

SENATE AMENDMENTS

2nd Printing

By: Hefner

H.B. No. 3927

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the issuance and use of certain temporary motor vehicle
3 tags and the classification of temporary motor vehicle tags as
4 governmental records for purposes of certain criminal offenses.

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

6 SECTION 1. Section 503.0626(c), Transportation Code, is
7 amended to read as follows:

8 (c) Before a dealer's or converter's temporary tag may be
9 displayed on a vehicle, the dealer or converter must enter into the
10 database through the Internet information on the vehicle and
11 information about the dealer or converter as prescribed by the
12 department. The department may ~~not~~ deny access to the database to
13 any dealer who holds a general distinguishing number issued under
14 this chapter or who is licensed under Chapter 2301, Occupations
15 Code, or to any converter licensed under Chapter 2301, Occupations
16 Code.

17 SECTION 2. Section 503.0631(c), Transportation Code, is
18 amended to read as follows:

19 (c) Except as provided by Subsection (d), before a buyer's
20 temporary tag may be displayed on a vehicle, a dealer must enter
21 into the database through the Internet information about the buyer
22 of the vehicle for which the tag was issued as prescribed by the
23 department and generate a vehicle-specific number for the tag as
24 required by Section 503.063(e). The department may ~~not~~ deny

1 access to the database to any dealer who holds a general
2 distinguishing number issued under this chapter or who is licensed
3 under Chapter 2301, Occupations Code.

4 SECTION 3. Sections 503.067(b) and (d), Transportation
5 Code, are amended to read as follows:

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

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

9 (2) any other ~~an~~ unauthorized temporary tag.

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

12 ~~[(+)]~~ a dealer issuing the tag in connection with the
13 sale of a vehicle ~~[, or~~

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

17 SECTION 4. Section 37.01(2), Penal Code, is amended to read
18 as follows:

19 (2) "Governmental record" means:

20 (A) anything belonging to, received by, or kept
21 by government for information, including a court record;

22 (B) anything required by law to be kept by others
23 for information of government;

24 (C) a license, certificate, permit, seal, title,
25 letter of patent, or similar document issued by government, by
26 another state, or by the United States, including a temporary motor
27 vehicle tag issued under Chapter 502 or 503, Transportation Code;

1 (D) a standard proof of motor vehicle liability
2 insurance form described by Section 601.081, Transportation Code, a
3 certificate of an insurance company described by Section 601.083 of
4 that code, a document purporting to be such a form or certificate
5 that is not issued by an insurer authorized to write motor vehicle
6 liability insurance in this state, an electronic submission in a
7 form described by Section 502.046(i), Transportation Code, or an
8 evidence of financial responsibility described by Section 601.053
9 of that code;

10 (E) an official ballot or other election record;
11 or

12 (F) the written documentation a mobile food unit
13 is required to obtain under Section 437.0074, Health and Safety
14 Code.

15 SECTION 5. The change in law made by this Act applies only
16 to an offense committed on or after the effective date of this Act.
17 An offense committed before the effective date of this Act is
18 governed by the law in effect on the date the offense was committed,
19 and the former law is continued in effect for that purpose. For
20 purposes of this section, an offense was committed before the
21 effective date of this Act if any element of the offense occurred
22 before that date.

23 SECTION 6. This Act takes effect September 1, 2021.

ADOPTED

MAY 22 2021

By: Hefner/Nichols

Substitute the following for H.B. No. 3927:

By: PHH Lee Nichols

Lacey Smith
Secretary of the Senate .B. No. 3927

C.S. H.B. No. 3927

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

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

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

18 (c) Except as provided by Subsection (d), before a buyer's
19 temporary tag may be displayed on a vehicle, a dealer must enter
20 into the database through the Internet information about the buyer
21 of the vehicle for which the tag was issued as prescribed by the
22 department and generate a vehicle-specific number for the tag as
23 required by Section 503.063(e). Except as provided by Section
24 506.0632(g), the [~~The~~] department may not deny access to the
25 database to any dealer who holds a general distinguishing number
26 issued under this chapter or who is licensed under Chapter 2301,
27 Occupations Code.

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

3 Sec. 503.0632. DEPARTMENT REGULATION OF TEMPORARY TAGS AND
4 ACCESS TO TEMPORARY TAG DATABASES. (a) The department by rule may
5 establish the maximum number of temporary tags that a dealer or
6 converter may obtain in a calendar year under Section 503.062,
7 503.0625, or 503.063.

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

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

13 (A) time in operation;

14 (B) sales data; and

15 (C) expected growth;

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

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

20 (4) any other information the department considers
21 relevant.

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

27 (d) The department's denial of a request under Subsection

1 (c) may be overturned if a dealer or converter shows by a
2 preponderance of the evidence the need for additional temporary
3 tags.

4 (e) The department:

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

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

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

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

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

20 (g) If after the review and investigation under Subsection
21 (e)(2) the department determines by clear and convincing evidence
22 that irreparable harm is occurring to the public and to other
23 dealers or converters because a dealer or converter is fraudulently
24 obtaining temporary tags from the temporary tag database, the
25 department may, after giving notice electronically and by certified
26 mail to the dealer or converter, deny access to a temporary tag
27 database to the dealer or converter. A dealer or converter denied

1 access to a temporary tag database under this subsection may
2 request a hearing on the denial as provided by Subchapter O, Chapter
3 2301, Occupations Code.

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

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

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

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

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

12 [~~1~~] a dealer issuing the tag in connection with the
13 sale of a vehicle[~~, or~~

14 [~~2~~] ~~a printer or distributor engaged in the business~~
15 ~~of selling temporary tags solely for uses authorized under this~~
16 ~~chapter].~~

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

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

ADOPTED

MAY 22 2021

Lately Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Rht FeNB*

1 Amend C.S.H.B. No. 3927 (senate committee report) as
2 follows:

3 (1) In SECTION 1 of the bill, in amended Section
4 503.0626(c), Transportation Code (page 1, line 34), strike
5 "506.0632(g)" and substitute "503.0632(f)".

6 (2) In the recital to SECTION 2 of the bill (page 1, line
7 40), strike "Subsection (i)" and substitute "Subsections (i) and
8 (j)".

9 (3) In SECTION 2 of the bill, immediately following added
10 Section 503.063(i), Transportation Code (page 1, between lines 52
11 and 53), insert the following:

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

15 (1) an antique vehicle as defined by Section
16 683.077(b); or

17 (2) a special interest vehicle as defined by Section
18 683.077(b) that:

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

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

21 (4) In SECTION 3 of the bill, in amended Section
22 503.0631(c), Transportation Code (page 2, line 7), strike
23 "506.0632(g)" and substitute "503.0632(f)".

24 (5) In SECTION 4 of the bill, strike added Sections
25 503.0632(e), (f), and (g), Transportation Code (page 2, lines
26 41-67), and substitute the following:

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

29 (f) If the department determines that a dealer or converter

1 is fraudulently obtaining temporary tags from the temporary tag
2 database, the department may, after giving notice electronically
3 and by certified mail to the dealer or converter, deny access to a
4 temporary tag database to the dealer or converter. A dealer or
5 converter denied access to a temporary tag database under this
6 subsection may request a hearing on the denial as provided by
7 Subchapter O, Chapter 2301, Occupations Code.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 24, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3927 by Hefner (Relating to certain temporary motor vehicle tags.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to authorize the Texas Department of Motor Vehicles (TxDMV) by rule to establish the maximum number of temporary tags that a dealer or converter may obtain in a calendar year. The bill would require TxDMV to monitor the number of temporary tags obtained by a dealer or converter. The bill would authorize TxDMV to deny access to a temporary tag database if the agency determines that a dealer or converter is fraudulently obtaining temporary tags from the temporary tag database. The bill would authorize a dealer or converter to appeal TxDMV's decision to deny access to the temporary tag database through the contested case process provided in Subchapter O, Chapter 2301, Occupations Code.

Based on the information provided by TxDMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: JMc, LBO, MB, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3927 by Hefner (relating to certain temporary motor vehicle tags.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3927, Committee Report 2nd House, Substituted : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from Texas Department of Motor Vehicles Fund 10	Change in Number of State Employees from FY 2021
2022	(\$371,252)	4.0
2023	(\$340,452)	4.0
2024	(\$340,452)	4.0
2025	(\$340,452)	4.0
2026	(\$340,452)	4.0

Fiscal Analysis

The bill would amend the Transportation Code to authorize the Texas Department of Motor Vehicles (TxDMV) by rule to establish the maximum number of temporary tags that a dealer or converter may obtain in a calendar year. The bill would require TxDMV to monitor in real time the number of temporary tags obtained by a dealer or converter and, if the dealer or converter obtains a number of temporary tags in excess of the established by TxDMV, immediately conduct a review and investigation to determine the reason for the excess number of temporary tags obtained. The bill would require TxDMV to issue a cease and desist order if TxDMV determines the dealer or converter has misused or allowed the misuse of a temporary tag. The bill would authorize TxDMV

to deny access to a temporary tag database to a dealer or converter if TxDMV determines by clear and convincing evidence that irreparable harm is occurring to the public and to other dealers or converters because the dealer or converter is fraudulently obtaining temporary tags. The bill would authorize a dealer or converter to appeal TxDMV's decision to deny access to the temporary tag database through the contested case process provided in Subchapter O, Chapter 2301, Occupations Code.

The bill would take effect on September 1, 2021.

Methodology

TxDMV anticipates additional staff would be needed to implement the investigation and enforcement provisions of the bill, including one Attorney III position (\$83,600 annual salary) and 3.0 Investigator IV positions (\$51,985 annual salary each). Based on the information provided by TxDMV, estimated costs from the TxDMV Fund 0010 for the additional positions include \$239,555 each fiscal year for salaries and wages, \$3,593 each fiscal year for agency payroll contributions for employee retirement and group health insurance (1.5 percent of salary cost), and \$19,400 each fiscal year for travel, operating expenses, and consumable supplies. Initial startup costs for the additional FTEs are estimated to be \$30,800 in fiscal year 2022. Total employee benefits costs for the additional positions are estimated to be \$77,903 each fiscal year (32.52 percent of salary cost).

Technology

The Texas Department of Motor Vehicles anticipates one-time costs in fiscal year 2021 to develop a real-time database to track information on temporary tag issuance to implement the monitoring required by the bill. It is assumed the technology costs could be absorbed within the agency's existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, MB, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 13, 2021

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3927 by Hefner (Relating to the issuance and use of certain temporary motor vehicle tags and the classification of temporary motor vehicle tags as governmental records for purposes of certain criminal offenses.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 37 of the Penal Code to include a temporary motor vehicle tag in the definition for "governmental record" that would be subject to certain criminal offenses for tampering with governmental records as prescribed by Section 37.10 of the Penal Code. The bill would amend Chapter 503 of the Transportation Code to authorize the Texas Department of Motor Vehicles (TxDMV) to deny a motor vehicle dealer's access to the temporary tag database.

This analysis assumes implementing the provisions of the bill would not result in a significant impact on state correctional populations or on the demand for state correctional resources. Based on the information provided by TxDMV, it is assumed implementation of the provisions of the bill would not result in a significant fiscal or operational impact to the agency or the State.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3927 by Hefner (Relating to the issuance and use of certain temporary motor vehicle tags and the classification of temporary motor vehicle tags as governmental records for purposes of certain criminal offenses.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 37 of the Penal Code to include a temporary motor vehicle tag in the definition for "governmental record" that would be subject to certain criminal offenses for tampering with governmental records as prescribed by Section 37.10 of the Penal Code.

This analysis assumes implementing the provisions of the bill would not result in a significant impact on state correctional populations or on the demand for state correctional resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT
87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3927** by Hefner (Relating to the issuance and use of certain temporary motor vehicle tags and the classification of temporary motor vehicle tags as governmental records for purposes of certain criminal offenses.), **As Introduced**

The provisions of the bill addressed by this analysis would amend various codes as they relate to temporary motor vehicle tags. This analysis assumes implementing the provisions of the bill would not result in a significant impact on the demand for state correctional resources. The bill does not expressly create a felony offense, increase the punishment for an existing misdemeanor to that of a felony, increase the punishment for an existing felony offense or category of felony level offenses, or change the eligibility of a person for felony community supervision, parole, or mandatory supervision.

Source

Agencies:

LBB Staff: JMc, AAL, LM, DGI