House Bill 718 Senate Amendments

Section-by-Section Analysis

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No equivalent provision.	SECTION 1. The heading to Section 152.027, Tax Code, is amended to read as follows: Sec. 152.027. TAX ON [METAL] DEALER PLATES.	
No equivalent provision.	 SECTION 2. Section 152.027(a), Tax Code, is amended to read as follows: (a) A use tax is imposed on each person to whom is issued a [metal] dealer's plate <u>under Section 503.061 or 503.0615</u>, [authorized by Chapter 503,] Transportation Code. 	
No equivalent provision.	SECTION Section 152.042, Tax Code, is amended to read as follows: Sec. 152.042. COLLECTION OF TAX ON <u>DEALER'S</u> <u>LICENSE</u> [<u>METAL DEALER</u>] PLATES. A person required to pay the tax imposed by Section 152.027 shall pay the tax to the Texas Department of Motor Vehicles, and the department may not issue the [<u>metal</u>] dealer's <u>license</u> plates until the tax is paid. [FA1(15)]	
No equivalent provision.	Same as House version. SECTION 3. [Deleted by FA1(1)]	
 SECTION 1. Section 501.022(d), Transportation Code, is amended to read as follows: (d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a metal dealer's license plate [or a dealer's or buyer's temporary tag] attached to the vehicle as provided by Chapter 503. 	 SECTION 4. Section 501.022(d), Transportation Code, is amended to read as follows: (d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a [metal] dealer's license plate [or a dealer's or buyer's temporary tag] attached to the vehicle as provided by Chapter 503. 	

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

(b) A purchaser to whom this section applies may apply for[: [(1)] a title in the manner prescribed by the department by rule[; and

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

(d) The department shall waive the payment of fees for[:

[(1)] a title issued to a purchaser described by this section[,] if the purchaser can show that fees for a title were paid to the dealer[; and

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

No equivalent provision.

SECTION 5. Same as House version.

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

(a) On receipt of a written notice of transfer from the seller of a motor vehicle <u>or a dealer who holds a general</u> <u>distinguishing number issued under Chapter 503</u>, the department shall indicate the transfer on the motor vehicle records maintained by the department. As an alternative to a written notice of transfer, the department shall establish procedures that permit the seller of a motor vehicle <u>or a</u> <u>dealer who holds a general distinguishing number issued</u> <u>under Chapter 503</u> to electronically submit a notice of transfer to the department through the department's Internet website. A notice of transfer provided through the department's Internet website is not required to bear the signature of the seller or include the date of signing.

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(a-1) On the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under Chapter 503, the dealer shall submit the notice of transfer under Subsection (a). [FA1(15)]

SECTION 3. The heading to Section 502.043, Transportation Code, is amended to read as follows: Sec. 502.043. APPLICATION FOR REGISTRATION [AND CERTAIN PERMITS].

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

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

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

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

(b) The department shall deny the registration of $[\Theta r]$ permitting under Section 502.094 or 502.095 of] a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant:

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

(2) has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for safetyrelated reasons; No equivalent provision.

No equivalent provision.

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(3) is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or
(4) fails to deliver to the county assessor-collector proof of the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered.

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

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

(1) the issuance of specialized license plates as designated by the department, including state official license plates <u>and[,]</u> exempt plates for governmental entities[, and temporary registration plates]; or

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

No equivalent provision.

No equivalent provision.

SECTION 6. Section 502.095, Transportation Code, is amended to read as follows: Sec. 502.095. ONE-TRIP OR 30-DAY TRIP LICENSE

<u>PLATES</u> [PERMITS]. (a) The department may issue a temporary <u>metal license plate</u> [permit] in lieu of registration for a vehicle subject to registration in this state that is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered. (b) A license plate [permit] issued under this section is valid

(b) A <u>license plate</u> [permit] issued under this section is valid for:

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

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

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

(d) A 30-day <u>license plate</u> [permit] may be issued only to a passenger vehicle, a private bus, a trailer or semitrailer with a gross weight of not more than 10,000 pounds, a light truck, or a light commercial vehicle with a gross vehicle weight of more than 10,000 pounds that will operate unladen. A person may request from the department an extension of the period a [obtain multiple] 30-day license plate is valid [permits]. The department may issue a single registration receipt to apply to all of the periods for which the vehicle is registered. [FA1(2)]

(e) A person may obtain a <u>license plate</u> [permit] under this section by:

(1) applying as provided by the department to:

(A) the county assessor-collector of the county in which the

vehicle will first be operated on a public highway; or

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

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(2) paying a fee, in the manner prescribed by the department including a registration service charge for a credit card payment or escrow account of:
(A) \$5 for a one-trip license plate [permit]; or
(B) \$25 for each 30-day license plate [period]; and
(3) furnishing evidence of financial responsibility for the vehicle in a form listed under Section 502.046(c).

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

(g) The department may refuse and may instruct a county assessor-collector to refuse to issue a <u>license plate</u> [temporary registration] for any vehicle if, in the department's opinion, the vehicle or the owner of the vehicle has been involved in operations that constitute an abuse of the privilege granted by this section. A <u>license plate</u> [registration] issued after notice to a county assessor-collector under this subsection is void.

(h) A vehicle operated with a license plate under this section is exempt from the inspection requirements of Chapter 548. [FA1(3)]

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

(g) This section does not apply to:

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

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

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

(4) a vehicle registered or to be registered[+

[(A) with a temporary registration permit;

[(B)] under Section 502.433[;] or

[(C) under Section] 502.435.

SECTION 7. Section 502.410(b), Transportation Code, is	SECTION 7. Section 502.410(b), Tra
amended to read as follows:	amended to read as follows:
(b) Subsection (a) does not apply to a statement or	(b) Subsection (a) does not apply
application filed or given under Section 502.060, [502.092,	application filed or given under Section
502.093, 502.094, 502.095,] 504.201, 504.202(b-1),	502.093, 502.094, 502.095, 504.201, 50
504.508, or 504.515.	or 504.515.

No equivalent provision.

No equivalent provision.

ransportation Code, is

ly to a statement or on 502.060, [502.092,] 504.202(b-1), 504.508,

SECTION 8. Section 503.008(a), Transportation Code, is amended to read as follows: (a) The fee for: (1) a [metal] dealer's license plate issued under Section 503.061 is \$20 a year; and (2) a dealer's temporary license plate issued under Section 503.062 is \$10. [FA1(4)]

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

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

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

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

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

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

(5) uses or permits the use of a metal dealer's license plate [or a dealer's temporary tag] on a vehicle that the dealer does not own or control or that is not in stock and offered for sale;
(6) makes a material misrepresentation in an application or other information filed with the department;

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

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

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

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

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

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

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

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

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

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

(5) uses or permits the use of a [metal] dealer's license plate [or a dealer's temporary tag] on a vehicle that the dealer does not own or control or that is not in stock and offered for sale;
(6) makes a material misrepresentation in an application or other information filed with the department;

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

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

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

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

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

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

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

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

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

No equivalent provision.

No equivalent provision.

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

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

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

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

(c) A person whose general distinguishing number is canceled under this chapter shall surrender to a representative of the department each license, license plate, [temporary tag₃] sticker, and receipt issued under this chapter not later than the 10th day after the date the general distinguishing number is canceled. The department shall direct any peace officer or designated department employee to secure and return to the department any plate, [tag₃] sticker, or receipt of a person who does not comply with this subsection. [FA1(5)]

SECTION 10. The heading to Subchapter C, Chapter 503, Transportation Code, is amended to read as follows: SUBCHAPTER C. LICENSE PLATES [AND TAGS]

SECTION 11. Section 503.061(a), Transportation Code, is amended to read as follows: [FA1(6)](a) Instead of registering under Chapter 502 a vehicle that the dealer owns, operates, or permits to be operated on a

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		 public street or highway, the dealer may apply for, receive, and attach [metal] dealer's license plates to the vehicle if it is the type of vehicle: (1) that the dealer sells; and (2) for which the dealer has been issued a general distinguishing number. (c) [Deleted by FA1(7)] 	
No equivalent provision.		 SECTION 12. Sections 503.0618(b) and (c), Transportation Code, are amended to read as follows: (b) Instead of registering under Chapter 502 a vehicle that a converter operates or permits to be operated on a public street or highway, the converter may apply for, receive, and attach [metal] converter's license plates to the vehicle if it is the type of vehicle that the converter is engaged in the business of assembling or modifying. (c) The fee for a [metal] converter's license plate is \$20 a year. 	
No equivalent provision.		SECTION The heading to Section 503.062, Transportation Code, is amended to read as follows: Sec. 503.062. DEALER'S TEMPORARY <u>LICENSE</u> <u>PLATE</u> [TAGS]. [FA1(15)]	
No equivalent provision.		 SECTION Section 503.062(a), Transportation Code, is amended to read as follows: (a) A dealer may issue a temporary <u>license plate</u> [tag] for use on an unregistered vehicle by the dealer or the dealer's employees only to: 	

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(1) demonstrate or cause to be demonstrated to a prospective buyer the vehicle for sale purposes only; (2) convey or cause to be conveyed the vehicle: (A) from one of the dealer's places of business in this state to another of the dealer's places of business in this state; (B) from the dealer's place of business to a place the vehicle is to be repaired, reconditioned, or serviced; (C) from the state line or a location in this state where the vehicle is unloaded to the dealer's place of business; (D) from the dealer's place of business to a place of business of another dealer; (E) from the point of purchase by the dealer to the dealer's place of business; or (F) to road test the vehicle: or (3) use the vehicle for or allow its use by a charitable organization. [FA1(15)] SECTION 13. Section 503.063, Transportation Code, is amended to read as follows: Sec. 503.063. DEALER-ISSUED LICENSE PLATES FOR BUYER [BUYER'S TEMPORARY TAGS]. (a) Except as provided by this section, a dealer shall issue to a person who buys a vehicle: (1) a license plate or set of license plates, if a license plate is required by law to be displayed on [one temporary buyer's tag for] the vehicle; and (2) a completed and signed form required by, as applicable, Section 503.0631(c) or (d). (b) A license plate or set of license plates issued under this

(b) <u>A license plate or set of license plates issued under this</u> section [Except as provided by this section, the buyer's tag] is valid for the operation of the vehicle <u>while the registration</u>

SECTION 9. Section 503.063, Transportation Code, is amended to read as follows: Sec. 503.063. <u>DEALER-ISSUED LICENSE PLATES FOR</u>

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<u>BUYER</u> [BUYER'S TEMPORARY TAGS]. (a) Except as provided by this section, a dealer shall issue to a person who buys a vehicle:

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

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

(b) <u>A license plate or set of license plates issued under this</u> <u>section</u> [Except as provided by this section, the buyer's tag] is valid for the operation of the vehicle <u>while the registration</u>

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application submitted by the dealer on behalf of the buyer under Section 501.0234 is pending [until the earlier of:
[(1) the date on which the vehicle is registered; or
[(2) the 60th day after the date of purchase].
(c) At the time of issuance of a license plate or set of license plates under this section, the [The] dealer[:

[(1) must show in ink on the buyer's tag the actual date of sale and any other required information; and
 [(2)] is responsible for displaying the license plate or set of license plates in compliance with department rules regarding the placement of license plates [tag].

(d) The dealer is responsible for the safekeeping and distribution of each <u>license plate or set of license plates</u> [buyer's tag] the dealer obtains from the department.

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

[(1) the specifications, color, and form of a buyer's tag; and [(2) procedures for a dealer to:

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

application submitted by the dealer on behalf of the buyer under Section 501.0234 is pending [until the earlier of: [(1) the date on which the vehicle is registered; or [(2) the 60th day after the date of purchase]. (c) Except as otherwise provided by this subsection, at the time of issuance of a license plate or set of license plates under this section, the [The] dealer[: [(1) must show in ink on the buyer's tag the actual date of sale and any other required information; and $\left[\frac{2}{2}\right]$ is responsible for displaying the license plate or set of license plates in compliance with department rules [tag]. If a vehicle is a passenger car or light truck that is not equipped by the manufacturer with an exterior front feature to which a license plate may be fastened without drilling through the exterior of the vehicle, the dealer shall affix the rear license plate in compliance with department rules and provide the unmounted remaining license plate to the vehicle buyer. [FA1(8)] (d) The dealer is responsible for the safekeeping and distribution of each license plate or set of license plates [buyer's tag] the dealer obtains from the department. The dealer is liable for missing or misused license plates. The department may conduct a review of a dealer's compliance with this subsection. [FA1(9)] (e) A dealer shall obtain license plates and sets of license plates from the [The] department in the manner provided by department rules [may not issue a buyer's tag or contract for the issuance of a buyer's tag but shall prescribe:

[(1) the specifications, color, and form of a buyer's tag; and [(2) procedures for a dealer to:

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

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[(B) generate a vehicle-specific number using the database developed under Section 503.0631 for future use for when a dealer is unable to access the Internet at the time of sale; and [(C) clearly display the vehicle-specific number on the tag]. (f) The department shall ensure that a dealer may obtain [generate] in advance a sufficient amount of license plates or sets of license plates [vehicle-specific numbers under Subsection (e)(2)(B) in order to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates [for a period of up to one week in which a dealer is unable to access the Internet due to an emergency]. The department shall establish an expedited procedure to allow a dealer [affected dealers] to obtain [apply for] additional license plates or sets of license plates [vehicle-specific numbers] so the dealer [they] may remain in business [during an emergency].

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

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

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[(B) generate a vehicle-specific number using the database developed under Section 503.0631 for future use for when a dealer is unable to access the Internet at the time of sale; and [(C) clearly display the vehicle-specific number on the tag]. (f) The department shall ensure that a dealer may obtain [generate] in advance a sufficient amount of license plates or sets of license plates [vehicle-specific numbers under Subsection (e)(2)(B) in order to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates [for a period of up to one week in which a dealer is unable to access the Internet due to an emergency]. The department shall establish an expedited procedure to allow a dealer [affected dealers] to obtain [apply for] additional license plates or sets of license plates [vehicle-specific numbers] so the dealer [they] may remain in business [during an emergency].

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

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

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<u>license plate or set of license plates</u> [temporary buyer's tag] under this subsection:

(1) is subject to the provisions of <u>Section</u> [Sections] 503.0631 [and 503.067] applicable to a dealer; and

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

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

(1) the buyer of the vehicle is not a resident of this state; and(2) the vehicle:

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

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

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

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

(1) an antique vehicle as defined by Section 683.077(b); or
(2) a special interest vehicle as defined by Section 683.077(b) that:

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

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

(k) A dealer may not issue a license plate or set of license plates for a vehicle that is exempt from the payment of registration fees under Subchapter J, Chapter 502, until the <u>license plate or set of license plates</u> [temporary buyer's tag] under this subsection:
(1) is subject to the provisions of <u>Section</u> [Sections] 503.0631 [and 503.067] applicable to a dealer; and
(2) is not required to charge the registration fee under Subsection (g).
(i) A vehicle may be issued and display a temporary license

plate under this section [buyer's tag] without satisfying the inspection requirements of Chapter 548 if: [FA1(10)]

(1) the buyer of the vehicle is not a resident of this state; and(2) the vehicle:

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

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

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

(i-1) A temporary license plate issued to a vehicle described by Subsection (i) is valid for 60 days. [FA1(11)]

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

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

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

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

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

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

plates for a vehicle that is exempt from the payment of

registration fees under Subchapter J, Chapter 502, until the

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department approves the application for registration of the vehicle.

SECTION 10. The heading to Section 503.0631, Transportation Code, is amended to read as follows: Sec. 503.0631. [BUYER'S TEMPORARY TAG] DATABASE OF DEALER-ISSUED LICENSE PLATES.

SECTION 11. Section 503.0631, Transportation Code, is amended by amending Subsections (a), (b), (c), and (d) and adding Subsections (c-1), (d-1), and (d-2) to read as follows: (a) The department shall develop, manage, and maintain a secure, real-time database of information on <u>buyers</u> [persons] to whom <u>dealers issue a license plate or set of</u> <u>license plates under Section 503.063</u> [temporary buyer's tags are issued] that may be used by a law enforcement agency in the same manner that the agency uses vehicle registration information.

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

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

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

department approves the application for registration of the vehicle.

SECTION 14. Same as House version.

SECTION 15. Section 503.0631, Transportation Code, is amended by amending Subsections (a), (b), (c), and (d) and adding Subsections (c-1), (d-1), and (d-2) to read as follows: (a) The department shall develop, manage, and maintain a secure, real-time database of information on <u>buyers</u> [persons] to whom <u>dealers issue a license plate or set of</u> <u>license plates under Section 503.063 or 503.065</u> [temporary <u>buyer's tags are issued</u>] that may be used by a law enforcement agency in the same manner that the agency uses vehicle registration information.

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

(c) Except as provided by Subsection (d), before a <u>license</u> plate or set of license plates issued under Section 503.063 or 503.065 [buyer's temporary tag] may be displayed on a

vehicle, a dealer must, as prescribed by the department:

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

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set of license plates [tag] was issued; [as prescribed by the department] and

(2) complete and sign a form prescribed by the department stating that the dealer entered the buyer's information into the database as required by Subdivision (1) [generate a vehiclespecific number for the tag as required by Section 503.063(e)].

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

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

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

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

set of license plates [tag] was issued; [as prescribed by the department] and

(2) complete and sign a form prescribed by the department stating that the dealer entered the buyer's information into the database as required by Subdivision (1) [generate a vehiclespecific number for the tag as required by Section 503.063(e)].

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

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

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

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

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SECTION 16. Subchapter C, Chapter 503, Transportation

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

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

(b) The maximum number of license plates or sets of license plates that the department determines a dealer may obtain under this section must be based on the dealer's anticipated need for license plates and sets of license plates, taking into consideration: (1) the dealer's: (A) time in operation;

(B) sales data; and

(C) expected growth;

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

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

(4) any other information the department considers relevant. (c) At the request of a dealer, the department may authorize additional license plates or sets of license plates for the dealer if the dealer demonstrates a need for additional license plates or sets of license plates resulting from business operations, including anticipated need. (d) The department's denial of a request under Subsection

(c) may be overturned if a dealer shows by a preponderance

Code, is amended by adding Section 503.0633 to read as follows: Sec. 503.0633. DEPARTMENT REGULATION OF DEALER-ISSUED LICENSE PLATES AND ACCESS TO DATABASE OF DEALER-ISSUED LICENSE PLATES. (a) The department by rule may establish the maximum number of license plates or sets of license plates that a dealer may obtain in a calendar year under Sections 503.063 and 503.065. (b) The maximum number of license plates or sets of license plates that the department determines a dealer may obtain under this section must be based on the dealer's anticipated need for license plates and sets of license plates, taking into consideration: (1) the dealer's: (A) time in operation; (B) sales data; and (C) expected growth; (2) expected changes in the dealer's market; (3) temporary conditions that may affect sales by the dealer; and (4) any other information the department considers relevant. (c) At the request of a dealer, the department may authorize additional license plates or sets of license plates for the dealer if the dealer demonstrates a need for additional license plates or sets of license plates resulting from business operations, including anticipated need. (d) The department's denial of a request under Subsection (c) may be overturned if a dealer shows by a preponderance

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of the evidence the need for additional license plates or sets of license plates.

(e) The department shall monitor the number of license plates and sets of license plates obtained by a dealer.
(f) If the department determines that a dealer is fraudulently obtaining license plates or sets of license plates or fraudulently using the database of dealer-issued license plates, the department may, after giving notice electronically and by certified mail to the dealer, deny access to the database of dealer-issued license plates of dealer-issued license plates under this subsection may request a hearing on the denial as provided by Subchapter O, Chapter 2301, Occupations Code.

No equivalent provision.

of the evidence the need for additional license plates or sets of license plates. (e) The department shall monitor the number of license

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

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

(a) The department may issue or cause to be issued to a person a temporary <u>metal</u> license plate authorizing the person to operate a new unregistered vehicle on a public highway of this state if the person:

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

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

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

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	 (c) A person may not use a [temporary] license plate issued under this section on a vehicle transporting property. (d) A [temporary] license plate issued under this section expires on [not later than] the 60th [30th] day after the date on which it is issued. The department shall place or cause to be placed on the license plate at the time of issuance the date of expiration and the type of vehicle for which the license plate is issued. (e) The fee for a [temporary] license plate may be issued for each vehicle.
No equivalent provision.	 SECTION 18. Section 503.066(d), Transportation Code, is amended to read as follows: (d) A [metal] license plate issued under <u>Section 503.061, 503.062, or 503.064</u> [this chapter] expires on the same date as the expiration of the license under which it is issued.
 SECTION 13. Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0671 to read as follows: Sec. 503.0671. UNAUTHORIZED USE OR DISTRIBUTION OF DEALER-ISSUED LICENSE PLATE. (a) A person may not operate a vehicle that displays a dealer-issued license plate or set of license plates in violation of this chapter or Chapter 502. (b) A person may not sell or distribute a dealer-issued license plate or set of license plate to be a dealer-issued license plate or set of license plates unless 	 SECTION 19. Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0671 to read as follows: Sec. 503.0671. UNAUTHORIZED USE OR DISTRIBUTION OF DEALER-ISSUED LICENSE PLATE. (a) A person may not operate in violation of this chapter or Chapter 502 a vehicle that displays a dealer-issued license plate or set of license plates. (b) A person may not sell or distribute a dealer-issued license plate or set of license plates or an item represented to be a dealer-issued license plate or set of license plate or set of license plates unless

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the or set of license the person is a dealer issuing the license plate or set of license

the person is a dealer issuing the license plate or set of license plates in connection with the sale of a vehicle.

SECTION 14. The heading to Section 503.068, Transportation Code, is amended to read as follows: Sec. 503.068. LIMITATION ON USE OF DEALER'S LICENSE PLATES [AND TAGS].

SECTION 15. Sections 503.068(b), (c), and (d), Transportation Code, are amended to read as follows:

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

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

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

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

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

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

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

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

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

plates in connection with the sale of a vehicle.

SECTION 20. Same as House version.

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

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

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SECTION 22. Same as House version.

SECTION 23. Same as House version.

No equivalent provision.

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SECTION 16. The heading to Section 503.069, Transportation Code, is amended to read as follows: Sec. 503.069. DISPLAY OF LICENSE PLATES [AND TAGS].

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

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

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

(f) Subsection (e) does not apply to the issuance of specialized license plates for limited distribution, including exempt plates for governmental entities [and temporary registration plates].

No equivalent provision.

SECTION ____. The heading to Section 504.901, Transportation Code, is amended to read as follows: Sec. 504.901. TRANSFER [AND_REMOVAL] OF LICENSE PLATES. [FA1(15)]

No equivalent provision.

SECTION ____. Section 504.901, Transportation Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:(a) On the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under Chapter

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	[(2) a new registration insignia for the motor vehicle.] (b-1) The purchaser of a motor vehicle may request
	replacement license plates under Section 504.007.
	[FA1(15)]

No equivalent provision.

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

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

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

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

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

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

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

(2) a vehicle moving under or bearing a [paper dealer intransit tag,] machinery license, disaster license, parade license, prorate tab, [one-trip permit, vehicle temporary transit permit,] antique license, custom vehicle license, street rod license, [temporary 24-hour permit,] or permit license;
(3) a trailer, semitrailer, pole trailer, or mobile home having

an actual gross weight or registered gross weight of 7,500 pounds or less;

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

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

No equivalent provision.

SECTION 25. Section 548.052, Transportation Code, is amended to read as follows:

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

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

(2) a vehicle moving under or bearing a [paper dealer intransit tag,] machinery license, disaster license, parade license, prorate tab, one-trip permit, vehicle temporary transit permit, antique license, custom vehicle license, street rod license, temporary 24-hour permit, or permit license;

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

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

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

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(6) a vehicle qualified for a tax exemption under Section

(7) a vehicle for which a certificate of title has been issued

but that is not required to be registered, including an off-

highway vehicle registered under Section 502.140(c).

SECTION 26. Same as House version.

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

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

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

(12) "Vehicle registration" means:

(A) a registration certificate, registration receipt, or number

plate issued under Chapter 502; or

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

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

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

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

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

(A) not more than 24 hours; or

(B) not more than 48 hours, if:

(i) the vehicle is unable to leave this state within 24 hours because of circumstances beyond the control of the motor carrier operating the vehicle; and No equivalent provision.

152.092, Tax Code; or

23.144.1446

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(ii) all financial responsibility requirements applying to the vehicle are satisfied;

(3) the vehicle is registered and licensed as required by the country in which the person that owns the vehicle is domiciled or is a citizen as evidenced by a valid metal license plate attached to the front or rear of the exterior of the vehicle; and

(4) the country in which the person that owns the vehicle is domiciled or is a citizen provides a reciprocal exemption for commercial motor vehicles owned by residents of this state.

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

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

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

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

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

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

No equivalent provision.

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(4) [(5)] a registration requirement under Chapter 645, Transportation Code, to the extent authorized by federal law; or (5) [(6)] a fuel tax requirement under the International Fuel

(5) [(0)] a fuel tax requirement under the international Fuel Tax Agreement described by 49 U.S.C. Section 31701 et seq., to the extent authorized by federal law.

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

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

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

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

No equivalent provision.

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

No equivalent provision. SECTION 29. [Deleted by FA1(14)]

SECTION ____. The Texas Department of Motor Vehicles may adopt rules necessary to implement or administer the changes in law made by this Act. Rules adopted under this section must be adopted not later than December 1, 2024. [FA1(15)]

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SECTION 24. The following provisions of the Transportation Code are repealed: (1) Section 502.092; (2) Section 502.093; (3) Section 502.094; (4) Section 502.095; (5) Section 502.474; (6) Section 502.476; (7) Section 502.477; (8) Section 502.492; (9) Section 503.062; (10) Section 503.0625; (11) Section 503.0626; (12) Section 503.0632: (13) Section 503.065; (14) Section 503.067; (15) Section 503.068(a); and (16) Section 503.094(d).

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

SECTION 28. (a) Except as otherwise provided by Subsection (b) of this section, this Act takes effect March 1, 2025.
(b) Section 26 of this Act takes effect September 1, 2023.

SECTION 27. The following provisions of the Transportation Code are repealed: (1) Section 502.092;

(2) Section 502.477;

(3) Section 503.062(d); [FA1(12)]
(4) Section 503.0625;
(5) Section 503.0626;
(6) Section 503.0632;
(7) Section 503.067;
(8) Section 503.068(a);
(9) Section 503.094(d); and

(10) Sections 504.901(c), (d), and (e). [FA1(13)]

SECTION 30. Same as House version.

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

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