

AN ACT

relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles and the transfer and renewal of certain license plates.

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

SECTION 1. The heading to Section 152.027, Tax Code, is amended to read as follows:

Sec. 152.027. TAX ON ~~[METAL]~~ DEALER PLATES.

SECTION 2. Section 152.027(a), Tax Code, is amended to read as follows:

(a) A use tax is imposed on each person to whom is issued a ~~[metal]~~ dealer's plate under Section 503.061 or 503.0615, ~~[authorized by Chapter 503,]~~ Transportation Code.

SECTION 3. Section 152.042, Tax Code, is amended to read as follows:

Sec. 152.042. COLLECTION OF TAX ON DEALER'S LICENSE ~~[METAL DEALER]~~ PLATES. A person required to pay the tax imposed by Section 152.027 shall pay the tax to the Texas Department of Motor Vehicles, and the department may not issue the ~~[metal]~~ dealer's license plates until the tax is paid.

SECTION 4. Section 501.022(d), Transportation Code, is amended to read as follows:

(d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a ~~[metal]~~ dealer's

1 license plate [~~or a dealer's or buyer's temporary tag~~] attached to
2 the vehicle as provided by Chapter 503.

3 SECTION 5. Sections 501.0236(b) and (d), Transportation
4 Code, are amended to read as follows:

5 (b) A purchaser to whom this section applies may apply for[+
6 [~~(1)~~] a title in the manner prescribed by the
7 department by rule[~~, and~~
8 [~~(2) on expiration of the buyer's tag issued to the~~
9 ~~purchaser under Section 503.063, a 30-day permit under Section~~
10 ~~502.095~~].

11 (d) The department shall waive the payment of fees for[+
12 [~~(1)~~] a title issued to a purchaser described by this
13 section[~~, and~~] if the purchaser can show that fees for a title were paid
14 to the dealer[~~, and~~
15 [~~(2) one 30-day permit issued to a purchaser described~~
16 ~~by this section~~].

17 SECTION 6. Section 502.095, Transportation Code, is amended
18 to read as follows:

19 Sec. 502.095. ONE-TRIP OR 30-DAY TRIP LICENSE PLATES
20 [~~PERMITS~~]. (a) The department may issue a temporary metal license
21 plate [~~permit~~] in lieu of registration for a vehicle subject to
22 registration in this state that is not authorized to travel on a
23 public highway because of the lack of registration in this state or
24 the lack of reciprocity with the state or country in which the
25 vehicle is registered.

26 (b) A license plate [~~permit~~] issued under this section is
27 valid for:

1 (1) one trip, as provided by Subsection (c); or

2 (2) 30 days, as provided by Subsection (d).

3 (c) A one-trip license plate [~~permit~~] is valid for one trip
4 between the points of origin and destination and those intermediate
5 points specified in the application and registration receipt.
6 Unless the vehicle is a bus operating under charter that is not
7 covered by a reciprocity agreement with the state or country in
8 which the bus is registered, a one-trip license plate [~~permit~~] is
9 for the transit of the vehicle only, and the vehicle may not be used
10 for the transportation of any passenger or property. A one-trip
11 license plate [~~permit~~] may not be valid for longer than 15 days from
12 the effective date of registration.

13 (d) A 30-day license plate [~~permit~~] may be issued only to a
14 passenger vehicle, a private bus, a trailer or semitrailer with a
15 gross weight of not more than 10,000 pounds, a light truck, or a
16 light commercial vehicle with a gross vehicle weight of more than
17 10,000 pounds that will operate unladen. A person may request from
18 the department an extension of the period a [~~obtain multiple~~]
19 30-day license plate is valid [~~permits~~]. The department may issue a
20 single registration receipt to apply to all of the periods for which
21 the vehicle is registered.

22 (e) A person may obtain a license plate [~~permit~~] under this
23 section by:

24 (1) applying as provided by the department to:

25 (A) the county assessor-collector of the county
26 in which the vehicle will first be operated on a public highway; or

27 (B) the department in Austin or at one of the

1 department's vehicle title and registration regional offices;

2 (2) paying a fee, in the manner prescribed by the
3 department including a registration service charge for a credit
4 card payment or escrow account of:

5 (A) \$5 for a one-trip license plate [~~permit~~]; or

6 (B) \$25 for each 30-day license plate [~~period~~];

7 and

8 (3) furnishing evidence of financial responsibility
9 for the vehicle in a form listed under Section 502.046(c).

10 (f) The department shall prepare the design and
11 specifications of a license plate issued under this section. [~~A~~
12 ~~registration receipt shall be carried in the vehicle at all times~~
13 ~~during the period in which it is valid.~~] The license plate
14 [~~temporary tag~~] must contain all pertinent information required by
15 this section and must be displayed as prescribed by department
16 rule. [~~in the rear window of the vehicle so that the tag is clearly~~
17 ~~visible and legible when viewed from the rear of the vehicle. If~~
18 ~~the vehicle does not have a rear window, the temporary tag must be~~
19 ~~attached on or carried in the vehicle to allow ready inspection.~~]
20 The registration receipt must be carried in the vehicle at all times
21 during the period in which it is valid.

22 (g) The department may refuse and may instruct a county
23 assessor-collector to refuse to issue a license plate [~~temporary~~
24 ~~registration~~] for any vehicle if, in the department's opinion, the
25 vehicle or the owner of the vehicle has been involved in operations
26 that constitute an abuse of the privilege granted by this
27 section. A license plate [~~registration~~] issued after notice to a

1 county assessor-collector under this subsection is void.

2 (h) A vehicle operated with a license plate under this
3 section is exempt from the inspection requirements of Chapter 548.

4 SECTION 7. Section 501.147, Transportation Code, is amended
5 by amending Subsection (a) and adding Subsection (a-1) to read as
6 follows:

7 (a) On receipt of a written notice of transfer from the
8 seller of a motor vehicle or a dealer who holds a general
9 distinguishing number issued under Chapter 503, the department
10 shall indicate the transfer on the motor vehicle records maintained
11 by the department. As an alternative to a written notice of
12 transfer, the department shall establish procedures that permit the
13 seller of a motor vehicle or a dealer who holds a general
14 distinguishing number issued under Chapter 503 to electronically
15 submit a notice of transfer to the department through the
16 department's Internet website. A notice of transfer provided
17 through the department's Internet website is not required to bear
18 the signature of the seller or include the date of signing.

19 (a-1) On the sale or transfer of a motor vehicle to a dealer
20 who holds a general distinguishing number issued under Chapter 503,
21 the dealer shall submit the notice of transfer under Subsection
22 (a).

23 SECTION 8. Section 502.410(b), Transportation Code, is
24 amended to read as follows:

25 (b) Subsection (a) does not apply to a statement or
26 application filed or given under Section 502.060, [~~502.092,~~
27 502.093, 502.094, 502.095, 504.201, 504.202(b-1), 504.508, or

1 504.515.

2 SECTION 9. Section 503.008(a), Transportation Code, is
3 amended to read as follows:

4 (a) The fee for:

5 (1) a ~~[metal]~~ dealer's license plate issued under
6 Section 503.061 is \$20 a year; and

7 (2) a dealer's temporary license plate issued under
8 Section 503.062 is \$10.

9 SECTION 10. Sections 503.038(a) and (c), Transportation
10 Code, are amended to read as follows:

11 (a) The department may cancel a dealer's general
12 distinguishing number if the dealer:

13 (1) falsifies or forges a title document, including an
14 affidavit making application for a certified copy of a title;

15 (2) files a false or forged tax document, including a
16 sales tax affidavit;

17 (3) fails to take assignment of any basic evidence of
18 ownership, including a certificate of title or manufacturer's
19 certificate, for a vehicle the dealer acquires;

20 (4) fails to assign any basic evidence of ownership,
21 including a certificate of title or manufacturer's certificate, for
22 a vehicle the dealer sells;

23 (5) uses or permits the use of a ~~[metal]~~ dealer's
24 license plate ~~[or a dealer's temporary tag]~~ on a vehicle that the
25 dealer does not own or control or that is not in stock and offered
26 for sale;

27 (6) makes a material misrepresentation in an

1 application or other information filed with the department;

2 (7) fails to maintain the qualifications for a general
3 distinguishing number;

4 (8) fails to provide to the department within 30 days
5 after the date of demand by the department satisfactory and
6 reasonable evidence that the person is regularly and actively
7 engaged in business as a wholesale or retail dealer;

8 (9) has been licensed for at least 12 months and has
9 not assigned at least five vehicles during the previous 12-month
10 period;

11 (10) has failed to demonstrate compliance with
12 Sections 23.12, 23.121, and 23.122, Tax Code;

13 (11) uses or allows the use of the dealer's general
14 distinguishing number or the location for which the general
15 distinguishing number is issued to avoid the requirements of this
16 chapter; or

17 (12) [~~misuses or allows the misuse of a temporary tag~~
18 ~~authorized under this chapter,~~

19 [~~(13) refuses to show on a buyer's temporary tag the~~
20 ~~date of sale or other reasonable information required by the~~
21 ~~department,~~ or

22 [~~(14)~~] otherwise violates this chapter or a rule
23 adopted under this chapter.

24 (c) A person whose general distinguishing number is
25 canceled under this chapter shall surrender to a representative of
26 the department each license, license plate, [~~temporary tag,~~]
27 sticker, and receipt issued under this chapter not later than the

1 10th day after the date the general distinguishing number is
2 canceled. The department shall direct any peace officer or
3 designated department employee to secure and return to the
4 department any plate, [~~tag~~] sticker, or receipt of a person who
5 does not comply with this subsection.

6 SECTION 11. The heading to Subchapter C, Chapter 503,
7 Transportation Code, is amended to read as follows:

8 SUBCHAPTER C. LICENSE PLATES [~~AND TAGS~~]

9 SECTION 12. Section 503.061(a), Transportation Code, is
10 amended to read as follows:

11 (a) Instead of registering under Chapter 502 a vehicle that
12 the dealer owns, operates, or permits to be operated on a public
13 street or highway, the dealer may apply for, receive, and attach
14 [~~metal~~] dealer's license plates to the vehicle if it is the type of
15 vehicle:

- 16 (1) that the dealer sells; and
17 (2) for which the dealer has been issued a general
18 distinguishing number.

19 SECTION 13. Sections 503.0618(b) and (c), Transportation
20 Code, are amended to read as follows:

21 (b) Instead of registering under Chapter 502 a vehicle that
22 a converter operates or permits to be operated on a public street or
23 highway, the converter may apply for, receive, and attach [~~metal~~]
24 converter's license plates to the vehicle if it is the type of
25 vehicle that the converter is engaged in the business of assembling
26 or modifying.

27 (c) The fee for a [~~metal~~] converter's license plate is \$20 a

1 year.

2 SECTION 14. The heading to Section 503.062, Transportation
3 Code, is amended to read as follows:

4 Sec. 503.062. DEALER'S TEMPORARY LICENSE PLATE [~~TAGS~~].

5 SECTION 15. Section 503.062(a), Transportation Code, is
6 amended to read as follows:

7 (a) A dealer may issue a temporary license plate [~~tag~~] for
8 use on an unregistered vehicle by the dealer or the dealer's
9 employees only to:

10 (1) demonstrate or cause to be demonstrated to a
11 prospective buyer the vehicle for sale purposes only;

12 (2) convey or cause to be conveyed the vehicle:

13 (A) from one of the dealer's places of business
14 in this state to another of the dealer's places of business in this
15 state;

16 (B) from the dealer's place of business to a
17 place the vehicle is to be repaired, reconditioned, or serviced;

18 (C) from the state line or a location in this
19 state where the vehicle is unloaded to the dealer's place of
20 business;

21 (D) from the dealer's place of business to a
22 place of business of another dealer;

23 (E) from the point of purchase by the dealer to
24 the dealer's place of business; or

25 (F) to road test the vehicle; or

26 (3) use the vehicle for or allow its use by a
27 charitable organization.

1 SECTION 16. Section 503.063, Transportation Code, is
2 amended to read as follows:

3 Sec. 503.063. DEALER-ISSUED LICENSE PLATES FOR BUYER
4 [BUYER'S TEMPORARY TAGS]. (a) Except as provided by this section,
5 a dealer shall issue to a person who buys a vehicle:

6 (1) a license plate or set of license plates, if a
7 license plate is required by law to be displayed on [one temporary
8 buyer's tag for] the vehicle; and

9 (2) a completed and signed form required by, as
10 applicable, Section 503.0631(c) or (d).

11 (b) A license plate or set of license plates issued under
12 this section [Except as provided by this section, the buyer's tag]
13 is valid for the operation of the vehicle while the registration
14 application submitted by the dealer on behalf of the buyer under
15 Section 501.0234 is pending [until the earlier of:

16 (1) the date on which the vehicle is registered; or
17 (2) the 60th day after the date of purchase].

18 (c) Except as otherwise provided by this subsection, at the
19 time of issuance of a license plate or set of license plates under
20 this section, the [The] dealer[+:

21 (1) must show in ink on the buyer's tag the actual date
22 of sale and any other required information; and

23 (2)] is responsible for displaying the license plate
24 or set of license plates in compliance with department rules [tag].

25 If a vehicle is a passenger car or light truck that is not equipped
26 by the manufacturer with an exterior front feature to which a
27 license plate may be fastened without drilling through the exterior

1 of the vehicle, the dealer shall affix the rear license plate in
2 compliance with department rules and provide the unmounted
3 remaining license plate to the vehicle buyer.

4 (d) The dealer is responsible for the safekeeping and
5 distribution of each license plate or set of license plates
6 ~~[buyer's tag]~~ the dealer obtains from the department. The dealer is
7 liable for missing or misused license plates. The department may
8 conduct a review of a dealer's compliance with this subsection.

9 (e) A dealer shall obtain license plates and sets of license
10 plates from the [The] department in the manner provided by
11 department rules ~~[may not issue a buyer's tag or contract for the~~
12 ~~issuance of a buyer's tag but shall prescribe:~~

13 ~~[(1) the specifications, color, and form of a buyer's~~
14 ~~tag; and~~

15 ~~[(2) procedures for a dealer to:~~

16 ~~[(A) generate a vehicle-specific number using~~
17 ~~the database developed under Section 503.0631 and assign it to each~~
18 ~~tag;~~

19 ~~[(B) generate a vehicle-specific number using~~
20 ~~the database developed under Section 503.0631 for future use for~~
21 ~~when a dealer is unable to access the Internet at the time of sale;~~
22 ~~and~~

23 ~~[(C) clearly display the vehicle-specific number~~
24 ~~on the tag].~~

25 (f) The department shall ensure that a dealer may obtain
26 ~~[generate]~~ in advance a sufficient amount of license plates or sets
27 of license plates ~~[vehicle-specific numbers under Subsection~~

1 ~~(e)(2)(B)]~~ in order to continue selling vehicles without an
2 unreasonable disruption of business due to the unavailability of
3 license plates [~~for a period of up to one week in which a dealer is~~
4 ~~unable to access the Internet due to an emergency~~]. The department
5 shall establish an expedited procedure to allow a dealer [~~affected~~
6 ~~dealers~~] to obtain [~~apply for~~] additional license plates or sets of
7 license plates [~~vehicle-specific numbers~~] so the dealer [~~they~~] may
8 remain in business [~~during an emergency~~].

9 (g) For each license plate or set of license plates issued
10 to a buyer under this section, the [~~buyer's temporary tag, a~~] dealer
11 shall charge the buyer a registration fee [~~of not more than \$5 as~~]
12 prescribed by the department to be sent to the comptroller for
13 deposit to the credit of the Texas Department of Motor Vehicles
14 fund.

15 (h) A federal, state, or local governmental agency that is
16 exempt under Section 503.024 from the requirement to obtain a
17 dealer general distinguishing number may issue one license plate or
18 set of license plates [~~temporary buyer's tag~~] in accordance with
19 this section for a vehicle sold or otherwise disposed of by the
20 governmental agency under Chapter 2175, Government Code, or other
21 law that authorizes the governmental agency to sell or otherwise
22 dispose of the vehicle. A governmental agency that issues a license
23 plate or set of license plates [~~temporary buyer's tag~~] under this
24 subsection:

25 (1) is subject to the provisions of Section [~~Sections~~]
26 503.0631 [~~and 503.067~~] applicable to a dealer; and

27 (2) is not required to charge the registration fee

1 under Subsection (g).

2 (i) A vehicle may be issued and display a temporary license
3 plate under this section [~~buyer's tag~~] without satisfying the
4 inspection requirements of Chapter 548 if:

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

7 (2) the vehicle:

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

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

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

15 (i-1) A temporary license plate issued to a vehicle
16 described by Subsection (i) is valid for 60 days.

17 (j) A vehicle may be issued and display a license plate or
18 set of license plates under this section [~~buyer's tag~~] without
19 satisfying the inspection requirements of Chapter 548 if the
20 vehicle is purchased at public auction in this state and is:

21 (1) an antique vehicle as defined by Section
22 683.077(b); or

23 (2) a special interest vehicle as defined by Section
24 683.077(b) that:

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

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

27 (k) A dealer may not issue a license plate or set of license

1 plates for a vehicle that is exempt from the payment of registration
2 fees under Subchapter J, Chapter 502, until the department approves
3 the application for registration of the vehicle.

4 SECTION 17. The heading to Section 503.0631, Transportation
5 Code, is amended to read as follows:

6 Sec. 503.0631. [~~BUYER'S TEMPORARY TAG~~] DATABASE OF
7 DEALER-ISSUED LICENSE PLATES.

8 SECTION 18. Section 503.0631, Transportation Code, is
9 amended by amending Subsections (a), (b), (c), and (d) and adding
10 Subsections (c-1), (d-1), and (d-2) to read as follows:

11 (a) The department shall develop, manage, and maintain a
12 secure, real-time database of information on buyers [~~persons~~] to
13 whom dealers issue a license plate or set of license plates under
14 Section 503.063 or 503.065 [~~temporary buyer's tags are issued~~] that
15 may be used by a law enforcement agency in the same manner that the
16 agency uses vehicle registration information.

17 (b) The database must allow law enforcement agencies to use
18 the information required to be included on a license plate [~~a~~
19 ~~vehicle-specific number assigned to and displayed on the tag as~~
20 ~~required by Section 503.063(e)(2)~~] to obtain information about the
21 person to whom the license plate [~~tag~~] was issued.

22 (c) Except as provided by Subsection (d), before a license
23 plate or set of license plates issued under Section 503.063 or
24 503.065 [~~buyer's temporary tag~~] may be displayed on a vehicle, a
25 dealer must, as prescribed by the department:

26 (1) enter into the database through the Internet
27 information about the buyer of the vehicle for which the license

1 plate or set of license plates [tag] was issued; [~~as prescribed by~~
2 ~~the department]~~ and

3 (2) complete and sign a form prescribed by the
4 department stating that the dealer entered the buyer's information
5 into the database as required by Subdivision (1) [~~generate a~~
6 ~~vehicle-specific number for the tag as required by Section~~
7 ~~503.063(e)].~~

8 (c-1) Except as provided by Section 503.0633(f)
9 [~~506.0632(f)]~~, the department may not deny access to the database
10 to any dealer who holds a general distinguishing number issued
11 under this chapter or who is licensed under Chapter 2301,
12 Occupations Code.

13 (d) A dealer shall obtain 24-hour Internet access at its
14 place of business, but if the dealer is unable to access the
15 Internet at the time of the sale of a vehicle, the dealer shall
16 complete and sign a form, as prescribed by the department, that
17 states the dealer has Internet access, but was unable to access the
18 Internet at the time of sale to enter the buyer's information into
19 the database as required by Subsection (c). [~~The buyer shall keep~~
20 ~~the original copy of the form in the vehicle until the vehicle is~~
21 ~~registered to the buyer.~~] Not later than the next business day
22 after the time of sale, the dealer shall submit the information
23 required under Subsection (c).

24 (d-1) The forms prescribed by the department under
25 Subsections (c) and (d) must contain a notice to the buyer
26 describing the procedure by which the vehicle's registration
27 insignia will be provided to the buyer.

1 (d-2) Until a vehicle displaying a license plate or set of
2 license plates issued under Section 503.063 is registered to the
3 buyer, the buyer shall keep in the vehicle the original copy of the
4 form provided by the dealer as required by, as applicable,
5 Subsection (c) or (d).

6 SECTION 19. Subchapter C, Chapter 503, Transportation Code,
7 is amended by adding Section 503.0633 to read as follows:

8 Sec. 503.0633. DEPARTMENT REGULATION OF DEALER-ISSUED
9 LICENSE PLATES AND ACCESS TO DATABASE OF DEALER-ISSUED LICENSE
10 PLATES. (a) The department by rule may establish the maximum
11 number of license plates or sets of license plates that a dealer may
12 obtain in a calendar year under Sections 503.063 and 503.065.

13 (b) The maximum number of license plates or sets of license
14 plates that the department determines a dealer may obtain under
15 this section must be based on the dealer's anticipated need for
16 license plates and sets of license plates, taking into
17 consideration:

18 (1) the dealer's:

19 (A) time in operation;

20 (B) sales data; and

21 (C) expected growth;

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

23 (3) temporary conditions that may affect sales by the
24 dealer; and

25 (4) any other information the department considers
26 relevant.

27 (c) At the request of a dealer, the department may authorize

1 additional license plates or sets of license plates for the dealer
2 if the dealer demonstrates a need for additional license plates or
3 sets of license plates resulting from business operations,
4 including anticipated need.

5 (d) The department's denial of a request under Subsection
6 (c) may be overturned if a dealer shows by a preponderance of the
7 evidence the need for additional license plates or sets of license
8 plates.

9 (e) The department shall monitor the number of license
10 plates and sets of license plates obtained by a dealer.

11 (f) If the department determines that a dealer is
12 fraudulently obtaining license plates or sets of license plates or
13 fraudulently using the database of dealer-issued license plates,
14 the department may, after giving notice electronically and by
15 certified mail to the dealer, deny access to the database of
16 dealer-issued license plates to the dealer. A dealer denied access
17 to the database of dealer-issued license plates under this
18 subsection may request a hearing on the denial as provided by
19 Subchapter 0, Chapter 2301, Occupations Code.

20 SECTION 20. Sections 503.065(a), (b), (c), (d), and (e),
21 Transportation Code, are amended to read as follows:

22 (a) The department may issue or cause to be issued to a
23 person a temporary metal license plate authorizing the person to
24 operate a new unregistered vehicle on a public highway of this state
25 if the person:

26 (1) buys the vehicle from a dealer outside this state
27 and intends to drive the vehicle from the dealer's place of

1 business; or

2 (2) buys the vehicle from a dealer in this state but
3 intends to drive the vehicle from the manufacturer's place of
4 business outside this state.

5 (b) The department may not issue a [~~temporary~~] license plate
6 under this section to a manufacturer or dealer of a motor vehicle,
7 trailer, or semitrailer or to a representative of such a dealer.

8 (c) A person may not use a [~~temporary~~] license plate issued
9 under this section on a vehicle transporting property.

10 (d) A [~~temporary~~] license plate issued under this section
11 expires on [~~not later than~~] the 60th [~~30th~~] day after the date on
12 which it is issued. The department shall place or cause to be
13 placed on the license plate at the time of issuance the date of
14 expiration and the type of vehicle for which the license plate is
15 issued.

16 (e) The fee for a [~~temporary~~] license plate issued under
17 this section is \$3. Only one license plate may be issued for each
18 vehicle.

19 SECTION 21. Section 503.066(d), Transportation Code, is
20 amended to read as follows:

21 (d) A [~~metal~~] license plate issued under Section 503.061,
22 503.062, or 503.064 [~~this chapter~~] expires on the same date as the
23 expiration of the license under which it is issued.

24 SECTION 22. Subchapter C, Chapter 503, Transportation Code,
25 is amended by adding Section 503.0671 to read as follows:

26 Sec. 503.0671. UNAUTHORIZED USE OR DISTRIBUTION OF
27 DEALER-ISSUED LICENSE PLATE. (a) A person may not operate in

1 violation of this chapter or Chapter 502 a vehicle that displays a
2 dealer-issued license plate or set of license plates.

3 (b) A person may not sell or distribute a dealer-issued
4 license plate or set of license plates or an item represented to be
5 a dealer-issued license plate or set of license plates unless the
6 person is a dealer issuing the license plate or set of license
7 plates in connection with the sale of a vehicle.

8 SECTION 23. The heading to Section 503.068, Transportation
9 Code, is amended to read as follows:

10 Sec. 503.068. LIMITATION ON USE OF DEALER'S LICENSE PLATES
11 [~~AND TAGS~~].

12 SECTION 24. Sections 503.068(b), (c), and (d),
13 Transportation Code, are amended to read as follows:

14 (b) A person may not use a metal dealer's license plate [~~or~~
15 ~~dealer's temporary tag~~] on:

16 (1) a service or work vehicle, except as provided by
17 Subsection (b-1); or

18 (2) a commercial vehicle that is carrying a load.

19 (c) For purposes of this section, a boat trailer carrying a
20 boat is not a commercial vehicle carrying a load. A dealer
21 complying with this chapter may affix to the rear of a boat trailer
22 the dealer owns or sells a metal dealer's license plate issued under
23 Section 503.061 or a license plate [~~temporary tag~~] issued by a
24 dealer under Section [~~503.061, 503.062, or~~] 503.063 or 503.065.

25 (d) This section does not prohibit the operation or
26 conveyance of an unregistered vehicle using the full-mount method,
27 saddle-mount method, tow-bar method, or a combination of those

1 methods in accordance with Section [~~503.062 or~~] 503.063.

2 SECTION 25. The heading to Section 503.069, Transportation
3 Code, is amended to read as follows:

4 Sec. 503.069. DISPLAY OF LICENSE PLATES [~~AND TAGS~~].

5 SECTION 26. Section 503.069(a), Transportation Code, is
6 amended to read as follows:

7 (a) A license plate, other than an in-transit license plate,
8 [~~or a temporary tag~~] issued under this chapter shall be displayed in
9 accordance with commission rules.

10 SECTION 27. The heading to Section 504.901, Transportation
11 Code, is amended to read as follows:

12 Sec. 504.901. TRANSFER [~~AND REMOVAL~~] OF LICENSE PLATES.

13 SECTION 28. Section 504.901, Transportation Code, is
14 amended by amending Subsections (a) and (b) and adding Subsection
15 (b-1) to read as follows:

16 (a) On the sale or transfer of a motor vehicle to a dealer
17 who holds a general distinguishing number issued under Chapter 503,
18 the dealer shall remove each license plate issued for the motor
19 vehicle. Each license plate issued for the motor vehicle shall be
20 assigned to a subsequent purchaser of the motor vehicle at retail
21 sale as required by Section 503.063. [~~A person may use the license~~
22 ~~plates removed from a motor vehicle on a new motor vehicle purchased~~
23 ~~from a dealer after the person obtains the department's approval of~~
24 ~~a title and registration application.]~~

25 (b) On the sale or transfer of a motor vehicle to a person
26 who does not hold a general distinguishing number issued under
27 Chapter 503, [~~the seller may remove~~] each license plate issued for

1 the motor vehicle shall remain with the motor vehicle. [~~The license~~
2 ~~plates may be transferred to another vehicle titled in the seller's~~
3 ~~name if the seller obtains:~~

4 [~~(1) the department's approval of an application to~~
5 ~~transfer the license plates; and~~

6 [~~(2) a new registration insignia for the motor~~
7 ~~vehicle.~~]

8 (b-1) The purchaser of a motor vehicle may request
9 replacement license plates under Section 504.007.

10 SECTION 29. Subchapter A, Chapter 520, Transportation Code,
11 is amended by adding Section 520.0055 to read as follows:

12 Sec. 520.0055. DUTIES OF MOTOR VEHICLE DEALERS. A motor
13 vehicle dealer shall use the electronic system designed by the
14 department and made available by a county assessor-collector under
15 Section 520.005 to submit a title and registration application in
16 the name of the purchaser of a motor vehicle.

17 SECTION 30. Section 548.052, Transportation Code, is
18 amended to read as follows:

19 Sec. 548.052. VEHICLES NOT SUBJECT TO INSPECTION. This
20 chapter does not apply to:

21 (1) a trailer, semitrailer, pole trailer, or mobile
22 home moving under or bearing a current factory-delivery license
23 plate or current in-transit license plate;

24 (2) a vehicle moving under or bearing a [~~paper dealer~~
25 ~~in-transit tag,~~] machinery license, disaster license, parade
26 license, prorated tab, one-trip permit, vehicle temporary transit
27 permit, antique license, custom vehicle license, street rod

1 license, temporary 24-hour permit, or permit license;

2 (3) a trailer, semitrailer, pole trailer, or mobile
3 home having an actual gross weight or registered gross weight of
4 7,500 pounds or less;

5 (4) farm machinery, road-building equipment, a farm
6 trailer, or a vehicle required to display a slow-moving-vehicle
7 emblem under Section 547.703;

8 (5) a former military vehicle, as defined by Section
9 504.502;

10 (6) a vehicle qualified for a tax exemption under
11 Section 152.092, Tax Code; or

12 (7) a vehicle for which a certificate of title has been
13 issued but that is not required to be registered, including an
14 off-highway vehicle registered under Section 502.140(c).

15 SECTION 31. Section 601.002(12), Transportation Code, is
16 amended to read as follows:

17 (12) "Vehicle registration" means:

18 (A) a registration certificate, registration
19 receipt, or number plate issued under Chapter 502; or

20 (B) a dealer's license plate [~~or temporary tag~~]
21 issued under Chapter 503.

22 SECTION 32. The following provisions of the Transportation
23 Code are repealed:

24 (1) Section 502.092;

25 (2) Section 502.477;

26 (3) Section 503.062(d);

27 (4) Section 503.0625;

- 1 (5) Section 503.0626;
- 2 (6) Section 503.0632;
- 3 (7) Section 503.067;
- 4 (8) Section 503.068(a);
- 5 (9) Section 503.094(d); and
- 6 (10) Sections 504.901(c), (d), and (e).

7 SECTION 33. The changes in law made by this Act apply only
8 to an offense committed on or after July 1, 2025. An offense
9 committed before July 1, 2025, is governed by the law in effect on
10 the date the offense was committed, and the former law is continued
11 in effect for that purpose. For purposes of this section, an
12 offense was committed before July 1, 2025, if any element of the
13 offense was committed before that date.

14 SECTION 34. The Texas Department of Motor Vehicles may
15 adopt rules necessary to implement or administer the changes in law
16 made by this Act. Rules adopted under this section must be adopted
17 not later than December 1, 2024.

18 SECTION 35. To the extent of any conflict, this Act prevails
19 over another Act of the 88th Legislature, Regular Session, 2023,
20 relating to nonsubstantive additions to and corrections in enacted
21 codes.

22 SECTION 36. This Act takes effect July 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 718 was passed by the House on May 2, 2023, by the following vote: Yeas 145, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 718 on May 26, 2023, by the following vote: Yeas 137, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 718 was passed by the Senate, with amendments, on May 24, 2023, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor