

## **BILL ANALYSIS**

Senate Research Center  
84R9512 JXC-F

H.B. 2115  
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Transportation  
5/5/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Transportation Code permits a two-year initial inspection sticker on a new vehicle if it is sold in Texas, has not been previously registered in Texas or another state, and is the current or preceding model year.

Rental car companies bring more than 100,000 new cars to Texas each year. Due to the sheer volume required to meet demand in Texas, new rental vehicles are purchased both in and out-of-state for use here. Under current law, a requirement that only new cars sold in Texas can have a two-year inspection sticker results in a situation, at inspection, where two identical new rental vehicles have different initial inspection periods. This is an administrative burden for rental companies that results in re-inspection costs on cars with one-year inspections that are ultimately borne by consumers.

To relieve county tax offices of the burden and expense of processing title and registration on large fleets of vehicles, Section 501.0234(b)(4) of the Transportation Code classifies rental car companies as commercial fleet buyers when they are deputized to process title applications, utilize the Texas Department of Motor Vehicles title application system, and can accept registration/title applications that a county tax assessor-collector may accept. This narrow definition of commercial fleet buyer applies to rental car companies and allows them to handle title and registration on their own vehicles internally while coordinating with the local tax office to share information and remit appropriate taxes and fees.

H.B. 2115 allows new cars purchased in and out-of-state by commercial fleet buyers (as defined by Section 501.0234(b)(4)) to be treated equally for the purposes of the initial two-year inspection. The bill prevents unnecessary administrative and re-inspection costs that are ultimately paid by Texas rental consumers.

H.B. 2115 amends current law relating to the initial inspection period for motor vehicles purchased by certain commercial fleet buyers.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 548.102(a), Transportation Code, to provide that the initial inspection period is two years for a passenger car or light truck that is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) (providing that this section does not apply to a motor vehicle purchased by a commercial fleet buyer who is a deputy authorized by rules adopted under Section 520.0071, 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 deputy, and has authority to accept an application for registration and application for title transfer that the county assessor-collector may accept) for use in this state.

SECTION 2. Effective date: upon passage or September 1, 2015.