

BILL ANALYSIS

Senate Research Center
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S.B. 658
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many Texas farmers use state highways, rather than farm-to-market roads, as an alternative transportation source when operating their vehicles or transporting equipment. When farmers use these types of roads, the Texas Department of Motor Vehicles issues them a special license plate which exempts them from having to register their vehicle and equipment under Section 502.146, Transportation Code.

The current Transportation Code, however, does not extend the exemption from registering vehicles and equipment to farmers who are members of local farmer's cooperatives through which they are able to rent or borrow (rather than purchase) vehicles and equipment. This cost-effective approach is especially important for smaller farmers. Without the exemption, when co-op farmers are using highways, they can be fined by Texas highway patrol officers for lack of proper registration for the vehicles and equipment.

The purpose of S.B. 658 is to extend the exemption currently available for personally owned farm vehicles and equipment to co-op owned equipment that is loaned or leased to its member farmers.

As proposed, S.B. 658 amends current law relating to the exemption from vehicle registration for certain farm vehicles owned by a farmers' cooperative society or marketing association.

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 502.146, Transportation Code, by adding Subsection (c-1) and amending Subsections (e) and (h), as follows:

(c-1) Provides that an exemption provided by this section applies to a vehicle owned by a farmers' cooperative society incorporated under Chapter 51 (Farmers' Cooperative Societies), Agriculture Code, or a marketing association organized under Chapter 52 (Cooperative Marketing Associations), Agriculture Code, and used by members of the society or association for a fee if the vehicle otherwise meets the requirements for the exemption.

(e) Provides that, except as provided by Subsection (c-1), 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.

(h) Prohibits a specialty license plate from being issued under Subsection (a) (requiring the Texas Department of Motor Vehicles to issue specialty license plates to a vehicle described by Subsection (b) or (c)) to an owner of a vehicle described by Subsection (b)(1) (providing that an owner is not required to register a vehicle that is used only temporarily on the highways if the vehicle is 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 for certain purposes) unless the vehicle is owned by a farmers' cooperative society incorporated under Chapter 51, Agriculture Code, or a marketing association organized under Chapter 52, Agriculture Code.

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