

BILL ANALYSIS

Senate Research Center
86R4655 JRR-D

S.B. 2076
By: Paxton
Transportation
4/1/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, vehicle owners are only permitted to have physical license plates issued under Chapter 504 of the Transportation Code on their vehicles. S.B. 2076 allows for a registered vehicle to be equipped with a digital license plate to replace the rear physical license plate on motor vehicles.

As proposed, S.B. 2076 amends current law relating to the issuance of digital license plates and authorizes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 1 (Sections 504.153, 504.154, and 504.155, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 504, Transportation Code, by adding Subchapter B-1, as follows:

SUBCHAPTER B-1. DIGITAL LICENSE PLATES

Sec. 504.151. DEFINITIONS. Defines "digital license plate" and "digital license plate provider" for purposes of this subchapter.

Sec. 504.152. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this subchapter or a rule adopted under this subchapter, a digital license plate issued under this subchapter is subject to the laws of this state applicable to a physical license plate.

Sec. 504.153. RULES. Requires the board of the Texas Department of Motor Vehicles (board; TxDMV) to adopt rules as necessary to implement and administer this subchapter.

Sec. 504.154. DIGITAL LICENSE PLATES AUTHORIZED. (a) Requires the board by rule to allow a vehicle registered under Chapter 502 (Registration of Vehicles) to be equipped with a digital license plate in lieu of a physical license plate issued under this chapter (License Plates).

(b) Authorizes TxDMV to contract with a digital license plate provider for the issuance of digital license plates, including any services related to the issuance of digital license plates.

(c) Authorizes a rule adopted under this subchapter, notwithstanding any other law, to:

(1) authorize a digital license plate provider to process vehicle registration transactions on behalf of TxDMV for vehicles issued digital license plates, including the renewal of registration of the vehicle, and require the

provider to remit any vehicle registration fees collected to TxDMV in the manner prescribed by TxDMV;

(2) authorize the display of the vehicle's registration insignia on each digital license plate issued for the vehicle in lieu of attaching the registration insignia to the inside of the vehicle's windshield as required by Section 502.059 (Issuance of Registration Insignia);

(3) authorize the owner of a vehicle issued a digital license plate to pay a prorated monthly registration fee for the vehicle, to be computed in the manner provided by Section 502.044(c) (relating to authorizing TxDMV to designate a certain registration period); or

(4) authorize the owner of a vehicle issued a digital license plate to attach the digital license plate to the rear of the vehicle in lieu of attaching two physical license plates to the vehicle.

Sec. 504.155. DIGITAL LICENSE PLATES REQUIREMENTS AND PERMISSIVE FUNCTIONALITY. (a) Requires the board by rule to set the specifications and requirements for digital license plates, including requirements for the placement of digital license plates. Requires the design of and information displayed on a digital license plate to be approved by TxDMV.

(b) Requires a digital license plate issued under this subchapter to meet certain specifications.

(c) Requires TxDMV to consult with law enforcement agencies when considering whether to approve the design of a digital license plate.

(d) Authorizes a rule adopted under this subchapter to:

(1) authorize the use of a digital license plate for electronic toll collection or to display a parking permit; or

(2) establish procedures for displaying certain specified information on a digital license plate.

Sec. 504.156. DIGITAL LICENSE PLATE PROVIDER POWERS AND DUTIES. Provides that a digital license plate provider with whom TxDMV contracts under Section 504.154:

(1) is required to maintain an inventory of the digital license plates issued by the provider in this state;

(2) is required to make available a digital version of each specialty license plate authorized by this chapter, other than personalized license plates authorized for marketing and sale under Subchapter J (Marketing of Specialty Plates Through Private Vendor), provided that each issuance of a specialty license plate with restricted distribution, including a license plate authorized under Subchapter C (License Plates for Vehicles Used by Persons With Disabilities), D (Specialty License Plates For the Military), E (Specialty License Plates With Restricted Distribution), or F (Specialty License Plates With Restricted Distribution and Regular License Plate Fees), is required to be approved by TxDMV and the provider is required to remit to TxDMV in the manner prescribed by TxDMV all money payable to TxDMV or required to be used or deposited in the manner prescribed by the law establishing the license plate;

(3) is authorized to contract with the private vendor authorized under Subchapter J to make available a digital version of a personalized license

plate authorized for marketing and sale under that subchapter, provided that the contract is required to conform with any applicable requirements of Subchapter J and the terms of the private vendor's contract with TxDMV;

(4) is authorized to process vehicle registration transactions for vehicles issued digital license plates, including the renewal of registration of the vehicle, and is required to remit any vehicle registration fees collected to TxDMV in the manner prescribed by TxDMV, if authorized by a rule adopted under Section 504.154(c)(1);

(5) is required to, if a digital license plate displays a registration insignia as authorized by a rule adopted under Section 504.154(c)(2), promptly update the display of the registration insignia to reflect the current registration period for the vehicle and, on request of TxDMV, suspend the display of the registration insignia or indicate on the license plate that the registration insignia for the vehicle is expired;

(6) is authorized to provide any service related to the issuance of a digital license plate that is authorized by board rule, including the sale, lease, and installation of and customer service for a digital license plate;

(7) is authorized to charge a fee, payable in installments, for the issuance of a digital license plate or any additional services provided by the provider for that license plate; and

(8) is authorized to, at the request of an owner of a vehicle issued a digital license plate and if authorized by a rule adopted under Section 504.154(c)(3), enter into an installment payment agreement with the owner that allows the owner to pay a prorated monthly registration fee for the vehicle.

Sec. 504.157. LIABILITY FOR REFUSAL TO PROCESS VEHICLE REGISTRATION. Provides that a digital license plate provider authorized to process vehicle registration transactions under this subchapter is not liable to any person for refusing to process a vehicle registration transaction because of the person's failure to provide verification of the person's compliance with Chapter 548 (Compulsory Inspection of Vehicles).

Sec. 504.158. DEFENSE TO PROSECUTION OF CERTAIN OFFENSES. Provides that it is a defense to prosecution of an offense involving the operation of a motor vehicle and relating to the placement of a license plate, including the number of license plates required to be displayed on the vehicle, or the display of a registration insignia that the vehicle was operated in compliance with rules issued under this subchapter governing the placement of a digital license plate, including the number of digital license plates required to be displayed on the vehicle, or the display of a registration insignia on a digital license plate, as applicable.

SECTION 2. Requires the board, not later than December 31, 2019, to adopt the rules required by Subchapter B-1, Chapter 504, Transportation Code, as added by this Act, and any other rules necessary to implement and administer that subchapter.

SECTION 3. Effective date: upon passage or September 1, 2019.