

1-1 By: Springer, et al. (Senate Sponsor - Fallon) H.B. No. 1543
1-2 (In the Senate - Received from the House April 30, 2019;
1-3 May 6, 2019, read first time and referred to Committee on
1-4 Transportation; May 15, 2019, reported favorably by the following
1-5 vote: Yeas 8, Nays 0; May 15, 2019, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	Nichols	X		
1-9	Hancock	X		
1-10	Alvarado	X		
1-11	Hinojosa	X		
1-12	Kolkhorst	X		
1-13	Perry	X		
1-14	Rodríguez		X	
1-15	Schwertner	X		
1-16	West	X		

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to methods to enhance the enforcement of the collection of
1-20 the use tax due on certain off-highway vehicles purchased outside
1-21 this state; providing a civil penalty.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Chapter 151, Tax Code, is amended by adding
1-24 Subchapter I-2 to read as follows:

1-25 SUBCHAPTER I-2. REPORTS BY MANUFACTURERS OF CERTAIN OFF-HIGHWAY
1-26 VEHICLES PURCHASED OUTSIDE THIS STATE

1-27 Sec. 151.481. DEFINITIONS. In this subchapter:

1-28 (1) "Manufacturer" means a person that manufactures
1-29 off-highway vehicles and is required to hold a manufacturer's
1-30 license under Chapter 2301, Occupations Code.

1-31 (2) "New off-highway vehicle" means an off-highway
1-32 vehicle that has not been the subject of a retail sale.

1-33 (3) "Off-highway vehicle" has the meaning assigned by
1-34 Section 501.0301, Transportation Code.

1-35 Sec. 151.482. REPORTS BY MANUFACTURERS. (a) The
1-36 comptroller shall require each manufacturer to file with the
1-37 comptroller a report not later than March 1 of each year listing
1-38 each warranty issued by the manufacturer for a new off-highway
1-39 vehicle that was, during the preceding calendar year, sold to a
1-40 resident of this state by a retailer located outside this state.
1-41 The report must:

1-42 (1) be in a form prescribed by the comptroller; and

1-43 (2) contain, at a minimum, the following information
1-44 for each warranty:

1-45 (A) the vehicle identification number of the
1-46 vehicle;

1-47 (B) the make, model, and model year of the
1-48 vehicle; and

1-49 (C) the name and address, including street name
1-50 and number, city, and zip code, of the purchaser of the vehicle.

1-51 (b) As soon as practicable after receiving a report
1-52 submitted under this section, the comptroller shall use the
1-53 information in the report to investigate and collect any unpaid use
1-54 taxes imposed under Subchapter D on an off-highway vehicle
1-55 described in the report.

1-56 Sec. 151.483. RULES. The comptroller may adopt rules as
1-57 necessary to implement this subchapter.

1-58 Sec. 151.484. CONFIDENTIALITY. Except as provided by
1-59 Section 111.006, information contained in a report required to be
1-60 filed by this subchapter is confidential and not subject to
1-61 disclosure under Chapter 552, Government Code.

2-1 Sec. 151.485. CIVIL PENALTY. (a) If a manufacturer fails
 2-2 to file a report required by this subchapter or fails to file a
 2-3 complete report, the comptroller may impose a civil penalty under
 2-4 Section 151.703(d).

2-5 (b) In addition to the penalty imposed under Subsection (a),
 2-6 a manufacturer shall pay the state a civil penalty of not less than
 2-7 \$25 or more than \$2,000 for each day a violation continues if the
 2-8 manufacturer:

2-9 (1) violates this subchapter; or
 2-10 (2) violates a rule adopted to administer or enforce
 2-11 this subchapter.

2-12 Sec. 151.486. ACTION BY TEXAS DEPARTMENT OF MOTOR VEHICLES.
 2-13 If a manufacturer fails to file a report required by this subchapter
 2-14 or fails to file a complete report, the comptroller may notify the
 2-15 Texas Department of Motor Vehicles of the failure and the
 2-16 department may take administrative action against the manufacturer
 2-17 for the failure under Chapter 2301, Occupations Code.

2-18 Sec. 151.487. AUDIT; INSPECTION. The comptroller may
 2-19 audit, inspect, or otherwise verify a manufacturer's compliance
 2-20 with this subchapter.

2-21 Sec. 151.488. ACTION BY ATTORNEY GENERAL; VENUE; ATTORNEY'S
 2-22 FEES. (a) The comptroller may bring an action to enforce this
 2-23 subchapter and obtain any civil remedy authorized by this
 2-24 subchapter or any other law for the violation of this subchapter.
 2-25 The attorney general shall prosecute the action on the
 2-26 comptroller's behalf.

2-27 (b) Venue for and jurisdiction of an action under this
 2-28 section is exclusively conferred on the district courts in Travis
 2-29 County.

2-30 (c) If the comptroller prevails in an action under this
 2-31 section, the comptroller and attorney general are entitled to
 2-32 recover court costs and reasonable attorney's fees incurred in
 2-33 bringing the action.

2-34 SECTION 2. Subchapter B, Chapter 501, Transportation Code,
 2-35 is amended by adding Section 501.0301 to read as follows:

2-36 Sec. 501.0301. CERTAIN OFF-HIGHWAY VEHICLES PURCHASED
 2-37 OUTSIDE THIS STATE. (a) In this section:

2-38 (1) "Off-highway vehicle" means:
 2-39 (A) an all-terrain vehicle or recreational
 2-40 off-highway vehicle, as those terms are defined by Section 502.001;
 2-41 (B) a motorcycle, as that term is defined by
 2-42 Section 541.201, other than a motorcycle described by Section
 2-43 521.001, that is designed by the manufacturer for off-highway use
 2-44 only; or

2-45 (C) a utility vehicle, as that term is defined by
 2-46 Section 663.001.

2-47 (2) "Retailer" has the meaning assigned by Section
 2-48 151.008, Tax Code.

2-49 (b) A county assessor-collector may not issue a title
 2-50 receipt and the department may not issue a certificate of title for
 2-51 an off-highway vehicle purchased from a retailer located outside
 2-52 this state and designated by the manufacturer as a model year that
 2-53 is not more than one year before the year in which the application
 2-54 for title is made unless the applicant for the title delivers to the
 2-55 assessor-collector or the department, as applicable, satisfactory
 2-56 evidence showing that the applicant:

2-57 (1) has paid to the comptroller the applicable use tax
 2-58 imposed on the vehicle under Subchapter D, Chapter 151, Tax Code; or

2-59 (2) is not required to pay any taxes described by
 2-60 Subdivision (1).

2-61 (c) The comptroller shall promulgate forms to be used by
 2-62 each county assessor-collector for purposes of implementing this
 2-63 section.

2-64 (d) The comptroller may adopt rules as necessary to
 2-65 implement this section, including rules that define "satisfactory
 2-66 evidence" for purposes of this section.

2-67 SECTION 3. Not later than March 1, 2020, a manufacturer
 2-68 shall submit the first report required by Subchapter I-2, Chapter
 2-69 151, Tax Code, as added by this Act.

SECTION 4. Section 501.0301, Transportation Code, as added by this Act, applies only to an application for title that is filed on or after March 1, 2020. An application for title that is filed before March 1, 2020, is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

SECTION 5. (a) As soon as practicable after the effective date of this Act, the comptroller of public accounts shall establish a work group composed of members determined by the comptroller and the Tax Assessor-Collectors Association of Texas for the purpose of assisting the comptroller in developing the forms required by Section 501.0301(c), Transportation Code, as added by this Act.

(b) Not later than March 1, 2020, the forms described by Subsection (a) of this section shall be completed and distributed to each county assessor-collector in this state.

(c) This section expires and the work group established under Subsection (a) of this section is abolished April 1, 2020.

SECTION 6. This Act takes effect September 1, 2019.

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