

BILL ANALYSIS

Senate Research Center
89R9976 AJZ-F

S.B. 1104
By: Hughes
Transportation
4/16/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Motor Vehicles (TxDMV) adopted rules requiring all motor vehicle, trailer, and recreational vehicle dealers to submit fingerprinting for each general distinguishing number (GDN) license application or renewal. These rules mandate that each licensed location have on file the fingerprints of a "bona fide" employee who is a Texas resident and physically present at the licensed location. TxDMV implemented these rules in 2022 in response to reports of fraudulent issuance of temporary tags in traditional motor vehicles, but these rules have been applied broadly to all types of motor vehicles. As a result, retailers that do not sell traditional motor vehicles, but that do sell trailers and recreational vehicles, are now required to fingerprint one or more Texas-resident employees for every store location.

Since large retailers that sell trailers and recreational vehicles have numerous store locations across Texas, they face significant regulatory challenges in complying with this requirement. Some retail stores only have four to six employees at any time in a store, and the retail industry experiences a high turnover rate of approximately 60 percent annually. The requirement to maintain multiple employees per location to undergo fingerprinting and to be physically present at all times is not practicable and creates negative impacts for businesses of this nature, particularly for retailers with a large number of locations throughout Texas. It exceeds the original intent of preventing temporary tag fraud associated with traditional motor vehicle dealers.

S.B. 1104 seeks to address this issue by allowing large retailers that operate more than 10 locations in Texas to designate a single manager or other bona fide employee to be fingerprinted and serve as the registered employee of record for all store locations within a 100-mile radius. This tailored approach preserves the purpose of TxDMV's rules in preventing fraud while providing appropriate flexibility to retailers, which were not the intended target of the new regulations. S.B. 1104 reflects a balanced solution that supports Texas's business-friendly regulatory environment while safeguarding the integrity of motor vehicle licensing processes.

As proposed, S.B. 1104 amends current law relating to fingerprinting requirements for the issuance of dealer general distinguishing numbers to certain persons.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 503, Transportation Code, by adding Section 5003.0292, as follows:

Sec. 203.0292. FINGERPRINTING REQUIREMENTS FOR CERTAIN DEALERS. (a) Provides that this section applies only to a person who is an applicant for or holds a dealer general distinguishing number for 10 or more locations.

(b) Authorizes the Texas Department of Motor Vehicles (TxDMV), notwithstanding any other law, to require a person described by Subsection (a)

who applies for an original or renewal dealer general distinguishing number under Section 503.029 (Application for Dealer General Distinguishing Number) to submit to TxDMV a complete set of fingerprints to obtain the original or renewal number only if TxDMV requires, for each location for which the person applies for a dealer general distinguishing number, a complete set of fingerprints from not more than one manager or other bona fide employee whose regular place of work is located within 100 miles of that location. Provides that, for purposes of this subsection, a complete set of fingerprints from one manager or other bona fide employee satisfies the fingerprint requirements for a person's application for a dealer general distinguishing number for all locations from which the person conducts business as a dealer that are located within 100 miles of the location of the fingerprinted manager's or employee's regular place of work.

SECTION 2. Effective date: September 1, 2025.