

SENATE AMENDMENTS

2nd Printing

By: Goldman, Turner, Sherman, Sr., Leach,
González of Dallas, et al.

H.B. No. 718

A BILL TO BE ENTITLED

1 AN ACT

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

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

5 SECTION 1. Section 501.022(d), Transportation Code, is
6 amended to read as follows:

7 (d) Subsection (c) does not apply to a motor vehicle
8 operated on a public highway in this state with a metal dealer's
9 license plate [~~or a dealer's or buyer's temporary tag~~] attached to
10 the vehicle as provided by Chapter 503.

11 SECTION 2. Sections 501.0236(b) and (d), Transportation
12 Code, are amended to read as follows:

13 (b) A purchaser to whom this section applies may apply for[+
14 [~~(1)~~] a title in the manner prescribed by the
15 department by rule[~~, and~~
16 [~~(2) on expiration of the buyer's tag issued to the~~
17 ~~purchaser under Section 503.063, a 30-day permit under Section~~
18 ~~502.095]~~.

19 (d) The department shall waive the payment of fees for[+
20 [~~(1)~~] a title issued to a purchaser described by this
21 section[~~7~~] if the purchaser can show that fees for a title were paid
22 to the dealer[~~, and~~
23 [~~(2) one 30-day permit issued to a purchaser described~~
24 ~~by this section]~~.

1 SECTION 3. The heading to Section 502.043, Transportation
2 Code, is amended to read as follows:

3 Sec. 502.043. APPLICATION FOR REGISTRATION [~~AND CERTAIN~~
4 ~~PERMITS~~].

5 SECTION 4. Sections 502.043(a) and (b), Transportation
6 Code, are amended to read as follows:

7 (a) An application for vehicle registration [~~or a permit~~
8 ~~described by Section 502.094 or 502.095~~] must:

9 (1) be made in a manner prescribed and include the
10 information required by the department by rule; and

11 (2) contain a full description of the vehicle as
12 required by department rule.

13 (b) The department shall deny the registration of [~~or~~
14 ~~permitting under Section 502.094 or 502.095 of~~] a commercial motor
15 vehicle, truck-tractor, trailer, or semitrailer if the applicant:

16 (1) has a business operated, managed, or otherwise
17 controlled or affiliated with a person who is ineligible for
18 registration or whose privilege to operate has been suspended,
19 including the applicant entity, a relative, family member,
20 corporate officer, or shareholder;

21 (2) has a vehicle that has been prohibited from
22 operating by the Federal Motor Carrier Safety Administration for
23 safety-related reasons;

24 (3) is a carrier whose business is operated, managed,
25 or otherwise controlled or affiliated with a person who is
26 ineligible for registration, including the owner, a relative, a
27 family member, a corporate officer, or a shareholder; or

1 (4) fails to deliver to the county assessor-collector
2 proof of the weight of the vehicle, the maximum load to be carried
3 on the vehicle, and the gross weight for which the vehicle is to be
4 registered.

5 SECTION 5. Section 502.059(e), Transportation Code, is
6 amended to read as follows:

7 (e) Subsection (c) does not apply to:

8 (1) the issuance of specialized license plates as
9 designated by the department, including state official license
10 plates and~~[,]~~ exempt plates for governmental entities~~[, and~~
11 ~~temporary registration plates]~~; or

12 (2) the issuance or validation of replacement license
13 plates, except as provided by Chapter 504.

14 SECTION 6. Section 502.255(g), Transportation Code, is
15 amended to read as follows:

16 (g) This section does not apply to:

17 (1) a combination of vehicles that includes a vehicle
18 that has a distinguishing license plate under Section 502.146;

19 (2) a truck-tractor or commercial motor vehicle
20 registered or to be registered with \$5 distinguishing license
21 plates for which the vehicle is eligible under this chapter;

22 (3) a truck-tractor or commercial motor vehicle used
23 exclusively in combination with a semitrailer of the travel trailer
24 type; or

25 (4) a vehicle registered or to be registered~~[,~~
26 ~~[(A) with a temporary registration permit,~~
27 ~~[(B)]~~ under Section 502.433~~[,~~ or

1 [~~(C) under Section~~] 502.435.

2 SECTION 7. Section 502.410(b), Transportation Code, is
3 amended to read as follows:

4 (b) Subsection (a) does not apply to a statement or
5 application filed or given under Section 502.060, [~~502.092,~~
6 ~~502.093, 502.094, 502.095,~~] 504.201, 504.202(b-1), 504.508, or
7 504.515.

8 SECTION 8. Sections 503.038(a) and (c), Transportation
9 Code, are amended to read as follows:

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

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

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

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

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

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

25 (6) makes a material misrepresentation in an
26 application or other information filed with the department;

27 (7) fails to maintain the qualifications for a general

1 distinguishing number;

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

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

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

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

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

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

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

22 (c) A person whose general distinguishing number is
23 canceled under this chapter shall surrender to a representative of
24 the department each license, license plate, ~~[temporary tag,~~
25 sticker, and receipt issued under this chapter not later than the
26 10th day after the date the general distinguishing number is
27 canceled. The department shall direct any peace officer to secure

1 and return to the department any plate, [~~tag,~~] sticker, or receipt
2 of a person who does not comply with this subsection.

3 SECTION 9. Section 503.063, Transportation Code, is amended
4 to read as follows:

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

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

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

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

18 [~~(1) the date on which the vehicle is registered; or~~

19 [~~(2) the 60th day after the date of purchase~~].

20 (c) At the time of issuance of a license plate or set of
21 license plates under this section, the [~~The~~] dealer [~~+~~

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

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

27 (d) The dealer is responsible for the safekeeping and

1 distribution of each license plate or set of license plates
2 [~~buyer's tag~~] the dealer obtains from the department.

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

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

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

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

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

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

19 (f) The department shall ensure that a dealer may obtain
20 [~~generate~~] in advance a sufficient amount of license plates or sets
21 of license plates [~~vehicle-specific numbers under Subsection~~
22 ~~(e)(2)(B)] in order to continue selling vehicles without an
23 unreasonable disruption of business due to the unavailability of
24 license plates [~~for a period of up to one week in which a dealer is~~
25 ~~unable to access the Internet due to an emergency]. The department
26 shall establish an expedited procedure to allow a dealer [~~affected~~
27 ~~dealers~~] to obtain [~~apply for~~] additional license plates or sets of~~~~

1 license plates [~~vehicle-specific numbers~~] so the dealer [~~they~~] may
2 remain in business [~~during an emergency~~].

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

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

19 (1) is subject to the provisions of Section [~~Sections~~]
20 503.0631 [~~and 503.067~~] applicable to a dealer; and

21 (2) is not required to charge the registration fee
22 under Subsection (g).

23 (i) A vehicle may be issued and display a license plate or
24 set of license plates under this section [~~buyer's tag~~] without
25 satisfying the inspection requirements of Chapter 548 if:

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

1 (2) the vehicle:

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

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

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

9 (j) A vehicle may be issued and display a license plate or
10 set of license plates under this section [~~buyer's tag~~] without
11 satisfying the inspection requirements of Chapter 548 if the
12 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 (k) A dealer may not issue a license plate or set of license
20 plates for a vehicle that is exempt from the payment of registration
21 fees under Subchapter J, Chapter 502, until the department approves
22 the application for registration of the vehicle.

23 SECTION 10. The heading to Section 503.0631, Transportation
24 Code, is amended to read as follows:

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

27 SECTION 11. Section 503.0631, Transportation Code, is

1 amended by amending Subsections (a), (b), (c), and (d) and adding
2 Subsections (c-1), (d-1), and (d-2) to read as follows:

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

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

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

18 (1) enter into the database through the Internet
19 information about the buyer of the vehicle for which the license
20 plate or set of license plates [~~tag~~] was issued; [~~as prescribed by~~
21 ~~the department~~] and

22 (2) complete and sign a form prescribed by the
23 department stating that the dealer entered the buyer's information
24 into the database as required by Subdivision (1) [~~generate a~~
25 ~~vehicle-specific number for the tag as required by Section~~
26 ~~503.063(e)~~].

27 (c-1) Except as provided by Section 503.0633(f)

1 ~~[506.0632(f)]~~, the department may not deny access to the database
2 to any dealer who holds a general distinguishing number issued
3 under this chapter or who is licensed under Chapter 2301,
4 Occupations Code.

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

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

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

25 SECTION 12. Subchapter C, Chapter 503, Transportation Code,
26 is amended by adding Section 503.0633 to read as follows:

27 Sec. 503.0633. DEPARTMENT REGULATION OF DEALER-ISSUED

1 LICENSE PLATES AND ACCESS TO DATABASE OF DEALER-ISSUED LICENSE
2 PLATES. (a) The department by rule may establish the maximum
3 number of license plates or sets of license plates that a dealer may
4 obtain in a calendar year under Section 503.063.

5 (b) The maximum number of license plates or sets of license
6 plates that the department determines a dealer may obtain under
7 this section must be based on the dealer's anticipated need for
8 license plates and sets of license plates, taking into
9 consideration:

10 (1) the dealer's:

11 (A) time in operation;

12 (B) sales data; and

13 (C) expected growth;

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

15 (3) temporary conditions that may affect sales by the
16 dealer; and

17 (4) any other information the department considers
18 relevant.

19 (c) At the request of a dealer, the department may authorize
20 additional license plates or sets of license plates for the dealer
21 if the dealer demonstrates a need for additional license plates or
22 sets of license plates resulting from business operations,
23 including anticipated need.

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

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

3 (f) If the department determines that a dealer is
4 fraudulently obtaining license plates or sets of license plates or
5 fraudulently using the database of dealer-issued license plates,
6 the department may, after giving notice electronically and by
7 certified mail to the dealer, deny access to the database of
8 dealer-issued license plates to the dealer. A dealer denied access
9 to the database of dealer-issued license plates under this
10 subsection may request a hearing on the denial as provided by
11 Subchapter O, Chapter 2301, Occupations Code.

12 SECTION 13. Subchapter C, Chapter 503, Transportation Code,
13 is amended by adding Section 503.0671 to read as follows:

14 Sec. 503.0671. UNAUTHORIZED USE OR DISTRIBUTION OF
15 DEALER-ISSUED LICENSE PLATE. (a) A person may not operate a
16 vehicle that displays a dealer-issued license plate or set of
17 license plates in violation of this chapter or Chapter 502.

18 (b) A person may not sell or distribute a dealer-issued
19 license plate or set of license plates or an item represented to be
20 a dealer-issued license plate or set of license plates unless the
21 person is a dealer issuing the license plate or set of license
22 plates in connection with the sale of a vehicle.

23 SECTION 14. The heading to Section 503.068, Transportation
24 Code, is amended to read as follows:

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

27 SECTION 15. Sections 503.068(b), (c), and (d),

1 Transportation Code, are amended to read as follows:

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

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

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

7 (c) For purposes of this section, a boat trailer carrying a
8 boat is not a commercial vehicle carrying a load. A dealer
9 complying with this chapter may affix to the rear of a boat trailer
10 the dealer owns or sells a metal dealer's license plate issued under
11 Section 503.061 or dealer-issued license plate [~~temporary tag~~]
12 issued under Section [~~503.061, 503.062, or~~] 503.063.

13 (d) This section does not prohibit the operation or
14 conveyance of an unregistered vehicle using the full-mount method,
15 saddle-mount method, tow-bar method, or a combination of those
16 methods in accordance with Section [~~503.062 or~~] 503.063.

17 SECTION 16. The heading to Section 503.069, Transportation
18 Code, is amended to read as follows:

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

20 SECTION 17. Section 503.069(a), Transportation Code, is
21 amended to read as follows:

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

25 SECTION 18. Section 504.007(f), Transportation Code, is
26 amended to read as follows:

27 (f) Subsection (e) does not apply to the issuance of

1 specialized license plates for limited distribution, including
2 exempt plates for governmental entities [~~and temporary~~
3 ~~registration plates~~].

4 SECTION 19. Section 520.051(3), Transportation Code, is
5 amended to read as follows:

6 (3) "Title documents" means motor vehicle title
7 applications, motor vehicle registration renewal applications,
8 motor vehicle mechanic's lien title applications, motor vehicle
9 storage lien title applications, [~~motor vehicle temporary~~
10 ~~registration permits,~~] motor vehicle title application transfers
11 occasioned by the death of the title holder, or notifications under
12 Chapter 683 of this code or Chapter 70, Property Code.

13 SECTION 20. Section 548.052, Transportation Code, is
14 amended to read as follows:

15 Sec. 548.052. VEHICLES NOT SUBJECT TO INSPECTION. This
16 chapter does not apply to:

17 (1) a trailer, semitrailer, pole trailer, or mobile
18 home moving under or bearing a current factory-delivery license
19 plate or current in-transit license plate;

20 (2) a vehicle moving under or bearing a [~~paper dealer~~
21 ~~in-transit tag,~~] machinery license, disaster license, parade
22 license, prorated tab, [~~one-trip permit, vehicle temporary transit~~
23 ~~permit,~~] antique license, custom vehicle license, street rod
24 license, [~~temporary 24-hour permit,~~] or permit license;

25 (3) a trailer, semitrailer, pole trailer, or mobile
26 home having an actual gross weight or registered gross weight of
27 7,500 pounds or less;

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

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

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

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

11 SECTION 21. Section 601.002(12), Transportation Code, is
12 amended to read as follows:

13 (12) "Vehicle registration" means:

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

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

18 SECTION 22. Section 648.101(a), Transportation Code, is
19 amended to read as follows:

20 (a) A foreign commercial motor vehicle is exempt from
21 Chapter 502 and any other law of this state requiring the vehicle to
22 be registered in this state [~~, including a law providing for a~~
23 ~~temporary registration permit,~~] if:

24 (1) the vehicle is engaged solely in transportation of
25 cargo across the border into or from a border commercial zone;

26 (2) for each load of cargo transported the vehicle
27 remains in this state:

- 1 (A) not more than 24 hours; or
2 (B) not more than 48 hours, if:
3 (i) the vehicle is unable to leave this
4 state within 24 hours because of circumstances beyond the control
5 of the motor carrier operating the vehicle; and
6 (ii) all financial responsibility
7 requirements applying to the vehicle are satisfied;
8 (3) the vehicle is registered and licensed as required
9 by the country in which the person that owns the vehicle is
10 domiciled or is a citizen as evidenced by a valid metal license
11 plate attached to the front or rear of the exterior of the vehicle;
12 and
13 (4) the country in which the person that owns the
14 vehicle is domiciled or is a citizen provides a reciprocal
15 exemption for commercial motor vehicles owned by residents of this
16 state.

17 SECTION 23. Section 418.016(f), Government Code, is amended
18 to read as follows:

19 (f) The governor may suspend any of the following
20 requirements in response to an emergency or disaster declaration of
21 another jurisdiction if strict compliance with the requirement
22 would prevent, hinder, or delay necessary action in assisting
23 another state with coping with an emergency or disaster:

24 (1) a registration requirement in an agreement entered
25 into under the International Registration Plan under Section
26 502.091, Transportation Code, to the extent authorized by federal
27 law;

1 (2) [~~a temporary registration permit requirement~~
2 ~~under Section 502.094, Transportation Code;~~

3 [~~(3)~~] a provision of Subtitle E, Title 7,
4 Transportation Code, to the extent authorized by federal law;

5 (3) [~~(4)~~] a motor carrier registration requirement
6 under Chapter 643, Transportation Code;

7 (4) [~~(5)~~] a registration requirement under Chapter
8 645, Transportation Code, to the extent authorized by federal law;

9 or

10 (5) [~~(6)~~] a fuel tax requirement under the
11 International Fuel Tax Agreement described by 49 U.S.C. Section
12 31701 et seq., to the extent authorized by federal law.

13 SECTION 24. The following provisions of the Transportation
14 Code are repealed:

15 (1) Section 502.092;

16 (2) Section 502.093;

17 (3) Section 502.094;

18 (4) Section 502.095;

19 (5) Section 502.474;

20 (6) Section 502.476;

21 (7) Section 502.477;

22 (8) Section 502.492;

23 (9) Section 503.062;

24 (10) Section 503.0625;

25 (11) Section 503.0626;

26 (12) Section 503.0632;

27 (13) Section 503.065;

- 1 (14) Section 503.067;
- 2 (15) Section 503.068(a); and
- 3 (16) Section 503.094(d).

4 SECTION 25. The changes in law made by this Act apply only
5 to an offense committed on or after March 1, 2025. An offense
6 committed before March 1, 2025, is governed by the law in effect on
7 the date the offense was committed, and the former law is continued
8 in effect for that purpose. For purposes of this section, an
9 offense was committed before March 1, 2025, if any element of the
10 offense was committed before that date.

11 SECTION 26. Not later than March 1, 2024, the Texas
12 Department of Motor Vehicles shall:

13 (1) adopt rules necessary to implement the changes in
14 law made by this Act; and

15 (2) create the database described by Section 503.0631,
16 Transportation Code, as amended by this Act.

17 SECTION 27. To the extent of any conflict, this Act prevails
18 over another Act of the 88th Legislature, Regular Session, 2023,
19 relating to nonsubstantive additions to and corrections in enacted
20 codes.

21 SECTION 28. (a) Except as otherwise provided by Subsection
22 (b) of this section, this Act takes effect March 1, 2025.

23 (b) Section 26 of this Act takes effect September 1, 2023.

ADOPTED

MAY 24 2023

Latey Law
Secretary of the Senate

By: GOLDMAN / West

H.B. No. 718

Substitute the following for H.B. No. 718 :

By: West

C.S.H.B. No. 718

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

13 SECTION 3. Section 501.0041, Transportation Code, is
14 amended by adding Subsection (c) to read as follows:

15 (c) An application form for title and registration of a
16 motor vehicle shall:

17 (1) include an option for the applicant to transfer
18 license plates from another motor vehicle to the vehicle that is the
19 subject of the application in accordance with Section 504.901(a);
20 and

21 (2) allow the applicant to attach to the application
22 the appropriate form necessary for the transfer of the license
23 plates.

24 SECTION 4. Section 501.022(d), Transportation Code, is

1 amended to read as follows:

2 (d) Subsection (c) does not apply to a motor vehicle
3 operated on a public highway in this state with a ~~metal~~ dealer's
4 license plate ~~[or a dealer's or buyer's temporary tag]~~ attached to
5 the vehicle as provided by Chapter 503.

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

8 (b) A purchaser to whom this section applies may apply for ~~+~~
9 ~~[(1)]~~ a title in the manner prescribed by the
10 department by rule ~~[, and~~

11 ~~[(2) on expiration of the buyer's tag issued to the~~
12 ~~purchaser under Section 503.063, a 30-day permit under Section~~
13 ~~502.095].~~

14 (d) The department shall waive the payment of fees for ~~+~~
15 ~~[(1)]~~ a title issued to a purchaser described by this
16 section ~~[,]~~ if the purchaser can show that fees for a title were paid
17 to the dealer ~~[, and~~

18 ~~[(2) one 30-day permit issued to a purchaser described~~
19 ~~by this section].~~

20 SECTION 6. Section 502.095, Transportation Code, is amended
21 to read as follows:

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

1 vehicle is registered.

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

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

5 (2) 30 days, as provided by Subsection (d).

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

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

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

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

27 (A) the county assessor-collector of the county

1 in which the vehicle will first be operated on a public highway; or

2 (B) the department in Austin or at one of the
3 department's vehicle title and registration regional offices;

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

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

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

9 and

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

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

24 (g) The department may refuse and may instruct a county
25 assessor-collector to refuse to issue a license plate [~~temporary~~
26 ~~registration~~] for any vehicle if, in the department's opinion, the
27 vehicle or the owner of the vehicle has been involved in operations

1 that constitute an abuse of the privilege granted by this
2 section. A license plate [~~registration~~] issued after notice to a
3 county assessor-collector under this subsection is void.

4 SECTION 7. Section 502.410(b), Transportation Code, is
5 amended to read as follows:

6 (b) Subsection (a) does not apply to a statement or
7 application filed or given under Section 502.060, [~~502.092,~~
8 502.093, 502.094, 502.095, 504.201, 504.202(b-1), 504.508, or
9 504.515.

10 SECTION 8. Section 503.008(a), Transportation Code, is
11 amended to read as follows:

12 (a) The fee for a [~~metal~~] dealer's license plate is \$20 a
13 year.

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

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

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

20 (2) files a false or forged tax document, including a
21 sales tax affidavit;

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

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

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

5 (6) makes a material misrepresentation in an
6 application or other information filed with the department;

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

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

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

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

18 (11) uses or allows the use of the dealer's general
19 distinguishing number or the location for which the general
20 distinguishing number is issued to avoid the requirements of this
21 chapter; or

22 (12) [~~misuses or allows the misuse of a temporary tag~~
23 ~~authorized under this chapter;~~

24 [~~(13) refuses to show on a buyer's temporary tag the~~
25 ~~date of sale or other reasonable information required by the~~
26 ~~department;~~ or

27 [~~(14)~~] otherwise violates this chapter or a rule

1 adopted under this chapter.

2 (c) A person whose general distinguishing number is
3 canceled under this chapter shall surrender to a representative of
4 the department each license, license plate, [~~temporary tag,~~
5 sticker, and receipt issued under this chapter not later than the
6 10th day after the date the general distinguishing number is
7 canceled. The department shall direct any peace officer to secure
8 and return to the department any plate, [~~tag,~~ sticker, or receipt
9 of a person who does not comply with this subsection.

10 SECTION 10. The heading to Subchapter C, Chapter 503,
11 Transportation Code, is amended to read as follows:

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

13 SECTION 11. Section 503.061, Transportation Code, is
14 amended by amending Subsection (a) and adding Subsection (c) to
15 read as follows:

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

- 21 (1) that the dealer sells; and
22 (2) for which the dealer has been issued a general
23 distinguishing number.

24 (c) A rule adopted under Subsection (b) must provide for the
25 department to design and make available to dealers under Subsection
26 (a) a dealer's demonstration license plate for use on an
27 unregistered vehicle by the dealer or the dealer's employees only

1 to demonstrate or cause to be demonstrated to a prospective buyer
2 the vehicle for sale purposes only.

3 SECTION 12. Sections 503.0618(b) and (c), Transportation
4 Code, are amended to read as follows:

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

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

13 SECTION 13. Section 503.063, Transportation Code, is
14 amended to read as follows:

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

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

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

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

1 ~~[(1) the date on which the vehicle is registered, or~~
2 ~~[(2) the 60th day after the date of purchase].~~

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

6 ~~[(1) must show in ink on the buyer's tag the actual date~~
7 ~~of sale and any other required information; and~~

8 ~~[(2)]~~ is responsible for displaying the license plate
9 or set of license plates in compliance with department rules
10 regarding the placement of license plates [tag]. If a vehicle is a
11 passenger car or light truck that is not equipped by the
12 manufacturer with an exterior front feature to which a license
13 plate may be fastened without drilling through the exterior of the
14 vehicle, the dealer shall affix the rear license plate in
15 compliance with department rules and provide the unmounted
16 remaining license plate to the vehicle buyer.

17 (d) The dealer is responsible for the safekeeping and
18 distribution of each license plate or set of license plates
19 ~~[buyer's tag]~~ the dealer obtains from the department.

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

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

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

27 ~~[(A) generate a vehicle-specific number using~~

1 ~~the database developed under Section 503.0631 and assign it to each~~
2 ~~tag,~~

3 ~~[(B) generate a vehicle-specific number using~~
4 ~~the database developed under Section 503.0631 for future use for~~
5 ~~when a dealer is unable to access the Internet at the time of sale,~~
6 ~~and~~

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

9 (f) The department shall ensure that a dealer may obtain
10 ~~[generate]~~ in advance a sufficient amount of license plates or sets
11 of license plates ~~[vehicle-specific numbers under Subsection~~
12 ~~(e)(2)(B)]~~ in order to continue selling vehicles without an
13 unreasonable disruption of business due to the unavailability of
14 license plates ~~[for a period of up to one week in which a dealer is~~
15 ~~unable to access the Internet due to an emergency]~~. The department
16 shall establish an expedited procedure to allow a dealer ~~[affected~~
17 ~~dealers]~~ to obtain ~~[apply for]~~ additional license plates or sets of
18 license plates ~~[vehicle-specific numbers]~~ so the dealer ~~[they]~~ may
19 remain in business ~~[during an emergency]~~.

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

26 (h) A federal, state, or local governmental agency that is
27 exempt under Section 503.024 from the requirement to obtain a

1 dealer general distinguishing number may issue one license plate or
2 set of license plates [~~temporary buyer's tag~~] in accordance with
3 this section for a vehicle sold or otherwise disposed of by the
4 governmental agency under Chapter 2175, Government Code, or other
5 law that authorizes the governmental agency to sell or otherwise
6 dispose of the vehicle. A governmental agency that issues a license
7 plate or set of license plates [~~temporary buyer's tag~~] under this
8 subsection:

9 (1) is subject to the provisions of Section [~~Sections~~]
10 503.0631 [~~and 503.067~~] applicable to a dealer; and

11 (2) is not required to charge the registration fee
12 under Subsection (g).

13 (i) A vehicle may be issued and display a license plate in
14 the manner provided by Section 503.065 for out-of-state license
15 plates [~~buyer's tag~~] without satisfying the inspection
16 requirements of Chapter 548 if:

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

19 (2) the vehicle:

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

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

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

27 (j) A vehicle may be issued and display a license plate or

1 set of license plates under this section [~~buyer's tag~~] without
2 satisfying the inspection requirements of Chapter 548 if the
3 vehicle is purchased at public auction in this state and is:

4 (1) an antique vehicle as defined by Section
5 683.077(b); or

6 (2) a special interest vehicle as defined by Section
7 683.077(b) that:

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

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

10 (k) A dealer may not issue a license plate or set of license
11 plates for a vehicle that is exempt from the payment of registration
12 fees under Subchapter J, Chapter 502, until the department approves
13 the application for registration of the vehicle.

14 SECTION 14. The heading to Section 503.0631, Transportation
15 Code, is amended to read as follows:

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

18 SECTION 15. Section 503.0631, Transportation Code, is
19 amended by amending Subsections (a), (b), (c), and (d) and adding
20 Subsections (c-1), (d-1), and (d-2) to read as follows:

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

27 (b) The database must allow law enforcement agencies to use

1 the information required to be included on a license plate [~~a~~
2 ~~vehicle-specific number assigned to and displayed on the tag as~~
3 ~~required by Section 503.063(e)(2)] to obtain information about the
4 person to whom the license plate [~~tag~~] was issued.~~

5 (c) Except as provided by Subsection (d), before a license
6 plate or set of license plates issued under Section 503.063 or
7 503.065 [~~buyer's temporary tag~~] may be displayed on a vehicle, a
8 dealer must, as prescribed by the department:

9 (1) enter into the database through the Internet
10 information about the buyer of the vehicle for which the license
11 plate or set of license plates [~~tag~~] was issued; [~~as prescribed by~~
12 ~~the department~~] and

13 (2) complete and sign a form prescribed by the
14 department stating that the dealer entered the buyer's information
15 into the database as required by Subdivision (1) [~~generate a~~
16 ~~vehicle-specific number for the tag as required by Section~~
17 ~~503.063(e)~~].

18 (c-1) Except as provided by Section 503.0633(f)
19 [~~506.0632(f)~~], the department may not deny access to the database
20 to any dealer who holds a general distinguishing number issued
21 under this chapter or who is licensed under Chapter 2301,
22 Occupations Code.

23 (d) A dealer shall obtain 24-hour Internet access at its
24 place of business, but if the dealer is unable to access the
25 Internet at the time of the sale of a vehicle, the dealer shall
26 complete and sign a form, as prescribed by the department, that
27 states the dealer has Internet access, but was unable to access the

1 Internet at the time of sale to enter the buyer's information into
2 the database as required by Subsection (c). [~~The buyer shall keep~~
3 ~~the original copy of the form in the vehicle until the vehicle is~~
4 ~~registered to the buyer.~~] Not later than the next business day
5 after the time of sale, the dealer shall submit the information
6 required under Subsection (c).

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

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

16 SECTION 16. Subchapter C, Chapter 503, Transportation Code,
17 is amended by adding Section 503.0633 to read as follows:

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

23 (b) The maximum number of license plates or sets of license
24 plates that the department determines a dealer may obtain under
25 this section must be based on the dealer's anticipated need for
26 license plates and sets of license plates, taking into
27 consideration:

- 1 (1) the dealer's:
2 (A) time in operation;
3 (B) sales data; and
4 (C) expected growth;
5 (2) expected changes in the dealer's market;
6 (3) temporary conditions that may affect sales by the
7 dealer; and
8 (4) any other information the department considers
9 relevant.

10 (c) At the request of a dealer, the department may authorize
11 additional license plates or sets of license plates for the dealer
12 if the dealer demonstrates a need for additional license plates or
13 sets of license plates resulting from business operations,
14 including anticipated need.

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

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

21 (f) If the department determines that a dealer is
22 fraudulently obtaining license plates or sets of license plates or
23 fraudulently using the database of dealer-issued license plates,
24 the department may, after giving notice electronically and by
25 certified mail to the dealer, deny access to the database of
26 dealer-issued license plates to the dealer. A dealer denied access
27 to the database of dealer-issued license plates under this

1 subsection may request a hearing on the denial as provided by
2 Subchapter O, Chapter 2301, Occupations Code.

3 SECTION 17. Sections 503.065(a), (b), (c), (d), and (e),
4 Transportation Code, are amended to read as follows:

5 (a) The department may issue or cause to be issued to a
6 person a temporary metal license plate authorizing the person to
7 operate a new unregistered vehicle on a public highway of this state
8 if the person:

9 (1) buys the vehicle from a dealer outside this state
10 and intends to drive the vehicle from the dealer's place of
11 business; or

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

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

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

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

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

1 vehicle.

2 SECTION 18. Section 503.066(d), Transportation Code, is
3 amended to read as follows:

4 (d) A [~~metal~~] license plate issued under Section 503.061,
5 503.062, or 503.064 [~~this chapter~~] expires on the same date as the
6 expiration of the license under which it is issued.

7 SECTION 19. Subchapter C, Chapter 503, Transportation Code,
8 is amended by adding Section 503.0671 to read as follows:

9 Sec. 503.0671. UNAUTHORIZED USE OR DISTRIBUTION OF
10 DEALER-ISSUED LICENSE PLATE. (a) A person may not operate in
11 violation of this chapter or Chapter 502 a vehicle that displays a
12 dealer-issued license plate or set of license plates.

13 (b) A person may not sell or distribute a dealer-issued
14 license plate or set of license plates or an item represented to be
15 a dealer-issued license plate or set of license plates unless the
16 person is a dealer issuing the license plate or set of license
17 plates in connection with the sale of a vehicle.

18 SECTION 20. The heading to Section 503.068, Transportation
19 Code, is amended to read as follows:

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

22 SECTION 21. Sections 503.068(b), (c), and (d),
23 Transportation Code, are amended to read as follows:

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

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

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

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

8 (d) This section does not prohibit the operation or
9 conveyance of an unregistered vehicle using the full-mount method,
10 saddle-mount method, tow-bar method, or a combination of those
11 methods in accordance with Section [~~503.062 or~~] 503.063.

12 SECTION 22. The heading to Section 503.069, Transportation
13 Code, is amended to read as follows:

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

15 SECTION 23. Section 503.069(a), Transportation Code, is
16 amended to read as follows:

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

20 SECTION 24. Subchapter A, Chapter 520, Transportation Code,
21 is amended by adding Section 520.0055 to read as follows:

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

27 SECTION 25. Section 548.052, Transportation Code, is

1 amended to read as follows:

2 Sec. 548.052. VEHICLES NOT SUBJECT TO INSPECTION. This
3 chapter does not apply to:

4 (1) a trailer, semitrailer, pole trailer, or mobile
5 home moving under or bearing a current factory-delivery license
6 plate or current in-transit license plate;

7 (2) a vehicle moving under or bearing a [~~paper-dealer~~
8 ~~in-transit-tag,~~] machinery license, disaster license, parade
9 license, prorated tab, one-trip permit, vehicle temporary transit
10 permit, antique license, custom vehicle license, street rod
11 license, temporary 24-hour permit, or permit license;

12 (3) a trailer, semitrailer, pole trailer, or mobile
13 home having an actual gross weight or registered gross weight of
14 7,500 pounds or less;

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

18 (5) a former military vehicle, as defined by Section
19 504.502;

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

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

25 SECTION 26. Section 601.002(12), Transportation Code, is
26 amended to read as follows:

27 (12) "Vehicle registration" means:

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

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

5 SECTION 27. The following provisions of the Transportation
6 Code are repealed:

- 7 (1) Section 502.092;
- 8 (2) Section 502.477;
- 9 (3) Section 503.062;
- 10 (4) Section 503.0625;
- 11 (5) Section 503.0626;
- 12 (6) Section 503.0632;
- 13 (7) Section 503.067;
- 14 (8) Section 503.068(a); and
- 15 (9) Section 503.094(d).

16 SECTION 28. The changes in law made by this Act apply only
17 to an offense committed on or after July 1, 2025. An offense
18 committed before July 1, 2025, is governed by the law in effect on
19 the date the offense was committed, and the former law is continued
20 in effect for that purpose. For purposes of this section, an
21 offense was committed before July 1, 2025, if any element of the
22 offense was committed before that date.

23 SECTION 29. Not later than March 1, 2024, the Texas
24 Department of Motor Vehicles shall:

- 25 (1) adopt rules necessary to implement the changes in
26 law made by this Act; and
- 27 (2) create the database described by Section 503.0631,

1 Transportation Code, as amended by this Act.

2 SECTION 30. To the extent of any conflict, this Act prevails
3 over another Act of the 88th Legislature, Regular Session, 2023,
4 relating to nonsubstantive additions to and corrections in enacted
5 codes.

6 SECTION 31. (a) Except as otherwise provided by Subsection
7 (b) of this section, this Act takes effect July 1, 2025.

8 (b) Section 29 of this Act takes effect September 1, 2023.

ADOPTED

MAY 24 2023

Latey Law
Secretary of the Senate

Roger W. H.

FLOOR AMENDMENT NO. 1

BY: _____

- 1 Amend C.S.H.B. No. 718 (senate committee report) as follows:
- 2 (1) Strike SECTION 3 of the bill, adding Section
3 501.0041(c), Transportation Code (page 1, lines 32-42).
- 4 (2) In SECTION 6 of the bill, in amended Section 502.095(d),
5 Transportation Code (page 2, lines 30-31), strike "obtain multiple
6 30-day license plates" and substitute "request from the department
7 an extension of the period a [obtain multiple] 30-day license plate
8 is valid".
- 9 (3) In SECTION 6 of the bill, immediately following amended
10 Section 502.095(g), Transportation Code (page 2, between lines 67
11 and 68), insert the following:
- 12 (h) A vehicle operated with a license plate under this
13 section is exempt from the inspection requirements of Chapter 548.
- 14 (4) In SECTION 8 of the bill, strike amended Section
15 503.008(a), Transportation Code (page 3, lines 7-8), and substitute
16 the following:
- 17 (a) The fee for:
- 18 (1) a [metal] dealer's license plate issued under
19 Section 503.061 is \$20 a year; and
- 20 (2) a dealer's temporary license plate issued under
21 Section 503.062 is \$10.
- 22 (5) In SECTION 9 of the bill, in amended Section 503.038(c),
23 Transportation Code (page 3, line 56), between "officer" and "to",
24 insert "or designated department employee".
- 25 (6) Strike the recital to SECTION 11 of the bill (page 3,
26 lines 62-64), and substitute the following:
- 27 SECTION 11. Section 503.061(a), Transportation Code, is
28 amended to read as follows:
- 29 (7) In SECTION 11 of the bill, strike added Section

1 503.061(c), Transportation Code (page 4, lines 4-9).

2 (8) In SECTION 13 of the bill, in amended Section
3 503.063(c), Transportation Code (page 4, line 44), strike
4 "regarding the placement of license plates".

5 (9) In SECTION 13 of the bill, in amended Section
6 503.063(d), Transportation Code (page 4, line 53), between
7 "department" and the period, insert the following:

8 . The dealer is liable for missing or misused license plates. The
9 department may conduct a review of a dealer's compliance with this
10 subsection

11 (10) In SECTION 13 of the bill, in amended Section
12 503.063(i), Transportation Code (page 5, lines 32-34), strike
13 "license plate in the manner provided by Section 503.065 for
14 out-of-state license plates" and substitute "temporary license
15 plate under this section".

16 (11) In SECTION 13 of the bill, immediately following
17 amended Section 503.063(i), Transportation Code (page 5, between
18 lines 45 and 46), insert the following:

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

21 (12) In SECTION 27 of the bill, in Subdivision (3),
22 repealing Section 503.062, Transportation Code (page 8, line 64),
23 strike "503.062" and substitute "503.062(d)".

24 (13) In SECTION 27 of the bill, strike Subdivisions (8) and
25 (9), repealing provisions of the Transportation Code (page 8, line
26 69, through page 9, line 1), and substitute the following:

27 (8) Section 503.068(a);

28 (9) Section 503.094(d); and

29 (10) Sections 504.901(c), (d), and (e).

30 (14) Strike SECTION 29 of the bill, imposing certain duties
31 on the Texas Department of Motor Vehicles (page 9, lines 9-14).

1 (15) Add the following appropriately numbered SECTIONS to
2 the bill:

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

5 Sec. 152.042. COLLECTION OF TAX ON DEALER'S LICENSE [~~METAL~~
6 ~~DEALER~~] PLATES. A person required to pay the tax imposed by Section
7 152.027 shall pay the tax to the Texas Department of Motor Vehicles,
8 and the department may not issue the [~~metal~~] dealer's license
9 plates until the tax is paid.

10 SECTION _____. Section 501.147, Transportation Code, is
11 amended by amending Subsection (a) and adding Subsection (a-1) to
12 read as follows:

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

25 (a-1) On the sale or transfer of a motor vehicle to a dealer
26 who holds a general distinguishing number issued under Chapter 503,
27 the dealer shall submit the notice of transfer under Subsection
28 (a).

29 SECTION _____. The heading to Section 503.062, Transportation
30 Code, is amended to read as follows:

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

1 SECTION _____. Section 503.062(a), Transportation Code, is
2 amended to read as follows:

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

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

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

9 (A) from one of the dealer's places of business
10 in this state to another of the dealer's places of business in this
11 state;

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

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

17 (D) from the dealer's place of business to a
18 place of business of another dealer;

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

21 (F) to road test the vehicle; or

22 (3) use the vehicle for or allow its use by a
23 charitable organization.

24 SECTION _____. The heading to Section 504.901, Transportation
25 Code, is amended to read as follows:

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

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

30 (a) On the sale or transfer of a motor vehicle to a dealer
31 who holds a general distinguishing number issued under Chapter 503,

1 the dealer shall remove each license plate issued for the motor
2 vehicle. Each license plate issued for the motor vehicle shall be
3 assigned to a subsequent purchaser of the motor vehicle at retail
4 sale as required by Section 503.063. [~~A person may use the license~~
5 ~~plates removed from a motor vehicle on a new motor vehicle purchased~~
6 ~~from a dealer after the person obtains the department's approval of~~
7 ~~a title and registration application.~~]

8 (b) On the sale or transfer of a motor vehicle to a person
9 who does not hold a general distinguishing number issued under
10 Chapter 503, [~~the seller may remove~~] each license plate issued for
11 the motor vehicle shall remain with the motor vehicle. [~~The license~~
12 ~~plates may be transferred to another vehicle titled in the seller's~~
13 ~~name if the seller obtains:~~

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

16 [~~(2) a new registration insignia for the motor~~
17 ~~vehicle.~~]

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

20 SECTION _____. The Texas Department of Motor Vehicles may
21 adopt rules necessary to implement or administer the changes in law
22 made by this Act. Rules adopted under this section must be adopted
23 not later than December 1, 2024.

24 (16) Renumber the SECTIONS of the bill appropriately and
25 update cross-references to those SECTIONS accordingly.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 25, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB718 by Goldman (Relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB718, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2025.

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
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Tx Dept of Motor Vehicles Fnd 10	Probable Savings/(Cost) from Tx Dept of Motor Vehicles Fnd 10	Change in Number of State Employees from FY 2023
2024	\$0	(\$20,826,789)	19.0
2025	\$4,872,000	(\$9,965,022)	46.0
2026	\$0	(\$8,780,722)	46.0
2027	\$0	(\$8,780,722)	46.0
2028	\$0	(\$8,847,222)	46.0

Fiscal Analysis

The bill would amend Transportation Code, Chapter 503, to require a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill would require metal license plates to be issued instead of the current paper One-Trip and 30-Day permits and temporary dealer's and converter's tags. The bill would establish a onetime fee of \$10 for issuance of a dealer's temporary license plate. The bill would require TxDMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. The

bill would require TxDMV to establish rules to set the maximum number of license plates that a dealer may obtain and to monitor the number of license plates obtained by the dealer. The bill would amend Transportation Code, Section 504.901, to specify that license plates for a motor vehicle sold to a licensed dealer are to be assigned to a purchaser of the motor vehicle at retail sale.

The bill would authorize TxDMV to adopt rules necessary to implement or administer the changes in law made by the bill. The bill would require rules to be adopted not later than December 1, 2024. This provision would take effect on September 1, 2023.

Except as otherwise specified, the bill would take effect on July 1, 2025.

Methodology

Provisions of the bill relating to the issuance of dealer's temporary license plates would take effect on July 1, 2025. Based on the information and analysis provided by TxDMV, it is assumed 487,200 dealer's temporary license plates would be issued on July 1, 2025, for a fee of \$10 each, resulting in a revenue gain of \$4,872,000 to the Texas Department of Motor Vehicles Fund 0010 in fiscal year 2025.

Based on the information and analysis provided by TxDMV, it is assumed the department would incur a one-time increase in general issue license plate manufacturing costs of \$2,288,500 in fiscal year 2024 (701,944 at \$3.26 per plate) and \$134,000 for shipping costs (approximately \$0.19 per plate) in fiscal year 2025 to ensure a sufficient amount of plates would be available to motor vehicle dealers by the effective date of July 1, 2025; and a one-time increase in metal Dealer license plate manufacturing costs of \$234,900 (135,000 plates at \$1.74 per plate) and an initial manufacturing cost of \$812,326 for metal One-Trip and 30-Day permit metal plates (466,854 plates at \$1.74 per plate). TxDMV would also incur one-time Registration and Titling System programming costs and setup costs of \$18,714 in fiscal year 2024 for creation of the new One-Trip/30-Day, Dealer Demonstration, and Out-of-State Buyer metal plates. Afterwards, the department anticipates its standard operations for license plate manufacturing would be sufficient to maintain the necessary license plate inventory for the counties and motor vehicle dealers.

Based on the information provided by TxDMV, it is assumed the creation of a dealer-issued license plate inventory management system would be required to ensure appropriate controls over the distribution and monitoring of license plates obtained by motor vehicle dealers. Based on the TxDMV's known costs of similar systems, the department estimates one-time system implementation costs of \$15.6 million in fiscal year 2024 and ongoing annual maintenance costs of \$5.0 million in each fiscal year thereafter. Based on the analysis provided by TxDMV, it is assumed the department would require 9.0 additional fulltime equivalent (FTE) positions in fiscal year 2024 to support system development, architecture, data management, quality assurance and testing (2.0 Programmer III at \$72,789 annual salary for each; 1.0 Programmer V at \$77,862 annual salary; 1.0 Database Administrator III at \$77,862 annual salary; and 1.0 Systems Analyst V at \$77,862 annual salary); and 4.0 additional FTEs to manage user access and security (3.0 Systems Support Specialist III at \$47,388 annual salary each; 1.0 Systems Analyst IV at \$68,047 annual salary).

Based on the analysis provided by TxDMV, it is assumed the department would require 5.0 Compliance Analyst I FTEs in fiscal year 2024 and an additional 15.0 positions in fiscal year 2025 (\$51,985 annual salary each), 2.0 Compliance Analyst III positions (\$68,047 annual salary each), 1.0 Compliance Analyst IV (\$77,862 annual salary); and, beginning in fiscal year 2025, 4.0 Investigator IV positions (\$51,985 annual salary each), 1.0 Investigator VI position (\$68,047 annual salary), and 2.0 Program Specialist I positions (\$47,688 annual salary each) to support audits of inventory controls and security measures in place for license plate inventory storage at over 20,000 county tax offices and vehicle dealer locations across the state, one additional Administrative Assistant III FTE (\$37,914 annual salary) to support the additional program staff, and 27 additional fleet vehicles (\$30,000 each or \$810,000 in fiscal year 2025). Annual additional fleet maintenance costs are estimated to be \$24,000 beginning in fiscal year 2025.

Estimated costs for the additional 46.0 FTE positions identified above include the following: salaries and wages costs of \$1.3 million in fiscal year 2024 (19.0 FTEs) and \$2.7 million per year in following fiscal years (46.0 FTEs); employee benefits costs of \$380,835 in fiscal year 2024 and \$808,070 each fiscal year thereafter (30.33 percent of salary cost); agency payroll contribution costs for retirement and group insurance of \$18,834 in fiscal year 2024 and \$39,964 each fiscal year thereafter (1.5 percent of salary cost); one-time

office furniture and computer equipment costs of \$172,900 in fiscal year 2024 and \$245,700 in fiscal year 2025 and \$75,700 in fiscal year 2028 for replacement/refresh of computer equipment; and \$74,442 in fiscal year 2024, \$184,028 in fiscal year 2025, and \$189,428 each fiscal year thereafter for supplies, travel, training, telecommunications, and other recurring operating expenses.

This analysis assumes all costs to TxDOT would be paid from the Texas Department of Motor Vehicles Fund 0010.

Technology

TxDMV anticipates technology costs including an estimated one-time cost of \$15.6 million in fiscal year 2024 to implement an inventory management system, ongoing annual costs of \$5.0 million for maintenance of the system, computer equipment acquisition and maintenance costs related to the additional personnel.

Local Government Impact

Based on the information provided by TxDMV, it is assumed county tax assessor-collector offices would incur costs or require additional resources to implement the provisions of the bill.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG, CMA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 22, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB718 by Goldman (relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB718, Committee Report 2nd House, Substituted : a positive impact of \$7,917,000 through the biennium ending August 31, 2025.

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
2024	\$0
2025	\$7,917,000
2026	\$7,917,000
2027	\$7,917,000
2028	\$7,917,000

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from State Highway Fund 6	Probable Revenue Gain/(Loss) from Tx Dept of Motor Vehicles Fnd 10	Probable Savings/(Cost) from Tx Dept of Motor Vehicles Fnd 10
2024	\$0	\$0	\$0	(\$22,776,288)
2025	\$7,917,000	\$4,263,000	\$9,744,000	(\$10,078,022)
2026	\$7,917,000	\$4,263,000	\$9,744,000	(\$8,780,722)
2027	\$7,917,000	\$4,263,000	\$9,744,000	(\$8,780,722)
2028	\$7,917,000	\$4,263,000	\$9,744,000	(\$8,847,222)

<i>Fiscal Year</i>	Change in Number of State Employees from FY 2023
2024	19.0
2025	46.0
2026	46.0
2027	46.0
2028	46.0

Fiscal Analysis

The bill would amend Transportation Code, Chapter 503, to require a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill would require metal license plates to be issued instead of the current paper One-Trip and 30-Day permits and temporary dealer's and converter's tags. The bill would amend Transportation Code, Section 503.061, to require TxDMV to design and make available a dealer's demonstration license plate. The bill would amend Tax Code, Section 152.027(a), to impose a use tax of \$25 for each dealer demonstration plate issued. The bill would require TxDMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. The bill would require TxDMV to establish rules to set the maximum number of license plates that a dealer may obtain and to monitor the number of license plates obtained by the dealer.

The bill would require TxDMV, not later than March 1, 2024, to adopt rules to implement the changes in law provided by this legislation and create a dealer-issued license plate database. This provision would take effect on September 1, 2023.

Except as otherwise specified, the bill would take effect on July 1, 2025.

Methodology

Based on the information and analysis provided by TxDMV and the Comptroller's Office, it is assumed 487,200 dealer demonstration plates would be initially issued in July 2025 for a one-year term and renewed for a one-year term in July of each fiscal year thereafter, resulting in the revenue gains shown in the table above. The base fee for each plate would be \$20, deposited to the Texas Department of Motor Vehicles Fund 0010 (Fund 0010), and a use tax of \$25 would be imposed on each demonstration plate. Based on the analysis provided by the Comptroller's office, it is assumed 65 percent of the use tax imposed would be deposited to General Revenue Fund 0001 and 35 percent would be deposited to State Highway Fund 0006.

Based on the information and analysis provided by TxDMV, it is assumed the department would incur a one-time increase in general issue license plate manufacturing costs of \$4,238,000 in fiscal year 2024 (1.3 million plates at \$3.26 per plate) and \$247,000 for shipping costs (\$0.19 per plate) in fiscal year 2025 to ensure a sufficient amount of plates would be available to motor vehicle dealers by the effective date of July 1, 2025; and a one-time increase in metal Dealer license plate manufacturing costs of \$234,900 (135,000 plates at \$1.74 per plate) and an initial manufacturing cost of \$812,326 for metal One-Trip and 30-Day permit metal plates (466,854 plates at \$1.74 per plate). TxDMV would also incur one-time Registration and Titling System programming costs and setup costs of \$18,714 in fiscal year 2024 for creation of the new One-Trip/30-Day, Dealer Demonstration, and Out-of-State Buyer metal plates. Afterwards, the department anticipates its standard operations for license plate manufacturing would be sufficient to maintain the necessary license plate inventory for the counties and motor vehicle dealers.

Based on the information provided by TxDMV, it is assumed the creation of a dealer-issued license plate inventory management system would be required to ensure appropriate controls over the distribution and monitoring of license plates obtained by motor vehicle dealers. Based on the TxDMV's known costs of similar systems, the department estimates one-time system implementation costs of \$15.6 million in fiscal year 2024 and ongoing annual maintenance costs of \$5.0 million in each fiscal year thereafter. Based on the analysis provided by TxDMV, it is assumed the department would require 9.0 additional full-time equivalent (FTE) positions in fiscal year 2024 to support system development, architecture, data management, quality assurance and testing (2.0 Programmer III at \$72,789 annual salary for each; 1.0 Programmer V at \$77,862 annual salary; 1.0 Database Administrator III at \$77,862 annual salary; and 1.0 Systems Analyst V at \$77,862 annual salary); and 4.0 additional FTEs to manage user access and security (3.0 Systems Support Specialist III at \$47,388 annual salary each; 1.0 Systems Analyst IV at \$68,047 annual salary).

Based on the analysis provided by TxDMV, it is assumed the department would require 5.0 Compliance Analyst I FTEs in fiscal year 2024 and an additional 15.0 positions in fiscal year 2025 (\$51,985 annual salary each), 2.0 Compliance Analyst III positions (\$68,047 annual salary each), 1.0 Compliance Analyst IV (\$77,862 annual salary); and, beginning in fiscal year 2025, 4.0 Investigator IV positions (\$51,985 annual salary each), 1.0

Investigator VI position (\$68,047 annual salary), and 2.0 Program Specialist I positions (\$47,688 annual salary each) to support audits of inventory controls and security measures in place for license plate inventory storage at over 20,000 county tax offices and vehicle dealer locations across the state, one additional Administrative Assistant III FTE (\$37,914 annual salary) to support the additional program staff, and 27 additional fleet vehicles (\$30,000 each or \$810,000 in fiscal year 2025). Annual additional fleet maintenance costs are estimated to be \$24,000 beginning in fiscal year 2025.

Estimated costs for the additional 46.0 FTE positions identified above include the following: salaries and wages costs of \$1.3 million in fiscal year 2024 (19.0 FTEs) and \$2.7 million per year in following fiscal years (46.0 FTEs); employee benefits costs of \$380,835 in fiscal year 2024 and \$808,070 each fiscal year thereafter (30.33 percent of salary cost); agency payroll contribution costs for retirement and group insurance of \$18,834 in fiscal year 2024 and \$39,964 each fiscal year thereafter (1.5 percent of salary cost); one-time office furniture and computer equipment costs of \$172,900 in fiscal year 2024 and \$245,700 in fiscal year 2025 and \$75,700 in fiscal year 2028 for replacement/refresh of computer equipment; and \$74,442 in fiscal year 2024, \$184,028 in fiscal year 2025, and \$189,428 each fiscal year thereafter for supplies, travel, training, telecommunications, and other recurring operating expenses.

This analysis assumes all costs to TxDOT would be paid from the Texas Department of Motor Vehicles Fund 0010.

Technology

TxDMV anticipates technology costs including an estimated one-time cost of \$15.6 million in fiscal year 2024 to implement an inventory management system, ongoing annual costs of \$5.0 million for maintenance of the system, computer equipment acquisition and maintenance costs related to the additional personnel.

Local Government Impact

Based on the information provided by TxDMV, it is assumed county tax assessor-collector offices would incur costs or require additional resources to implement the provisions of the bill.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 18, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB718 by Goldman (Relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB718, As Engrossed : an impact of \$0 through the biennium ending August 31, 2025.

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
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from State Highway Fund 6	Probable Revenue Gain/(Loss) from Tx Dept of Motor Vehicles Fnd 10	Probable Savings/(Cost) from Tx Dept of Motor Vehicles Fnd 10	Probable Revenue Gain/(Loss) from Counties
2024	\$0	\$0	(\$24,370,810)	\$0
2025	(\$14,202,000)	(\$672,000)	(\$8,757,390)	(\$1,002,000)
2026	(\$28,831,000)	(\$1,364,000)	(\$8,474,790)	(\$2,034,000)
2027	(\$29,263,000)	(\$1,385,000)	(\$8,474,790)	(\$2,064,000)
2028	(\$29,702,000)	(\$1,405,000)	(\$8,607,790)	(\$2,095,000)

<i>Fiscal Year</i>	Change in Number of State Employees from FY 2023
2024	38.0
2025	42.0
2026	42.0
2027	42.0
2028	42.0

Fiscal Analysis

The bill would amend Transportation Code, Chapters 502 and 503, to repeal provisions regarding the issuance of dealer's, converter's, and buyer's temporary paper tags and certain temporary permits issued in lieu of registration of a vehicle. The bill would amend Transportation Code, Chapter 503, to require a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill would require TxDMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. The bill would require TxDMV to establish rules to set the maximum number of license plates that a dealer may obtain and to monitor the number of license plates obtained by the dealer.

The bill would require TxDMV, not later than March 1, 2024, to adopt rules to implement the changes in law provided by this legislation and create a dealer-issued license plate database. This provision would take effect on September 1, 2023.

Except as otherwise specified, the bill would take effect on March 1, 2025.

Methodology

The bill would repeal Transportation Code, Sections 502.094 and 502.095, relating to the issuance of one-trip, 30-day, 72-hour, and 144-hour temporary permits beginning on March 1, 2025. The permit fees are \$5.00 for one-trip permits; \$25.00 for 30-day and 72-hour permits; and \$50.00 for 144-hour permits. TxDMV estimates, in fiscal year 2023, 871,269 temporary permits will be issued in fiscal 2023. Of the total: 50,553 will be one-trip permits; 416,301 will be 30-day permits; 132,382 will be 72-hour permits; and 272,033 will be 144-hour permits. TxDMV assumes an annual growth rate of 1.5 percent in subsequent fiscal years for each permit type. Revenue from the base permit fee for each of the four types is deposited to State Highway Fund 0006, or if purchased at a county office, allocated between State Highway Fund 0006 and Fund 0057 – County Road and Bridge Fund of the issuing county. However, assuming the maximum allocation for vehicle registration revenue to Fund 0057 will be met, this analysis assumes 100 percent of the temporary permit fees would be deposited to State Highway Fund No. 006. Additionally, a processing and handling (P&H) fee of \$4.75 is currently assessed for the issuance of a temporary permit. The fee is retained by the permit issuing entity (either TxDMV or the counties). Based on the information and analysis provided by TxDMV and the Comptroller of Public Accounts, it is assumed elimination of these temporary permits on March 1, 2025, would result in revenue losses beginning in fiscal year 2025 to State Highway Fund 0006, Texas Department of Motor Vehicles Fund 0010, and to the counties in the estimated amounts shown in the table above.

Based on the information and analysis provided by TxDMV, it is assumed the department would incur a one-time increase in general issue license plate manufacturing costs of \$4,238,000 in fiscal year 2024 (1.3 million plates at \$3.26 per plate) and \$247,000 for shipping costs (\$0.19 per plate) in fiscal year 2025 to ensure a sufficient amount of plates would be available to motor vehicle dealers by the effective date of March 1, 2025; and a one-time increase in metal Dealer license plate manufacturing costs of \$234,900 (135,000 plates at \$1.74 per plate). Afterwards, the department anticipates its standard operations for license plate manufacturing would be sufficient to maintain the necessary license plate inventory for the counties and motor vehicle dealers.

Based on the information provided by TxDMV, it is assumed the creation of a dealer-issued license plate inventory management system would be required to ensure appropriate controls over the distribution and monitoring of license plates obtained by motor vehicle dealers. Based on the TxDMV's known costs of similar systems, the department estimates one-time system implementation costs of \$15.0 million in fiscal year 2024 and ongoing annual maintenance costs of \$5.0 million in each fiscal year thereafter. Based on the analysis provided by TxDMV, it is assumed the department would require 5.0 additional full-time equivalent (FTE) positions in fiscal year 2024 to support system development, architecture, data management, quality assurance and testing (2.0 Programmer III at \$72,789 annual salary for each; 1.0 Programmer V at \$77,862 annual salary; 1.0 Database Administrator III at \$77,862 annual salary; and 1.0 Systems Analyst V at \$77,862 annual salary); and 4.0 additional FTEs beginning in fiscal year 2025 to manage user access and security (3.0 Systems Support Specialist III at \$47,388 annual salary each; 1.0 Systems Analyst IV at \$68,047 annual salary).

Based on the analysis provided by TxDMV, it is assumed the department would require 20.0 additional Compliance Analyst I FTEs (\$51,985 annual salary each), 2.0 Compliance Analyst III positions (\$68,047 annual salary each), 1.0 Compliance Analyst IV (\$77,862 annual salary), 4.0 Investigator IV positions (\$51,985 annual salary each), 1.0 Investigator VI position (\$68,047 annual salary), and 2.0 Program Specialist I positions (\$47,688 annual salary each) to support audits of inventory controls and security measures in place for license plate inventory storage at over 20,000 county tax offices and vehicle dealer locations across the state, one additional Administrative Assistant III FTE (\$37,914 annual salary) to support the additional program staff, and 27 additional fleet vehicles (\$30,000 each or \$810,000 in fiscal year 2024). Annual additional fleet maintenance costs are estimated to be \$24,000.

Estimated costs for the additional 42.0 FTE positions identified above include the following: salaries and wages costs of \$2.2 million in fiscal year 2024 (38.0 FTEs) and \$2.4 million per year in following fiscal years (42.0 FTEs); employee benefits costs of \$677,444 in fiscal year 2024 and \$741,474 each fiscal year thereafter (30.33 percent of salary cost); agency payroll contribution costs for retirement and group insurance of \$33,504 in fiscal year 2024 and \$36,670 each fiscal year thereafter (1.5 percent of salary cost); one-time office furniture and computer equipment costs of \$345,800 in fiscal year 2024 and \$36,400 in fiscal year 2025 and \$133,000 in fiscal year 2028 for replacement/refresh of computer equipment; and \$148,884 in fiscal year 2024 and \$172,956 each fiscal year thereafter for supplies, travel, training, telecommunications, and other recurring operating expenses.

This analysis assumes all costs to TxDOT would be paid from the Texas Department of Motor Vehicles Fund 0010.

Technology

TxDOT anticipates technology costs including an estimated one-time cost of \$15.0 million in fiscal year 2024 to implement an inventory management system, ongoing annual costs of \$5.0 million for maintenance of the system, computer equipment acquisition and maintenance costs related to the additional personnel.

Local Government Impact

Based on the information provided by TxDMV, it is assumed county tax assessor-collector offices would incur costs or require additional resources to implement the provisions of the bill.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 17, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB718** by Goldman (relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB718, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2025.

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 <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Tx Dept of Motor Vehicles</i> <i>Fnd</i> 10	Probable Savings/(Cost) from <i>Tx Dept of Motor Vehicles</i> <i>Fnd</i> 10	Probable Revenue Gain/(Loss) from <i>Counties</i>
2024	\$0	\$0	(\$24,370,810)	\$0
2025	(\$14,202,000)	(\$672,000)	(\$8,757,390)	(\$1,002,000)
2026	(\$28,831,000)	(\$1,364,000)	(\$8,474,790)	(\$2,034,000)
2027	(\$29,263,000)	(\$1,385,000)	(\$8,474,790)	(\$2,064,000)
2028	(\$29,702,000)	(\$1,405,000)	(\$8,607,790)	(\$2,095,000)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	38.0
2025	42.0
2026	42.0
2027	42.0
2028	42.0

Fiscal Analysis

The bill would amend Transportation Code, Chapters 502 and 503, to repeal provisions regarding the issuance of dealer's, converter's, and buyer's temporary paper tags and certain temporary permits issued in lieu of registration of a vehicle. The bill would amend Transportation Code, Chapter 503, to require a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill would require TxDMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. The bill would require TxDMV to establish rules to set the maximum number of license plates that a dealer may obtain and to monitor the number of license plates obtained by the dealer.

The bill would require TxDMV, not later than March 1, 2024, to adopt rules to implement the changes in law provided by this legislation and create a dealer-issued license plate database. This provision would take effect on September 1, 2023.

Except as otherwise specified, the bill would take effect on March 1, 2025.

Methodology

The bill would repeal Transportation Code, Sections 502.094 and 502.095, relating to the issuance of one-trip, 30-day, 72-hour, and 144-hour temporary permits beginning on March 1, 2025. The permit fees are \$5.00 for one-trip permits; \$25.00 for 30-day and 72-hour permits; and \$50.00 for 144-hour permits. TxDMV estimates, in fiscal year 2023, 871,269 temporary permits will be issued in fiscal 2023. Of the total: 50,553 will be one-trip permits; 416,301 will be 30-day permits; 132,382 will be 72-hour permits; and 272,033 will be 144-hour permits. TxDMV assumes an annual growth rate of 1.5 percent in subsequent fiscal years for each permit type. Revenue from the base permit fee for each of the four types is deposited to State Highway Fund 0006, or if purchased at a county office, allocated between State Highway Fund 0006 and Fund 0057 – County Road and Bridge Fund of the issuing county. However, assuming the maximum allocation for vehicle registration revenue to Fund 0057 will be met, this analysis assumes 100 percent of the temporary permit fees would be deposited to State Highway Fund No. 006. Additionally, a processing and handling (P&H) fee of \$4.75 is currently assessed for the issuance of a temporary permit. The fee is retained by the permit issuing entity (either TxDMV or the counties). Based on the information and analysis provided by TxDMV and the Comptroller of Public Accounts, it is assumed elimination of these temporary permits on March 1, 2025, would result in revenue losses beginning in fiscal year 2025 to State Highway Fund 0006, Texas Department of Motor Vehicles Fund 0010, and to the counties in the estimated amounts shown in the table above.

Based on the information and analysis provided by TxDMV, it is assumed the department would incur a one-time increase in general issue license plate manufacturing costs of \$4,238,000 in fiscal year 2024 (1.3 million plates at \$3.26 per plate) and \$247,000 for shipping costs (\$0.19 per plate) in fiscal year 2025 to ensure a sufficient amount of plates would be available to motor vehicle dealers by the effective date of March 1, 2025; and a one-time increase in metal Dealer license plate manufacturing costs of \$234,900 (135,000 plates at \$1.74 per plate). Afterwards, the department anticipates its standard operations for license plate manufacturing would be sufficient to maintain the necessary license plate inventory for the counties and motor vehicle dealers.

Based on the information provided by TxDMV, it is assumed the creation of a dealer-issued license plate inventory management system would be required to ensure appropriate controls over the distribution and monitoring of license plates obtained by motor vehicle dealers. Based on the TxDMV's known costs of similar systems, the department estimates one-time system implementation costs of \$15.0 million in fiscal year 2024 and ongoing annual maintenance costs of \$5.0 million in each fiscal year thereafter. Based on the analysis provided by TxDMV, it is assumed the department would require 5.0 additional full-time equivalent (FTE) positions in fiscal year 2024 to support system development, architecture, data management, quality assurance and testing (2.0 Programmer III at \$72,789 annual salary for each; 1.0 Programmer V at \$77,862 annual salary; 1.0 Database Administrator III at \$77,862 annual salary; and 1.0 Systems Analyst V at \$77,862 annual salary); and 4.0 additional FTEs beginning in fiscal year 2025 to manage user access and security (3.0 Systems Support Specialist III at \$47,388 annual salary each; 1.0 Systems Analyst IV at \$68,047 annual salary).

Based on the analysis provided by TxDMV, it is assumed the department would require 20.0 additional Compliance Analyst I FTEs (\$51,985 annual salary each), 2.0 Compliance Analyst III positions (\$68,047 annual salary each), 1.0 Compliance Analyst IV (\$77,862 annual salary), 4.0 Investigator IV positions (\$51,985 annual salary each), 1.0 Investigator VI position (\$68,047 annual salary), and 2.0 Program Specialist I positions (\$47,688 annual salary each) to support audits of inventory controls and security measures in place for license plate inventory storage at over 20,000 county tax offices and vehicle dealer locations across the state, one additional Administrative Assistant III FTE (\$37,914 annual salary) to support the additional program staff, and 27 additional fleet vehicles (\$30,000 each or \$810,000 in fiscal year 2024). Annual additional fleet maintenance costs are estimated to be \$24,000.

Estimated costs for the additional 42.0 FTE positions identified above include the following: salaries and wages costs of \$2.2 million in fiscal year 2024 (38.0 FTEs) and \$2.4 million per year in following fiscal years (42.0 FTEs); employee benefits costs of \$677,444 in fiscal year 2024 and \$741,474 each fiscal year thereafter (30.33 percent of salary cost); agency payroll contribution costs for retirement and group insurance of \$33,504 in fiscal year 2024 and \$36,670 each fiscal year thereafter (1.5 percent of salary cost); one-time office furniture and computer equipment costs of \$345,800 in fiscal year 2024 and \$36,400 in fiscal year 2025 and \$133,000 in fiscal year 2028 for replacement/refresh of computer equipment; and \$148,884 in fiscal year 2024 and \$172,956 each fiscal year thereafter for supplies, travel, training, telecommunications, and other recurring operating expenses.

This analysis assumes all costs to TxDOT would be paid from the Texas Department of Motor Vehicles Fund 0010.

Technology

TxDMV anticipates technology costs including an estimated one-time cost of \$15.0 million in fiscal year 2024 to implement an inventory management system, ongoing annual costs of \$5.0 million for maintenance of the system, computer equipment acquisition and maintenance costs related to the additional personnel.

Local Government Impact

Based on the information provided by TxDMV, it is assumed county tax assessor-collector offices would incur costs or require additional resources to implement the provisions of the bill.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB718 by Goldman (Relating to the issuance of temporary tags and license plates by a motor vehicle dealer.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB718, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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 <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>Tx Dept of Motor Vehicles Fnd</i> 10	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$22,179,780)	26.0
2025	(\$7,669,960)	30.0
2026	(\$7,387,360)	30.0
2027	(\$7,387,360)	30.0
2028	(\$7,387,360)	30.0

Fiscal Analysis

The bill would amend Transportation Code, Chapter 503, to require a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill would require TxDMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. The bill would require TxDMV to establish rules to set the maximum number of license plates that a dealer may obtain and to monitor the number of license plates obtained by the dealer.

The bill would require TxDMV, not later than March 1, 2024, to adopt rules to implement the changes in law provided by this legislation and create a dealer-issued license plate database. This provision would take effect on September 1, 2023.

Except as otherwise specified, the bill would take effect on March 1, 2025.

Methodology

Based on the information and analysis provided by TxDMV, it is assumed the department would incur a one-time increase in license plate manufacturing costs of \$4,238,000 in fiscal year 2024 (1.3 million plates at \$3.26 per plate) and \$247,000 for shipping costs (\$0.19 per plate) in fiscal year 2025 to ensure a sufficient amount of plates would be available to motor vehicle dealers by the effective date of March 1, 2025.

Afterwards, the department anticipates its standard operations for license plate manufacturing would be sufficient to maintain the necessary license plate inventory for the counties and motor vehicle dealers.

Based on the information provided by TxDMV, it is assumed the creation of a dealer-issued license plate inventory management system would be required to ensure appropriate controls over the distribution and monitoring of license plates obtained by motor vehicle dealers. Based on the TxDMV's known costs of similar systems, the department estimates one-time system implementation costs of \$15.0 million in fiscal year 2024 and ongoing annual maintenance costs of \$5.0 million in each fiscal year thereafter. Based on the analysis provided by TxDMV, it is assumed the department would require 5.0 additional full-time equivalent (FTE) positions in fiscal year 2024 to support system development, architecture, data management, quality assurance and testing (2.0 Programmer III at \$72,789 annual salary for each; 1.0 Programmer V at \$77,862 annual salary; 1.0 Database Administrator III at \$77,862 annual salary; and 1.0 Systems Analyst V at \$77,862 annual salary); and 4.0 additional FTEs beginning in fiscal year 2025 to manage user access and security (3.0 Systems Support Specialist III at \$47,388 annual salary each; 1.0 Systems Analyst IV at \$68,047 annual salary).

Based on the analysis provided by TxDMV, it is assumed the department would require 20.0 additional Compliance Analyst I FTEs (\$51,985 annual salary each) and 20 additional fleet vehicles (\$30,000 each or \$600,000 in fiscal year 2024) to support audits of inventory controls and security measures in place for license plate inventory storage at over 20,000 county tax offices and vehicle dealer locations across the state and one additional Administrative Assistant III FTE (\$37,914 annual salary) to support the additional program staff. Annual additional fleet maintenance costs are estimated to be \$24,000.

Estimated costs for the additional 30.0 FTE positions identified above include the following: salaries and wages costs of \$1.5 million in fiscal year 2024 (26.0 FTEs) and \$1.7 million per year in following fiscal years (30.0 FTEs); employee benefits costs of \$449,388 in fiscal year 2024 and \$513,418 each fiscal year thereafter (30.33 percent of salary cost); agency payroll contribution costs for retirement and group insurance of \$22,225 in fiscal year 2024 and \$25,392 each fiscal year thereafter (1.5 percent of salary cost); one-time office furniture and computer equipment costs of \$236,600 in fiscal year 2024 and \$36,400 in fiscal year 2025 and \$91,000 in fiscal year 2028 for replacement/refresh of computer equipment; \$102,468 in fiscal year 2024 and \$124,140 each fiscal year thereafter for supplies, travel, training, telecommunications and other recurring operating expenses.

This analysis assumes all costs to TxDOT would be paid from the Texas Department of Motor Vehicles Fund No. 0010.

Technology

TxDMV anticipates technology costs including an estimated one-time cost of \$15.0 million in fiscal year 2024 to implement an inventory management system, ongoing annual costs of \$5.0 million for maintenance of the system, computer equipment acquisition and maintenance costs related to the additional personnel.

Local Government Impact

Based on the information provided by TxDMV, it is assumed county tax assessor-collector offices would incur costs or require additional resources to implement the provisions of the bill.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG