

BILL ANALYSIS

S.B. 1365
By: Nichols
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Department of Motor Vehicles (TxDMV) administers a broad range of motor vehicle programs, including vehicle registration and titling, vehicle dealer regulation, bus and carrier credentialing for intrastate and interstate commerce, oversize and overweight permit issuance, and grants to law enforcement agencies to reduce vehicle burglaries and thefts. S.B. 1365 seeks to revise current law with regard to the applicability to certain fraudulent registration activity of certain provisions of the Administrative Procedure Act regarding contested case requirements and, among other provisions, to clarify current law regarding the additional electric vehicle fee and regarding vehicle registration periods and to grant TxDMV additional authority to deny a dealer access to the dealer-issued license plate database.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1365 amends the Government Code to except from provisions of the Administrative Procedure Act relating to declaratory judgment, court enforcement, and contested cases the refusal to issue or renew a motor vehicle registration or the cancellation, suspension, or revocation of a motor vehicle registration under applicable Transportation Code vehicle registration provisions or rules adopted by the Texas Department of Motor Vehicles (TxDMV) under those provisions.

S.B. 1365 amends the Transportation Code to require TxDMV to designate a vehicle registration period of 24 consecutive months to begin on the first day of a calendar month and end on the last day of the 24th calendar month for a passenger car or light truck that, as follows:

- is sold in Texas or purchased by a commercial fleet buyer deputized under applicable state law to perform titling and registration duties for use in Texas;
- has not been previously registered in Texas or another state; and
- on the date of sale, is of the current or preceding model year.

The bill accordingly updates the requirement for TxDMV to use the date of sale of an applicable vehicle in designating the registration year for the vehicle to require TxDMV instead to use that date in designating the registration period for the vehicle.

S.B. 1365 limits TxDMV's authority to refuse to register a motor vehicle and to cancel, suspend, or revoke a registration if TxDMV determines that a motor vehicle is unsafe, improperly

equipped, or otherwise unfit to be operated on a public highway by authorizing TxDMV to take such actions as follows:

- only after providing to the owner of the motor vehicle for which the registration will be refused, canceled, suspended, or revoked notice of the proposed action and an opportunity to respond; and
- without a hearing.

S.B. 1365 updates the statutory provision imposing an additional fee for the registration or renewal of registration of an electric vehicle to reflect the expiration of the statutes imposing the two-year initial inspection period and the general one-year inspection period to clarify that the additional fee for registration or renewal of registration of the electric vehicle is \$200 for each 12 months of registration. The bill updates the statutory provision providing for the \$10 fee for a dealer's temporary license plate to reflect the July 1, 2025, expiration of the provision regarding dealer's temporary tags by clarifying that the fee is for an original license plate and that there is no fee for the renewal of the same license plate.

S.B. 1365 authorizes TxDMV, if it determines that a dealer is obtaining or using vehicle inspection reports that are counterfeit, tampered with, altered, fictitious, issued for another vehicle, issued for a vehicle failing to meet all emissions inspection requirements, or issued in violation of certain laws, to deny access to the database of dealer-issued license plates to the dealer after giving notice electronically and by certified mail to the dealer.

EFFECTIVE DATE

September 1, 2025.