE BY PRIVATE VENDOR OF SPECIALTY LICENSE PLATES** ~~[CREATED BEFORE SEPTEMBER 1, 2009]~~.

SECTION 219. Section 504.802, Transportation Code, is amended by amending Subsections (a) and (c) and adding

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SECTION \_\_. Same as House version. [FA4(9)]

SECTION \_\_. Same as House version. [FA4(9)]

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Subsection (d) to read as follows:

(a) A sponsor of a specialty license plate created under this subchapter ~~[before September 1, 2009,]~~ may contract with the private vendor authorized under Subchapter J for the marketing and sale of the specialty license plate.

(c) Notwithstanding any other law, from each fee received from the issuance of a specialty license plate marketed and sold by the private vendor under this section, the department shall:

(1) deduct the administrative costs described by Section 504.801(e)(1);

(2) deposit the portion of the fee for the sale of the plate that the state would ordinarily receive under the contract described by Section 504.851(a) to the credit of:

(A) the specialty license plate fund, if the sponsor nominated a state agency to receive the funds; ~~[or]~~

(B) the general revenue fund, if the sponsor did not nominate a state agency to receive the funds or if there is no sponsor; or

(C) for a license plate issued under Section 504.614, the public entity that provides or provided funds for the professional sports team's facility; and

(3) pay to the private vendor the remainder of the fee.

(d) A sponsor of a specialty license plate may reestablish its specialty license plate under Sections 504.601 and 504.702 and be credited its previous deposit with the department if a contract entered into by the sponsor under Subsection (a) terminates.

SECTION 220. Section 504.851, Transportation Code, is amended by amending Subsections (a-2), (c), (e), (f), and (h) and adding Subsections (a-3) and (m) to read as follows:

SECTION 208. Same as House version. [FA4(7) reverts the text to the House engrossed version.]

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(a-2) Specialty license plates authorized for marketing and sale under Subsection (a) may be personalized and must include:

(1) specialty license plates created under Subchapters G and I on or after November 19 [~~September 1~~], 2009; and

(2) at the request of the specialty license plate sponsor, an existing specialty license plate created under Subchapters G and I before November 19 [~~September 1~~], 2009.

(a-3) The department may contract with the private vendor for the vendor to:

(1) host all or some of the specialty license plates on the vendor's website;

(2) process the purchase of specialty license plates hosted on the vendor's website and pay any additional transaction cost; and

(3) share in the personalization fee for the license plates hosted on the vendor's website.

(c) The board by rule shall establish the fees for the issuance or renewal of souvenir license plates, specialty license plates, or souvenir or specialty license plates that are personalized that are marketed and sold by the private vendor or hosted on the private vendor's website. The state's portion of the personalization fee may not be less than \$40 for each year issued. Other fees [~~Fees~~] must be reasonable and not less than the amounts necessary to allow the department to recover all reasonable costs to the department associated with the evaluation of the competitive sealed proposals received by the department and with the implementation and enforcement of the contract, including direct, indirect, and administrative costs. A fee established under this subsection is in addition to:

(1) the registration fee and any optional registration fee prescribed by this chapter for the vehicle for which specialty

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license plates are issued;

(2) any additional fee prescribed by this subchapter for the issuance of specialty license plates for that vehicle; and

(3) any additional fee prescribed by this subchapter for the issuance of personalized license plates for that vehicle.

(e) The portion of a contract with a private vendor regarding the marketing and sale of personalized license plates is payable only from amounts derived from the collection of the fee established under Subsection (b). The portion of a contract with a private vendor regarding the marketing, hosting, and sale of souvenir license plates, specialty license plates, or souvenir or specialty license plates that are personalized under Section 504.102 is payable only from amounts derived from the collection of the fee established under Subsection (c).

(f) The department may approve new design and color combinations for personalized or specialty license plates that are marketed and sold by a private vendor under a contract entered into with the private vendor. Each approved license plate design and color combination remains the property of the department.

(h) Subject to the limitations provided by Subsections (g) and (g-1), the department may disapprove a design, cancel a license plate, or require the discontinuation of a license plate design or color combination that is marketed, hosted, or ~~and~~ sold by a private vendor under contract at any time if the department determines that the disapproval, cancellation, or discontinuation is in the best interest of this state or the motoring public.

(m) If the private vendor ceases operation:

(1) the program may be operated temporarily by the department under new agreements with the license plate

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sponsors until another vendor is selected and begins operation;  
and

(2) the private vendor's share of the revenue is deposited to  
the credit of the general revenue fund.

SECTION 221. Section 504.853, Transportation Code, is amended to read as follows:

Sec. 504.853. SPECIALTY AND PERSONALIZED LICENSE PLATES ISSUED BEFORE NOVEMBER 19 ~~SEPTEMBER 1~~, 2009. (a) A specialty or personalized license plate issued before November 19 ~~September 1~~, 2009, may be issued for a subsequent registration period only if the applicant submits an application and pays the required fee for the applicable registration period. A person who is issued a personalized license plate has first priority on that license plate for each subsequent registration period for which the person submits a new application for that plate.

(b) Unless the board by rule adopts a higher fee or the license plate is not renewed annually, the ~~The~~ fee for issuance of a ~~personalized~~ license plate issued before November 19 ~~September 1~~, 2009, is:

(1) the fee provided for in Section 504.601 for a specialty license plate; and

(2) \$40 for a personalized license plate, ~~unless the director adopts by rule a higher fee~~.

(c) A person who is issued a specialty or personalized license plate by the department before November 19 ~~September 1~~, 2009, may:

(1) submit an application for the plate under Subsection (a) and pay the required fee for each subsequent registration period under Subsection (b); or

SECTION 209. Same as House version. [FA4(7) reverts the text to the House engrossed version.]

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(2) purchase through the private vendor a license to display the alphanumeric pattern on a license plate for any term allowed by law.

(d) The department may not issue a replacement set of personalized license plates to the same person before the period set by rule ~~[sixth anniversary of the date of issuance]~~ unless the applicant for issuance of replacement plates pays an additional fee of \$30.

(e) Of each fee collected by the department under Subsection (b)(2) ~~[this section]~~:

(1) \$1.25 shall be used by the department to defray the cost of administering this section; and

(2) the remainder shall be deposited to the credit of the general revenue fund.

SECTION 222. Sections 504.854(a) and (b), Transportation Code, are amended to read as follows:

(a) The board by rule ~~[private vendor]~~ may provide for the private vendor to:

(1) sell at auction a license to display a unique alphanumeric pattern on a license plate for a period set by board rule;

(2) reserve an unissued alphanumeric pattern from the department for purposes of auctioning a license to display the pattern for a period set by board rule; and

(3) purchase from a customer an unexpired license to display an alphanumeric pattern for purposes of auction by the vendor.

(b) A ~~[Only a]~~ license to display an alphanumeric pattern purchased under this section ~~[or a license to display an alphanumeric pattern sold by the private vendor under Section 504.853]~~ may be transferred to another person without payment of the fee provided by Section 504.855. ~~[The~~

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SECTION \_\_\_. Same as House version. [FA4(9)]

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~~transferee is entitled to the same rights and privileges as the transferor.]~~

SECTION 223. Subchapter J, Chapter 504, Transportation Code, is amended by adding Section 504.855 to read as follows:

Sec. 504.855. TRANSFERABILITY OF CERTAIN PATTERNS. The board by rule may:

(1) authorize a person who purchases a license to display an alphanumeric pattern for a period of five years or more to transfer the license; and

(2) establish a transfer fee to be distributed in accordance with the contract with the private vendor.

**No equivalent provision.**

SECTION 224. Chapter 504, Transportation Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. TRANSFER AND REMOVAL OF

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SECTION \_\_. Same as House version. [FA4(9)]

SECTION \_\_. (a) Subchapter J, Chapter 504, Transportation Code, is amended by adding Section 504.855 to read as follows:

Sec. 504.855. EXPIRATION. This subchapter expires August 31, 2014.

(b) Notwithstanding the expiration of Subchapter J, Chapter 504, Transportation Code, the Texas Department of Motor Vehicles may continue to operate under the terms of a contract entered into before the expiration of Subchapter J, Chapter 504, Transportation Code, until the expiration date specified in the contract. [FA1(6)]

SECTION 210. Same as House version.

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LICENSE PLATES

Sec. 504.901. TRANSFER AND REMOVAL OF LICENSE PLATES. (a) On the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under Chapter 503, the dealer shall remove each license plate issued for the motor vehicle. A person may use the license plates removed from a motor vehicle on a new motor vehicle purchased from a dealer after the person obtains the department's approval of a title and registration application.

(b) On the sale or transfer of a motor vehicle to a person who does not hold a general distinguishing number issued under Chapter 503, the seller may remove each license plate issued for the motor vehicle. The license plates may be transferred to another vehicle titled in the seller's name if the seller obtains:

(1) the department's approval of an application to transfer the license plates; and

(2) a new registration insignia for the motor vehicle.

(c) A license plate removed from a motor vehicle that is not transferred to another motor vehicle must be disposed of in a manner specified by the department.

(d) To be eligible for transfer, license plates must be appropriate for the class of vehicle to which the plates are being transferred.

SECTION 225. Chapter 504, Transportation Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. OFFENSES AND PENALTIES

Sec. 504.941. ANTIQUE VEHICLES; OFFENSE. (a) A person who violates Section 504.502 commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.

SECTION 211. Same as House version.

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(b) It is an affirmative defense to prosecution under this section that at the time of the offense the vehicle was en route to or from a location for the purpose of routine maintenance of the vehicle.

Sec. 504.942. LOG LOADER VEHICLES; PENALTIES. A vehicle operated in violation of Section 504.506 is considered to be operated or moved while unregistered and is immediately subject to the applicable fees and penalties prescribed by this chapter.

Sec. 504.943. OPERATION OF VEHICLE WITHOUT LICENSE PLATE. (a) Except as provided by Subsection (b), a person commits an offense if the person operates on a public highway, during a registration period, a motor vehicle that does not display two license plates that:

(1) have been assigned by the department for the period; and  
(2) comply with department rules regarding the placement of license plates.

(b) A person commits an offense if the person operates on a public highway during a registration period a road tractor, motorcycle, trailer, or semitrailer that does not display a license plate that:

(1) has been assigned by the department for the period; and  
(2) complies with department rules regarding the placement of license plates.

(c) This section does not apply to a dealer operating a vehicle as provided by law.

(d) A court may dismiss a charge brought under Subsection (a)(1) if the defendant:

(1) remedies the defect before the defendant's first court appearance; and

(2) pays an administrative fee not to exceed \$10.

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SECTION 226. Section 502.408, Transportation Code, is transferred to Subchapter L, Chapter 504, Transportation Code, as added by this Act, redesignated as Section 504.944, Transportation Code, and amended to read as follows:  
Sec. ~~504.944~~ [502.408]. OPERATION OF VEHICLE WITH WRONG LICENSE PLATE. ~~[(a)]~~ A person commits an offense if the person operates, or as the owner permits another to operate, on a public highway a motor vehicle that has attached to it a number plate or registration insignia issued for a different vehicle. An offense under this section [~~subsection~~] is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 227. Subchapter L, Chapter 504, Transportation Code, as added by this Act, is amended by adding Section 504.945 to read as follows:  
Sec. 504.945. WRONG, FICTITIOUS, ALTERED, OR OBSCURED LICENSE PLATE. (a) A person commits an offense if the person attaches to or displays on a motor vehicle a license plate that:  
(1) is issued for a different motor vehicle;  
(2) is issued for the vehicle under any other motor vehicle law other than by the department;  
(3) is assigned for a registration period other than the registration period in effect;  
(4) is fictitious;  
(5) has blurring or reflective matter that significantly impairs the readability of the name of the state in which the vehicle is registered or the letters or numbers of the license plate number at any time;  
(6) has an attached illuminated device or sticker, decal,

SENATE VERSION (IE)

SECTION 212. Same as House version.

SECTION 213. Same as House version.

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emblem, or other insignia that is not authorized by law and that interferes with the readability of the letters or numbers of the license plate number or the name of the state in which the vehicle is registered; or

(7) has a coating, covering, protective substance, or other material that:

(A) distorts angular visibility or detectability;

(B) alters or obscures one-half or more of the name of the state in which the vehicle is registered; or

(C) alters or obscures the letters or numbers of the license plate number or the color of the plate.

(b) Except as provided by Subsection (e), an offense under Subsection (a) is a misdemeanor punishable by a fine of not more than \$200, unless it is shown at the trial of the offense that the owner knowingly altered or made illegible the letters, numbers, and other identification marks, in which case the offense is a Class B misdemeanor.

(c) Subsection (a)(7) may not be construed to apply to:

(1) a trailer hitch installed on a vehicle in a normal or customary manner;

(2) a transponder, as defined by Section 228.057, that is attached to a vehicle in the manner required by the issuing authority;

(3) a wheelchair lift or wheelchair carrier that is attached to a vehicle in a normal or customary manner;

(4) a trailer being towed by a vehicle; or

(5) a bicycle or motorcycle rack that is attached to a vehicle in a normal or customary manner.

(d) A court may dismiss a charge brought under Subsection (a)(3), (5), (6), or (7) if the defendant:

(1) remedies the defect before the defendant's first court appearance; and

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(2) pays an administrative fee not to exceed \$10.

(e) An offense under Subsection (a)(4) is a Class B misdemeanor.

SECTION 228. Subchapter A, Chapter 520, Transportation Code, is amended by adding Sections 520.003 and 520.004 to read as follows:

Sec. 520.003. RULES; WAIVER OF FEES. The department may adopt rules to administer this chapter, including rules that waive the payment of fees if a dealer has gone out of business and the applicant can show that fees were paid to the dealer.

Sec. 520.004. DEPARTMENT RESPONSIBILITIES. The department has jurisdiction over the registration and titling of, and the issuance of license plates to, motor vehicles in compliance with the applicable statutes. The board by rule:

(1) shall provide services that are reasonable, adequate, and efficient;

(2) shall establish standards for uniformity and service quality for counties and dealers licensed under Section 520.005; and

(3) may conduct public service education campaigns related to the department's functions.

SECTION 229. Section 501.137, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.005, Transportation Code, and amended to read as follows:

Sec. 520.005 [501.137]. DUTY AND RESPONSIBILITIES OF COUNTY ASSESSOR-COLLECTOR. (a) Each county assessor-collector shall comply with Chapter 501 [this chapter].

SENATE VERSION (IE)

SECTION 214. Same as House version.

SECTION 215. Same as House version.

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(b) An assessor-collector who fails or refuses to comply with Chapter 501 ~~[this chapter]~~ is liable on the assessor-collector's official bond for resulting damages suffered by any person.

(c) Notwithstanding the requirements of Sections 520.008 and 520.0091, the assessor-collector may license franchised and non-franchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted under Section 520.004. The county assessor-collector may pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.

SECTION 230. Section 502.109, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.006, Transportation Code, and amended to read as follows:

Sec. 520.006 ~~[502.109]~~. COMPENSATION OF ASSESSOR-COLLECTOR. (a) A county assessor-collector shall receive a fee of \$1.90 for each receipt issued under Chapter 502 ~~[this chapter]~~. ~~If the assessor collector may be compensated by fees, a fee received is compensation for services under this chapter. The assessor collector shall deduct the fee weekly from the gross collections made under this chapter].~~

(a-1) A county collecting fees on behalf of a county that has been declared as a disaster area for purposes of Section 501.023 or 502.040 may retain the commission for fees collected, but shall allocate the fees to the county declared as a disaster area.

(b) A county assessor-collector who is compensated under this section shall pay the entire expense of issuing registration receipts and license plates under Chapter 501 or 502 ~~[this~~

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SECTION 216. Same as House version.

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~~chapter]~~ from the compensation allowed under this section.

SECTION 231. Section 502.111, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.007, Transportation Code, and amended to read as follows:

Sec. 520.007 [~~502.111~~]. COUNTY BRANCH OFFICES. (a) The commissioners court of a county may authorize the county assessor-collector to:

(1) establish a suboffice or branch office for vehicle registration at one or more locations in the county other than the county courthouse; or

(2) appoint a deputy to register vehicles in the same manner and with the same authority as though done in the office of the assessor-collector.

(b) The report of vehicles registered through a suboffice or branch office shall be made through the office of the county assessor-collector.

SECTION 232. Section 502.114, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.008, Transportation Code, and amended to read as follows:

Sec. 520.008 [~~502.114~~]. FULL-SERVICE DEPUTIES. (a) A full-service deputy appointed under Section 520.0091 [~~502.112~~] shall accept any application for registration, registration renewal, or title transfer that the county assessor-collector may accept.

(b) A full-service deputy may charge and retain an additional motor vehicle registration fee not to exceed \$5 for each motor

SECTION 217. Same as House version.

SECTION 218. Same as House version.

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vehicle registration issued.

(c) A county assessor-collector may delegate to a full-service deputy, in the manner selected by the assessor-collector, the authority to use data processing equipment and software provided by the department for use in the titling and registration of motor vehicles. The department may not limit a county assessor-collector's ability to delegate the assessor-collector's functions regarding the titling and registration of motor vehicles to a qualified full-service deputy in the manner the assessor-collector considers appropriate.

SECTION 233. Section 502.113, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.009, Transportation Code, and amended to read as follows:

Sec. 520.009 [~~502.113~~]. LIMITED-SERVICE DEPUTIES.

(a) A limited-service deputy appointed under Section 520.0091 [~~502.112~~] may only accept registration renewals [~~renewal cards~~] provided by the department and may not prepare or accept an application for title transfer.

(b) The county assessor-collector may pay a limited-service deputy an amount not to exceed the fee the assessor-collector could collect under Section 520.006(a) [~~502.109(a)~~] for each registration receipt issued. The commissioners court of the county may permit a limited-service deputy to charge and retain an additional fee not to exceed \$1 for each registration receipt issued by the deputy.

SECTION 234. Section 502.112, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation

SECTION 219. Same as House version.

SECTION 220. Same as House version.

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Code, and redesignated as Section 520.0091, Transportation Code, to read as follows:

Sec. 520.0091 [~~502.112~~]. DEPUTY ASSESSOR-COLLECTORS. (a) A county assessor-collector, with the approval of the commissioners court of the county, may deputize an individual or business entity to:

- (1) issue motor vehicle registration receipts as a limited-service deputy; or
  - (2) issue motor vehicle registration receipts and prepare or accept applications for title transfers as a full-service deputy.
- (b) An individual or business entity is eligible to be deputized as a limited-service deputy if the person:
- (1) is trained to issue registration receipts by the county assessor-collector; and
  - (2) posts a bond payable to the county assessor-collector:
    - (A) in an amount determined by the assessor-collector; and
    - (B) conditioned on the person's proper accounting and remittance of all fees the person collects.
- (c) An individual or business entity is eligible to be deputized as a full-service deputy if the person:
- (1) meets the requirements of Subsection (b); and
  - (2) has experience in title transfers.
- (d) A person deputized under this section shall keep a separate account of the fees collected and a record of daily receipts.

SECTION 235. Section 501.136, Transportation Code, is transferred to Subchapter A, Chapter 520, Transportation Code, redesignated as Section 520.0092, Transportation Code, and amended to read as follows:

Sec. 520.0092 [~~501.136~~]. ACTS BY DEPUTY COUNTY

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SECTION 221. Same as House version.

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ASSESSOR-COLLECTOR. A deputy county assessor-collector, other than a limited service deputy appointed under Section 520.0091 [~~502-112~~], may perform the duties of an assessor-collector under Chapter 501 [~~this chapter~~].

SECTION 236. Section 520.002, Transportation Code, is redesignated as Section 520.0093, Transportation Code, and amended to read as follows:

Sec. 520.0093 [~~520.002~~]. LEASE OF ADDITIONAL COMPUTER EQUIPMENT. (a) This section applies only to the lease of equipment to a county for the operation of the automated registration and titling [~~title~~] system in addition to the equipment provided by the department at no cost to the county under a formula prescribed by the department.

(b) On the request of the tax assessor-collector of a county, the department may enter into an agreement with the commissioners court of that county under which the department leases additional equipment to the county for the use of the tax assessor-collector in operating the automated registration and titling [~~title~~] system in that county.

(c) A county may install equipment leased under this section at offices of the county or of an agent of the county.

(d) Equipment leased under this section:

(1) remains the property of the department; and

(2) must be used primarily for the automated registration and titling [~~title~~] system.

(e) Under the agreement, the department shall charge [~~the county~~] an amount not less than the amount of the cost to the department to provide the additional equipment and any related services under the lease. All money collected under the lease shall be deposited to the credit of the state highway

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SECTION 222. Same as House version.

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fund.

SECTION 237. The heading to Subchapter B, Chapter 520, Transportation Code, is amended to read as follows:

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS  
~~[MOTOR NUMBER RECORD REQUIREMENTS]~~

SECTION 238. Subchapter B, Chapter 520, Transportation Code, is amended by adding Section 520.015 to read as follows:

Sec. 520.015. INFORMATION CONSOLIDATION STUDY. (a) In consultation with the Department of Public Safety, the department shall conduct a study on the consolidation of similar information that is collected separately by each agency. The study should include recommendations that sufficiently protect the privacy of the public and the security and integrity of information provided. (b) The study must be completed not later than September 1, 2012.

SECTION 239. Section 520.036, Transportation Code, is transferred to Subchapter B, Chapter 520, Transportation Code, redesignated as Section 520.016, Transportation Code, and amended to read as follows:

Sec. 520.016 [520.036]. GENERAL PENALTY. (a) A person commits an offense if the person violates this subchapter in a manner for which a specific penalty is not provided. (b) An offense under this section is a misdemeanor

SECTION 223. Same as House version.

SECTION 224. Same as House version.

SECTION 225. Same as House version.

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punishable by a fine of not less than \$50 and not more than \$200.

(c) This section does not apply to a violation of Section 520.006, 520.008, 520.009, 520.0091, or 520.0092.

SECTION 240. Section 520.051(5), Transportation Code, is amended to read as follows:

(5) "Title service record" means the written or electronic record for each transaction in which a motor vehicle title service receives compensation.

SECTION 241. Section 548.052, Transportation Code, is amended to read as follows:

Sec. 548.052. VEHICLES NOT SUBJECT TO INSPECTION. This chapter does not apply to:

- (1) a trailer, semitrailer, pole trailer, or mobile home moving under or bearing a current factory-delivery license plate or current in-transit license plate;
- (2) a vehicle moving under or bearing a paper dealer in-transit tag, machinery license, disaster license, parade license, prorate tab, one-trip permit, vehicle temporary transit permit, antique license, temporary 24-hour permit, or permit license;
- (3) a trailer, semitrailer, pole trailer, or mobile home having an actual gross weight or registered gross weight of 4,500 pounds or less;
- (4) farm machinery, road-building equipment, a farm trailer, or a vehicle required to display a slow-moving-vehicle emblem under Section 547.703;
- (5) a former military vehicle, as defined by Section 504.502 [~~502.275~~];

SECTION 226. Same as House version.

SECTION 227. Same as House version.

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- (6) a vehicle qualified for a tax exemption under Section 152.092, Tax Code; or
- (7) a vehicle for which a certificate of title has been issued but that is not required to be registered.

No equivalent provision.

No equivalent provision.

No equivalent provision.

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SECTION \_\_. The heading to Subchapter F, Chapter 551, Transportation Code, is amended to read as follows:  
SUBCHAPTER F. GOLF CARTS AND UTILITY VEHICLES [FA6]

SECTION \_\_. Section 551.401, Transportation Code, is amended to read as follows:  
Sec. 551.401. DEFINITIONS. In this subchapter:  
(1) "Golf [~~golf~~] cart" and "public highway" have the meanings assigned by Section 502.001.  
(2) "Utility vehicle" means a motor vehicle that is not a golf cart or lawn mower and is:  
(A) equipped with side-by-side seating for the use of the operator and a passenger;  
(B) designed to propel itself with at least four tires in contact with the ground;  
(C) designed by the manufacturer for off-highway use only;  
and  
(D) designed by the manufacturer primarily for utility work and not for recreational purposes. [FA6]

SECTION \_\_. The heading to Section 551.404, Transportation Code, is amended to read as follows:  
Sec. 551.404. OPERATION IN MUNICIPALITIES AND

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CERTAIN COUNTIES. [FA6]

No equivalent provision.

SECTION \_\_. Section 551.404, Transportation Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) In addition to the operation authorized by Section 551.403, the commissioners court of a county that borders or contains a portion of the Guadalupe River and contains a part of a barrier island that borders the Gulf of Mexico may allow an operator to operate a golf cart or utility vehicle on all or part of a public highway that:

- (1) is located in the unincorporated area of the county; and
- (2) has a speed limit of not more than 35 miles per hour.

(b) A golf cart or utility vehicle operated under this section  
[~~Subsection (a)~~] must have the following equipment:

- (1) headlamps;
- (2) taillamps;
- (3) reflectors;
- (4) parking brake; and
- (5) mirrors. [FA6]

SECTION 242. Section 681.012(a-1), Transportation Code, is amended to read as follows:

(a-1) A peace officer may seize a disabled parking placard from a person who operates a vehicle on which a disabled parking placard is displayed if the peace officer determines by inspecting the person's driver's license or personal identification certificate that the disabled parking placard does not contain the first four digits of the driver's license number or personal identification certificate number and the initials of:

SECTION 228. Same as House version.

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- (1) the person operating the vehicle; [øø]
- (2) the applicant on behalf of a person being transported by the vehicle; or
- (3) a person being transported by the vehicle.

SECTION 243. Subchapter B, Chapter 372, Transportation Code, is amended by adding Section 372.054 to read as follows:

Sec. 372.054. REPORTING FAILURE TO PAY TOLL OR ADMINISTRATIVE FEE. (a) A toll project entity may report the failure to pay a toll or administrative fee to a county assessor-collector or the Texas Department of Motor Vehicles in order to deny registration of the nonpaying vehicle, as provided in Section 502.011.

(b) For purposes of this section "toll project entity" has the meaning assigned by Section 372.001, but does not include a county operating under Chapter 284 unless the commissioners court of the county adopts an order expressly electing to have this section apply to the county.

SECTION 244. Section 681.005, Transportation Code, is amended to read as follows:

Sec. 681.005. DUTIES OF COUNTY ASSESSOR-COLLECTOR. Each county assessor-collector shall send to the department[;

[~~(1)~~] each fee collected under Section 681.003, to be deposited in the state highway fund to defray the cost of providing the disabled parking placard[; and

[~~(2)~~] a copy of each application for a disabled parking placard].

SENATE VERSION (IE)

No equivalent provision.

SECTION \_\_. Same as House version. [FA2(1)]

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SECTION 245. Section 728.002, Transportation Code, is amended by adding Subsection (d) to read as follows:

(d) This section does not prohibit the quoting of a price for a motor home, tow truck, or towable recreational vehicle at a show or exhibition described by Section 2301.358, Occupations Code.

No equivalent provision.

No equivalent provision.

SECTION \_\_. The heading to Section 411.0095, Government Code, is amended to read as follows:

Sec. 411.0095. VEHICLE [THEFT] CHECKPOINTS NEAR TEXAS-MEXICO [AT] BORDER [CROSSING]. [FA5]

No equivalent provision.

SECTION \_\_. Subsections (a), (b), (c), and (d), Section 411.0095, Government Code, are amended to read as follows:

(a) The department may establish ~~[a program for the purpose of establishing]~~ border ~~[crossing]~~ checkpoints to prevent:

(1) stolen vehicles, farm tractors or implements, construction equipment, aircraft, or watercraft, in violation of Section 31.03, Penal Code, or Sec. 501.153, Transportation Code, from entering Mexico.

The established checkpoint may also prevent the unlawful possession or unlawful and imminent movement or transfer from this state to Mexico of:

(1) firearms, in violation of Section 46.14, Penal Code;  
(2) controlled substances, in violation of Chapter 481, Health and Safety Code;  
(3) currency, in violation of Section 34.02, Penal Code;

(b) A checkpoint may be established under Subsection (a) if

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the checkpoint is:

- (1) located within 250 yards of a federally designated crossing facility located at or near the actual boundary between this state and Mexico;
- (2) located on a public highway or street leading directly to an international border crossing;
- (3) designed to stop only traffic bound for Mexico; and
- (4) operated in such a manner as to prevent firearms, controlled substances, currency, [stop only] vehicles, tractors or implements, equipment, aircraft, or watercraft that [for which] law enforcement authorities have probable cause to believe are unlawfully possessed or being unlawfully and imminently transferred or moved from this state to [is stolen and bound for] Mexico from being possessed or transferred or moved to Mexico.

(c) The department may establish ~~[the]~~ border checkpoints ~~[crossing checkpoint program]~~ in conjunction with federal and local law enforcement authorities. The department and federal and local law enforcement authorities may share the cost of staffing the checkpoints.

(d) The department shall establish procedures governing the encounter between the driver and the peace officers operating the checkpoint that ensure that any intrusion on the driver is minimized and that the inquiries made are reasonably related to the purpose of the checkpoint. ~~[A peace officer at the checkpoint may not direct a driver or a passenger in a motor vehicle to leave the vehicle or move the vehicle off the roadway unless the officer has reasonable suspicion or probable cause to believe that the person committed or is committing an offense. However, a peace officer may require that each motor vehicle passing through the checkpoint be diverted to a location immediately adjacent to the roadway, if~~

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~~desirable, to ensure safety.] [FA5]~~

No equivalent provision.

SECTION \_\_. Effective September 1, 2015, Section 411.0095, Government Code, is reenacted to read as follows:  
Sec. 411.0095. VEHICLE THEFT CHECKPOINTS AT BORDER CROSSING. (a) The department may establish a program for the purpose of establishing border crossing checkpoints to prevent stolen vehicles, farm tractors or implements, construction equipment, aircraft, or watercraft from entering Mexico.  
(b) A checkpoint may be established under Subsection (a) if the checkpoint is:  
(1) located within 250 yards of a federally designated crossing facility located at or near the actual boundary between this state and Mexico;  
(2) located on a public highway or street leading directly to an international border crossing;  
(3) designed to stop only traffic bound for Mexico; and  
(4) operated in such a manner as to stop only vehicles, tractors or implements, equipment, aircraft, or watercraft for which law enforcement authorities have probable cause to believe is stolen and bound for Mexico.  
(c) The department may establish the border crossing checkpoint program in conjunction with local law enforcement authorities. The department and local law enforcement authorities may share the cost of staffing the checkpoints.  
(d) The department shall establish procedures governing the encounter between the driver and the peace officers operating the checkpoint that ensure that any intrusion on the driver is minimized and that the inquiries made are reasonably related

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to the purpose of the checkpoint. A peace officer at the checkpoint may not direct a driver or a passenger in a motor vehicle to leave the vehicle or move the vehicle off the roadway unless the officer has reasonable suspicion or probable cause to believe that the person committed or is committing an offense. However, a peace officer may require that each motor vehicle passing through the checkpoint be diverted to a location immediately adjacent to the roadway, if desirable, to ensure safety.

(e) In this section:

(1) "Motor vehicle" and "vehicle" have the meanings assigned to those terms by Section 541.201, Transportation Code.

(2) "Watercraft" has the meaning assigned by Section 49.01, Penal Code. [FA5]

SECTION 246. Section 386.251(c), Health and Safety Code, is amended to read as follows:

(c) The fund consists of:

(1) the amount of money deposited to the credit of the fund under:

(A) Section 386.056;

(B) Sections 151.0515 and 152.0215, Tax Code; and

(C) Sections 501.138, 502.358 [~~502.1675~~], and 548.5055, Transportation Code; and

(2) grant money recaptured under Section 386.111(d) and Chapter 391.

SECTION 229. Same as House version.

SECTION 247. Section 2302.201(a), Occupations Code, is amended to read as follows:

**No equivalent provision.**

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(a) Except as provided by Section 501.10025, Transportation Code, a [A] salvage vehicle dealer who acquires ownership of a salvage motor vehicle from an owner must receive from the owner a properly assigned title.

SECTION 248. Section 2302.204, Occupations Code, is amended to read as follows:

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

(1) the board shall adopt rules as necessary to regulate casual sales by salvage vehicle dealers, insurance companies, or salvage pool operators and to enforce this section; and

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

SECTION 249. Subchapter H, Chapter 2302, Occupations Code, is amended by adding Section 2302.354 to read as follows:

Sec. 2302.354. ADMINISTRATIVE PENALTY. (a) The department may impose an administrative penalty against a person licensed under this chapter who violates this chapter or a rule or order adopted under this chapter.

(b) The penalty may not be less than \$50 or more than \$1,000, and each day a violation continues or occurs is a separate violation for the purpose of imposing a penalty. The

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SECTION 230. Same as House version.

SECTION \_\_. (a) Subchapter H, Chapter 2302, Occupations Code, is amended by adding Section 2302.354 to read as follows:

Sec. 2302.354. ADMINISTRATIVE PENALTY. (a) The department may impose an administrative penalty against a person licensed under this chapter who violates this chapter or a rule or order adopted under this chapter.

(b) The penalty may not be less than \$50 or more than \$1,000, and each day a violation continues or occurs is a separate violation for the purpose of imposing a penalty. The

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amount of the penalty shall be based on:

- (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation;
  - (2) the economic harm caused by the violation;
  - (3) the history of previous violations;
  - (4) the amount necessary to deter a future violation;
  - (5) efforts to correct the violation; and
  - (6) any other matter that justice requires.
- (c) The person may stay enforcement during the time the order is under judicial review if the person pays the penalty to the court clerk or files a supersedeas bond with the court in the amount of the penalty. A person who cannot afford to pay the penalty or file the bond may stay enforcement by filing an affidavit in the manner required by the Texas Rules of Civil Procedure for a party who cannot afford to file security for costs, subject to the right of the department to contest the affidavit as provided by those rules.
- (d) A proceeding to impose an administrative penalty is subject to Chapter 2001, Government Code.

SECTION 250. Section 152.001, Tax Code, is amended by amending Subdivision (3) and adding Subdivision (20) to read

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amount of the penalty shall be based on:

- (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation;
  - (2) the economic harm caused by the violation;
  - (3) the history of previous violations;
  - (4) the amount necessary to deter a future violation;
  - (5) efforts to correct the violation; and
  - (6) any other matter that justice requires.
- (c) The person may stay enforcement during the time the order is under judicial review if the person pays the penalty to the court clerk or files a supersedeas bond with the court in the amount of the penalty. A person who cannot afford to pay the penalty or file the bond may stay enforcement by filing an affidavit in the manner required by the Texas Rules of Civil Procedure for a party who cannot afford to file security for costs, subject to the right of the department to contest the affidavit as provided by those rules.
- (d) A proceeding to impose an administrative penalty is subject to Chapter 2001, Government Code.
- (b) Section 2302.354, Occupations Code, as added by this section, applies only to a violation of Chapter 2302, Occupations Code, or a rule or order of the Texas Department of Motor Vehicles adopted under that chapter, committed on or after the effective date of this section. A violation committed before the effective date of this section is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose.
- (c) This section takes effect September 1, 2011. [FA1(6)]

No equivalent provision.

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as follows:

(3) "Motor vehicle [~~Vehicle~~]" includes:

(A) a self-propelled vehicle designed to transport persons or property on a public highway;

(B) a trailer and semitrailer, including a van, flatbed, tank, dumpster, dolly, jeep, stinger, auxiliary axle, or converter gear; [~~and~~]

(C) a house trailer as defined by Chapter 501, Transportation Code; and

(D) an off-road vehicle that is not required to be registered under Chapter 502, Transportation Code.

(20) "Off-road vehicle" means:

(A) an all-terrain vehicle or a recreational off-highway vehicle, as those terms are defined by Section 502.001, Transportation Code, provided that the vehicle may be designed by the manufacturer primarily for farming; or

(B) a motorcycle designed by the manufacturer for off-highway use.

SECTION 251. Section 152.091, Tax Code, is amended to read as follows:

Sec. 152.091. FARM OR TIMBER USE. (a) The taxes imposed by this chapter do not apply to the sale or use of [a]:

(1) a farm machine, a trailer, a [ø] semitrailer, or an off-road vehicle for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots; or

(2) a machine, a trailer, a [ø] semitrailer, or an off-road vehicle for use primarily for timber operations.

(b)(1) The taxes imposed by this chapter do not apply to the purchase of [a]:

(A) a farm machine, a trailer, a [ø] semitrailer, or an off-road

No equivalent provision.

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vehicle that is to be leased for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots;  
or

(B) a machine, a trailer, a ~~or~~ semitrailer, or an off-road vehicle that is to be leased for use primarily for timber operations.

(2) The exemption provided by this subsection applies only if the person purchasing the machine, trailer, ~~or~~ semitrailer, or off-road vehicle to be leased presents the tax assessor-collector a form prescribed and provided by the comptroller showing:

(A) the identification of the motor vehicle;

(B) the name and address of the lessor and the lessee; and

(C) verification by the lessee that the machine, trailer, ~~or~~ semitrailer, or off-road vehicle will be used primarily for:

(i) farming and ranching, including the rearing of poultry, and use in feedlots; or

(ii) timber operations.

(3) If a motor vehicle for which the tax has not been paid ceases to be leased for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots or timber operations, the owner shall notify the comptroller on a form provided by the comptroller and shall pay the sales or use tax on the motor vehicle based on the owner's book value of the motor vehicle. The tax is imposed at the same percentage rate that is provided by Section 152.021(b).

(c) The taxes imposed by this chapter do not apply to the rental of a farm machine, a trailer, ~~or~~ a semitrailer, or an off-road vehicle for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots, or a machine, a trailer, ~~or~~ a semitrailer, or an off-road vehicle for use primarily for timber operations. The tax that would have

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been remitted on gross rental receipts without this exemption shall be deemed to have been remitted for the purpose of calculating the minimum gross rental receipts imposed by Section 152.026. The exemption provided by this subsection applies only if the owner of the motor vehicle obtains in good faith an exemption certificate from the person to whom the vehicle is being rented.

(d) For purposes of this section, a machine or an off-road vehicle is used "primarily for timber operations" if the machine or off-road vehicle is a self-propelled motor vehicle that is specially adapted to perform a specialized function in the production of timber, including land preparation, planting, maintenance, and gathering of trees commonly grown for commercial timber. The term does not include a self-propelled motor vehicle used to transport timber or timber products.

SECTION 252. The following provisions of the Transportation Code are repealed:

- (1) Sections 501.026 and 501.075;
- (2) Sections 501.094 and 501.133;
- (3) Sections 501.134(e), (f), and (i);
- (4) Sections 502.0074, 502.0075, 502.008, 502.104, 502.105, 502.1535, 502.154, 502.175, 502.177, 502.206, 502.271, 502.2862, and 502.2971;
- (5) Sections 502.403 and 502.405;
- (6) Section 502.407(c);
- (7) Section 502.412(c);
- (8) Sections 502.452, 502.453, 502.455, and 502.456;
- (9) Section 504.201(h);
- (10) Section 504.316(b);

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CONFERENCE

SECTION 231. Same as House version. [FA2(2)-(4) and FA4(8) revert the text to the House engrossed version.]

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- (11) Section 504.401(b);
- (12) Section 504.402(b);
- (13) Section 504.403(b);
- (14) Section 504.404(b);
- (15) Section 504.405(b);
- (16) Section 504.502(j);
- (17) Section 504.506(f);
- (18) Section 504.507(c);
- (19) Section 504.508(d);
- (20) Sections 504.624, 504.629, 504.634, 504.643, 504.649, 504.650, 504.653, 504.655, and 504.701;
- (21) Section 504.702(c);
- (22) Section 504.851(k);
- (23) Section 504.854(c);
- (24) Sections 520.013 and 520.034; and
- (25) the headings to Subchapters C and D, Chapter 520.

SECTION 253. (a) Section 19, Chapter 1136, Acts of the 81st Legislature, Regular Session, 2009, is repealed.  
(b) This section takes effect August 31, 2011.

No equivalent provision.

SECTION 254. Section 501.0225, Transportation Code, as added by this Act, applies only to a person who purchases, imports, or otherwise acquires an off-road vehicle on or after the effective date of this Act. A person who purchases, imports, or otherwise acquires an off-road vehicle before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

No equivalent provision.

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SECTION 255. Sections 152.001 and 152.091, Tax Code, as amended by this Act, do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 256. Section 2302.354, Occupations Code, as added by this Act, applies only to a violation of Chapter 2302, Occupations Code, or a rule or order of the Texas Department of Motor Vehicles adopted under that chapter, committed on or after the effective date of this Act. A violation committed before the effective date of this Act is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose.

SECTION 257. (a) The change in law made by this Act applies only to an offense committed on or after January 1, 2012.

(b) An offense committed before January 1, 2012, is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before January 1, 2012, if any element of the offense was committed before that date.

SECTION 258. To the extent of any conflict, this Act prevails over another Act of the 82nd Legislature, Regular

SENATE VERSION (IE)

No equivalent provision.

No equivalent provision.

SECTION 232. Same as House version.

SECTION 233. Same as House version.

CONFERENCE

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Session, 2011, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 259. Except as otherwise provided by this Act, this Act takes effect January 1, 2012.

SENATE VERSION (IE)

SECTION 234. Same as House version. [FA1(5) reverts the text to the House engrossed version.]

CONFERENCE