

BILL ANALYSIS

S.B. 1816
By: Seliger
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Department of Motor Vehicles (TxDMV) has very limited options to curtail abuses of the electronic temporary tag (eTAG) system and is prohibited by statute from denying a licensed automobile dealer access to the eTAG system. In recent years, dealerships have reportedly issued thousands of fraudulent tags without proof of actual vehicle sales. Additionally, it has been suggested that TxDMV needs to update permitting requirements for certain types of vehicles. S.B. 1816 seeks to address these issues by revising provisions relating to the issuance of certain temporary permits and tags for vehicles in Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 6 of this bill.

ANALYSIS

S.B. 1816 amends the Transportation Code to authorize the Texas Department of Motor Vehicles (TxDMV) to establish by rule the maximum number of temporary tags that a dealer or converter may obtain under applicable statutory provisions. The bill requires the maximum number to be based on the dealer's or converter's anticipated need for temporary tags, taking into consideration the following factors:

- the dealer's or converter's time in operation, sales data, and expected growth;
- expected changes in the dealer's or converter's market; and
- temporary conditions that may affect sales by the dealer or converter.

The bill authorizes TxDMV to authorize additional temporary tags of any type for a dealer or converter who makes a request and demonstrates a need for additional temporary tags resulting from business operations, including anticipated need. The bill authorizes the overturning of a TxDMV denial of a request for additional temporary tags if a dealer or converter shows by a preponderance of the evidence the need for additional temporary tags.

S.B. 1816 transfers the duty to manage the databases for dealer's and converter's temporary tags and for buyer's temporary tags from the vehicle titles and registration division of TxDMV to TxDMV.

S.B. 1816 requires a 72-hour or 144-hour temporary vehicle registration permit issued by TxDMV for certain vehicles to be carried in the vehicle, or, if the vehicle is a trailer or semitrailer, in the motor vehicle pulling the trailer or semitrailer, at all times during the period in which the permit is valid, including when the vehicle is being operated. The bill changes the

display requirements for a one-trip or 30-day trip permit from a requirement that the temporary tag be displayed in the vehicle's rear window in a specified manner or attached to the vehicle to allow ready inspection if the vehicle does not have a rear window to a requirement for the permit to be attached to the vehicle in the license plate display area located at the rear of the vehicle, so that the entire permit is visible and legible at all times, including when the vehicle is being operated or, if the vehicle does not have a license plate display area at the rear of the vehicle, to be attached to the vehicle to allow ready inspection.

EFFECTIVE DATE

September 1, 2021.