By:  Hefner (Senate Sponsor - Nichols) H.B. No. 3927

(In the Senate - Received from the House May 10, 2021; May 12, 2021, read first time and referred to Committee on Transportation; May 19, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; May 19, 2021, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Nichols           X

Seliger                     X

Alvarado          X

Blanco            X

Hancock           X

Hinojosa          X

Kolkhorst         X

Perry             X

West              X

COMMITTEE SUBSTITUTE FOR H.B. No. 3927 By:  Nichols

A BILL TO BE ENTITLED

AN ACT

relating to certain temporary motor vehicle tags.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Sections 503.0626(a) and (c), Transportation Code, are amended to read as follows:

(a)  The department shall develop, manage, and maintain a secure, real-time database of information on vehicles to which dealers and converters have affixed temporary tags. [~~The database shall be managed by the vehicle titles and registration division of the department.~~]

(c)  Before a dealer's or converter's temporary tag may be displayed on a vehicle, the dealer or converter must enter into the database through the Internet information on the vehicle and information about the dealer or converter as prescribed by the department. Except as provided by Section 506.0632(g), the [~~The~~] department may not deny access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301, Occupations Code, or to any converter licensed under Chapter 2301, Occupations Code.

SECTION 2.  Section 503.063, Transportation Code, is amended by adding Subsection (i) to read as follows:

(i)  A vehicle may be issued and display a buyer's tag without satisfying the inspection requirements of Chapter 548 if:

(1)  the buyer of the vehicle is not a resident of this state; and

(2)  the vehicle:

(A)  at the time of purchase, is not located or required to be titled or registered in this state;

(B)  will be titled and registered in accordance with the laws of the buyer's state of residence; and

(C)  will be inspected in accordance with the laws of the buyer's state of residence, if the laws of that state require inspection.

SECTION 3.  Sections 503.0631(a) and (c), Transportation Code, are amended to read as follows:

(a)  The department shall develop, manage, and maintain a secure, real-time database of information on persons to whom temporary buyer's tags are issued that may be used by a law enforcement agency in the same manner that the agency uses vehicle registration information. [~~The database shall be managed by the vehicle titles and registration division of the department.~~]

(c)  Except as provided by Subsection (d), before a buyer's temporary tag may be displayed on a vehicle, a dealer must enter into the database through the Internet information about the buyer of the vehicle for which the tag was issued as prescribed by the department and generate a vehicle-specific number for the tag as required by Section 503.063(e). Except as provided by Section 506.0632(g), the [~~The~~] department may not deny access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301, Occupations Code.

SECTION 4.  Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0632 to read as follows:

Sec. 503.0632.  DEPARTMENT REGULATION OF TEMPORARY TAGS AND ACCESS TO TEMPORARY TAG DATABASES. (a) The department by rule may establish the maximum number of temporary tags that a dealer or converter may obtain in a calendar year under Section 503.062, 503.0625, or 503.063.

(b)  The maximum number of temporary tags that the department determines a dealer or converter may obtain under this section must be based on the dealer's or converter's anticipated need for temporary tags, taking into consideration:

(1)  the dealer's or converter's:

(A)  time in operation;

(B)  sales data; and

(C)  expected growth;

(2)  expected changes in the dealer's or converter's market;

(3)  temporary conditions that may affect sales by the dealer or converter; and

(4)  any other information the department considers relevant.

(c)  At the request of a dealer or converter, the department may authorize additional temporary tags of any type for the dealer or converter if the dealer or converter demonstrates a need for additional temporary tags resulting from business operations, including anticipated need.

(d)  The department's denial of a request under Subsection (c) may be overturned if a dealer or converter shows by a preponderance of the evidence the need for additional temporary tags.

(e)  The department:

(1)  shall monitor in real time the number of temporary tags obtained by a dealer or converter; and

(2)  if a dealer or converter obtains temporary tags in excess of the number established by the department under Subsection (a), shall immediately:

(A)  review the dealer's or converter's records; and

(B)  investigate to determine the reason for the excess number of temporary tags obtained, including by consulting with the dealer or converter.

(f)  If after the review and investigation under Subsection (e)(2) the department determines that a dealer or converter is not compliant with Section 503.038(a)(12), the department shall issue a cease and desist order as provided by Section 2301.802, Occupations Code.

(g)  If after the review and investigation under Subsection (e)(2) the department determines by clear and convincing evidence that irreparable harm is occurring to the public and to other dealers or converters because a dealer or converter is fraudulently obtaining temporary tags from the temporary tag database, the department may, after giving notice electronically and by certified mail to the dealer or converter, deny access to a temporary tag database to the dealer or converter. A dealer or converter denied access to a temporary tag database under this subsection may request a hearing on the denial as provided by Subchapter O, Chapter 2301, Occupations Code.

SECTION 5.  Sections 503.067(b) and (d), Transportation Code, are amended to read as follows:

(b)  A person may not operate a vehicle that displays:

(1)  a temporary tag in violation of this chapter or Chapter 502; or

(2)  any other [~~an~~] unauthorized temporary tag.

(d)  A person may not sell or distribute a temporary tag or an item represented to be a temporary tag unless the person is[~~:~~

[~~(1)~~]  a dealer issuing the tag in connection with the sale of a vehicle[~~; or~~

[~~(2)  a printer or distributor engaged in the business of selling temporary tags solely for uses authorized under this chapter~~].

SECTION 6.  The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 7.  This Act takes effect September 1, 2021.

\* \* \* \* \*