

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(f), 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 Subsections (i) and (j) 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

1 state; and

2 (2) the vehicle:

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

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

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

10 (j) A vehicle may be issued and display a buyer's tag
11 without satisfying the inspection requirements of Chapter 548 if
12 the vehicle is purchased at public auction in this state and is:

13 (1) an antique vehicle as defined by Section
14 683.077(b); or

15 (2) a special interest vehicle as defined by Section
16 683.077(b) that:

17 (A) is at least 12 years of age; and

18 (B) has been the subject of a retail sale.

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

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

27 (c) Except as provided by Subsection (d), before a buyer's

1 temporary tag may be displayed on a vehicle, a dealer must enter
2 into the database through the Internet information about the buyer
3 of the vehicle for which the tag was issued as prescribed by the
4 department and generate a vehicle-specific number for the tag as
5 required by Section 503.063(e). Except as provided by Section
6 506.0632(f), the [The] department may not deny access to the
7 database to any dealer who holds a general distinguishing number
8 issued under this chapter or who is licensed under Chapter 2301,
9 Occupations Code.

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

12 Sec. 503.0632. DEPARTMENT REGULATION OF TEMPORARY TAGS AND
13 ACCESS TO TEMPORARY TAG DATABASES. (a) The department by rule may
14 establish the maximum number of temporary tags that a dealer or
15 converter may obtain in a calendar year under Section 503.062,
16 503.0625, or 503.063.

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

21 (1) the dealer's or converter's:

22 (A) time in operation;

23 (B) sales data; and

24 (C) expected growth;

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

27 (3) temporary conditions that may affect sales by the

1 dealer or converter; and

2 (4) any other information the department considers
3 relevant.

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

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

13 (e) The department shall monitor the number of temporary
14 tags obtained by a dealer or converter.

15 (f) If the department determines that a dealer or converter
16 is fraudulently obtaining temporary tags from the temporary tag
17 database, the department may, after giving notice electronically
18 and by certified mail to the dealer or converter, deny access to a
19 temporary tag database to the dealer or converter. A dealer or
20 converter denied access to a temporary tag database under this
21 subsection may request a hearing on the denial as provided by
22 Subchapter 0, Chapter 2301, Occupations Code.

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

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

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

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

2 (d) A person may not sell or distribute a temporary tag or an
3 item represented to be a temporary tag unless the person is[+]

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

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

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

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

President of the Senate

Speaker of the House

I certify that H.B. No. 3927 was passed by the House on May 7, 2021, by the following vote: Yeas 128, Nays 12, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3927 on May 28, 2021, by the following vote: Yeas 125, Nays 16, 4 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3927 was passed by the Senate, with amendments, on May 22, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor