

## **BILL ANALYSIS**

S.B. 1350  
By: West  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Recent legislation required the Department of Public Safety and the Texas Department of Motor Vehicles to conduct a study regarding feasibility and best practices for using an electronic system to consolidate the inspection and registration of motor vehicles in Texas. Interested parties assert that the Consolidated Inspection and Registration System Study resulted in a recommendation to move to a single system with a vehicle inspection report, which would eliminate motor vehicle inspection certificate fraud while reducing costs to Texas. S.B. 1350 seeks to implement the recommendation.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Department of Public Safety in SECTIONS 27 and 53, to the Texas Department of Motor Vehicles in SECTION 53, and to the Texas Commission on Environmental Quality in SECTION 53 of this bill.

### **ANALYSIS**

S.B. 1350 amends the Transportation Code to establish a registration-based system of enforcing motor vehicle inspection requirements. The bill requires the Texas Department of Motor Vehicles (TxDMV) and the Department of Public Safety (DPS) to enter into an agreement regarding the timely submission by DPS of inspection compliance information to TxDMV. The bill requires DPS to maintain an electronic database to which inspection stations are required to electronically submit, after completion of an inspection, the vehicle identification number of the inspected vehicle, an indication of whether the vehicle passed the inspections, and any additional information required by rule by DPS for the type of vehicle inspected. The bill, effective September 1, 2013, requires DPS, not later than March 1, 2014, to create the inspection database and to require inspection stations to submit such information to the database.

S.B. 1350 requires TxDMV or a county-assessor collector registering any vehicle, before the vehicle may be registered, to verify that the vehicle has passed the required inspections, as indicated in the DPS inspection database. The bill authorizes the owner of the vehicle, if the database information is not available, to present a vehicle inspection report issued for the vehicle.

S.B. 1350 defines "vehicle inspection report" as a report issued by an inspector or an inspection station for a vehicle that indicates whether the vehicle has passed the safety and, if applicable, required emissions inspections.

S.B. 1350 requires a county assessor-collector, before a motor vehicle that was last registered or titled in another state or country may be titled in Texas, to verify that the vehicle has passed the required inspections as indicated in the DPS inspection database.

S.B. 1350 removes, revises, or repeals, as applicable, references in the Code of Criminal

Procedure, Education Code, Government Code, Health and Safety Code, Occupations Code, and Transportation Code to the provision, display, and disposition of inspection certificates or inspection verification forms, as appropriate and certain related enforcement provisions.

S.B. 1350 amends the Transportation Code to require DPS rules relating to the general one-year inspection period to provide that a vehicle owner may obtain an inspection not earlier than 90 days before the date of expiration of the vehicle's registration.

S.B. 1350, in a provision requiring TxDMV to 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 fleet, removes the specification and related provisions that the registration is for an extended period of not less than one year or more than eight years.

S.B. 1350 applies the circumstances in which an inspection station or an inspector is prohibited from issuing an inspection certificate instead to such an entity issuing a passing vehicle inspection report. The bill authorizes such an entity to issue a passing vehicle inspection report only if the vehicle is inspected and found to be in proper and safe condition and in compliance with the applicable statutory provisions, applicable provisions of the bill, and applicable rules. The bill requires DPS to adopt rules relating to inspection of and issuance of a vehicle inspection report for a moped. The bill authorizes a person to perform an inspection, issue a vehicle inspection report, or submit inspection information to the DPS inspection database only if certified to do so by DPS under DPS rules.

S.B. 1350 prohibits an inspection station or inspector from issuing a passing vehicle inspection report for a vehicle unless the owner or operator furnishes evidence of financial responsibility at the time of inspection. The bill grants an inspection station immunity from liability for issuing a passing vehicle inspection report in reliance on evidence of financial responsibility furnished to the station.

S.B. 1350 clarifies that the Public Safety Commission is required to develop and impose requirements necessary to ensure that a passing vehicle inspection report is not issued to a vehicle subject to a motor vehicle emissions inspection and maintenance program and that information stating that a vehicle has passed an inspection is not submitted to the DPS inspection database for a vehicle unless the vehicle has passed a motor vehicle emissions inspection at a facility authorized and certified by DPS.

S.B. 1350 requires DPS by rule to require an inspection station to issue a vehicle inspection report to the owner or operator of each vehicle inspected by the station and to issue a passing vehicle inspection report to the owner or operator of each vehicle inspected by the station that passes the required inspections. The bill authorizes DPS to adopt rules regarding the issuance of vehicle inspection reports, including rules providing for the format and safekeeping of the reports. The bill specifies that a vehicle inspection report is invalid after the end of the 12th month following the month in which the report is issued.

S.B. 1350 removes provisions relating to the inspection verification form required for the registration of a vehicle being brought into Texas by a person other than a manufacturer or importer.

S.B. 1350 specifies circumstances under which issuing a passing vehicle inspection report or submitting inspection information, as applicable, to the DPS inspection database is considered a violation that presents a threat to public health, safety, or welfare and constitutes a revocation or suspension of certification as an inspection station or an inspector.

S.B. 1350 requires TxDMV or a county assessor-collector that registers a motor vehicle that is subject to an inspection fee to collect at the time of registration of the motor vehicle the portion of the inspection fee that is required to be remitted to the state and to remit the fee to the

comptroller of public accounts.

S.B. 1350 removes statutory provisions relating to an inspection verification form, an inspection station payment to DPS, and advance payments to DPS for inspection certificates. The bill revises applicable statutory provisions to reflect the collection of these fees during registration to reflect remittance of a certain portion of the fee to the state rather than to DPS.

S.B. 1350 replaces general offense provisions relating to the fraudulent issuance of an inspection certificate with general offense provisions relating to the fraudulent submission of information to the DPS inspection database and to the fraudulent issuance of a vehicle inspection report and revises provisions relating to specific offenses to reflect the bill's changes relating to vehicle inspection reports and a registration-based system of enforcement. The bill makes it a Class B misdemeanor offense to present to an official of Texas or a political subdivision of Texas a vehicle inspection report or insurance document knowing that the report or document is counterfeit, tampered with, altered, fictitious, issued for a vehicle failing to meet all emissions inspection requirements, or issued in violation of specified laws.

S.B. 1350 amends the Health and Safety Code to require DPS by rule to adopt procedures for issuing a vehicle inspection report following an emissions inspection and for submitting information to the DPS inspection database following an emissions inspection. The bill removes certain references to state inspection stickers and clarifies that a vehicle emissions inspection and maintenance program may include a program to develop and implement projects in consultation with the director of DPS for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports and to carry out appropriate actions.

S.B. 1350, effective September 1, 2013, requires TxDMV, DPS, and the Texas Commission on Environmental Quality, not later than March 1, 2014, to adopt rules necessary to implement the changes made by the bill.

S.B. 1350 repeals the following provisions of the Transportation Code:

- Section 548.053(c)
- Section 548.255
- Section 548.257
- Section 548.602
- Section 548.603(e)(2)
- Section 548.603(f), as added by Chapter 1069 (S.B. 1856), Acts of the 75th Legislature, Regular Session, 1997
- Section 548.605

### **EFFECTIVE DATE**

Except as otherwise provided, March 1, 2015.