

BILL ANALYSIS

C.S.H.B. 894
By: Kolkhorst
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that car dealers in Texas use dealer's plates and temporary tags to make their inventory legal to drive for various reasons including test-driving and driving vehicles to be serviced. These parties also contend that dealers are issued permanent metal plates to conduct personal business with a car that could also potentially be part of their inventory. Under current law, a dealer cannot use metal dealer's license plates on a service or work vehicle or a commercial vehicle that is carrying a load. Many independent motor vehicle dealers, however, may use a truck from their inventory to haul vehicles to and from the point of sale, which is often an auction.

Interested parties assert that since independent motor vehicle dealers participate in a relatively smaller number of transactions compared to franchise dealers, they have little need to contract with a car hauling company. The options such an independent motor vehicle dealer faces in order to comply with state law relating to delivering inventory to a point of sale are limited and often inconvenient for the dealer and may be expensive and not cost-effective.

C.S.H.B. 894 seeks to remedy this situation by providing additional options for independent motor vehicle dealers when transporting a vehicle in the dealer's inventory to or from a point of sale.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 894 amends the Transportation Code to authorize an independent motor vehicle dealer or an employee of such a dealer to use a metal dealer's license plate on a service or work vehicle used to transport a vehicle in the dealer's inventory to or from a point of sale. The bill requires the Texas Department of Motor Vehicles to adopt rules consistent with the bill's provisions not later than December 1, 2013.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 894 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 503.068, Transportation Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A person may not use a metal dealer's license plate or dealer's temporary tag on:

(1) a service or work vehicle, except as provided by Subsection (b-1); or

(2) a commercial vehicle that is carrying a load.

(b-1) An independent motor vehicle dealer or an employee of an independent motor vehicle dealer may use a metal dealer's license plate or dealer's temporary tag on a service or work vehicle used to transport a vehicle in the dealer's inventory to or from a point of sale.

SECTION 2. The Texas Department of Motor Vehicles shall adopt rules consistent with Section 503.068, Transportation Code, as amended by this Act, not later than December 1, 2013.

SECTION 3. This Act takes effect September 1, 2013.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 503.068, Transportation Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A person may not use a metal dealer's license plate or dealer's temporary tag on:

(1) a service or work vehicle, except as provided by Subsection (b-1); or

(2) a commercial vehicle that is carrying a load.

(b-1) An independent motor vehicle dealer or an employee of an independent motor vehicle dealer may use a metal dealer's license plate on a service or work vehicle used to transport a vehicle in the dealer's inventory to or from a point of sale.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.