

BILL ANALYSIS

Senate Research Center
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S.B. 1365
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Transportation
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Motor Vehicles (TxDMV) administers broad-ranging motor vehicle programs. This includes 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 is one of several agency clean-up bills.

S.B. 1365 simplifies the electric vehicle fee by stating the fee is \$200 per year of registration. This corrects a conflict created by the passage of S.B. 505 and H.B. 3297 during the 88th Session. It also resets the authorization for two-year initial registration following the repeal of the two-year safety inspection process in H.B. 3297.

S.B. 1365 language would ensure the dealer temporary license plate fee is a one-time \$10 per plate.

TxDMV has the authority under Section 503.0633, Transportation Code, to deny a dealer access to the dealer-issued license plate database if the dealer fraudulently issues license plates or fraudulently uses the database. That authority does not extend to a dealer issuing or obtaining fraudulent vehicle inspection reports. S.B. 1365 adds inspection fraud to the instances when the current database access denial process can be used. This will allow for better enforcement of vehicle inspection requirements.

S.B. 1365 extends TxDMV's authority under Chapter 502, Transportation Code, to deny or revoke a vehicle's registration. Specifically, Section 502.048 permits denial or revocation of a vehicle registration if the vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway. The law in general, such as the due process clauses of the Constitution and Chapter 2001 of the Government Code, requires agencies to follow procedural steps to take certain actions on registrations. To expedite enforcement of fraudulent activities, S.B. 1365 adds denials and revocations of vehicle registrations to the list of exceptions to contested case requirements in Section 2001.223, Government Code. Also, the requirement for notice and opportunity to respond, but not an actual hearing, could be added to Section 502.048, Transportation Code.

As proposed, S.B. 1365 amends current law relating to vehicle registration, license plates, and inspection reports.

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 Section 2001.223, Government Code, as effective April 1, 2025, as follows:

Sec. 2001.223. EXCEPTIONS FROM DECLARATORY JUDGMENT, COURT ENFORCEMENT, AND CONTESTED CASE PROVISIONS. Provides that Section

2001.038 (Declaratory Judgment) and certain subchapters do not apply to certain actions, including the refusal to issue or renew a motor vehicle registration or the cancellation, suspension, or revocation of a motor vehicle registration under Chapter 502 (Registration of Vehicles), Transportation Code, or rules adopted by the Texas Department of Motor Vehicles (TxDMV) under that chapter. Makes nonsubstantive changes.

SECTION 2. Amends Section 502.044, Transportation Code, by adding Subsection (a-1) and amending Subsection (e), as follows:

(a-1) Requires TxDMV, notwithstanding Subsection (a) (relating to defining "alternatively fueled vehicle"), 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 is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) (relating to providing that certain provisions do not apply to a motor vehicle purchased by a commercial fleet buyer meeting certain criteria) for use in this state, that has not been previously registered in this or another state, and, on the date of sale, is of the current or preceding model year.

(e) Requires TxDMV to use the date of sale of the vehicle in designating the registration period, rather than year, for a vehicle for which registration is applied for under Section 501.0234 (Duty of Vehicle Dealer on Sale of Certain Vehicles).

SECTION 3. Amends Section 502.048, Transportation Code, as follows:

Sec. 502.048. REFUSAL TO REGISTER UNSAFE VEHICLE. (a) Creates this subsection from existing text. Authorizes TxDMV, subject to Subsection (b), 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. Makes a nonsubstantive change.

(b) Provides that TxDMV is authorized to take action under Subsection (a) 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.

SECTION 4. Amends Section 502.360(b), Transportation Code, as follows:

(b) Requires an applicant, in addition to other fees authorized under this chapter, at the time of application for registration or renewal of registration of an electric vehicle, to pay an additional fee of \$200 for each 12 months of registration, rather than for the registration or renewal of registration of a vehicle to which Section 548.101 (General One-Year Inspection Period) applies. Deletes existing text requiring the applicant, under certain circumstances, to pay an additional fee of \$400 for the registration of a new vehicle to which Section 548.102 (Two-Year Initial Inspection Period for Passenger Car or Light Truck) applies. Makes nonsubstantive changes.

SECTION 5. Amends Section 503.008(a), Transportation Code, as effective July 1, 2025, to provide that the fee for a dealer's temporary license plate issued under Section 503.062 (Dealer's Temporary Tags) is \$10 for an original license plate and \$0 for the renewal of the same license plate.

SECTION 6. Amends Section 503.0633(f), Transportation Code, as effective July 1, 2025, to authorize TxDMV, if TxDMV determines that a dealer is fraudulently obtaining license plates or sets of license plates, fraudulently using the database of dealer-issued license plates, or obtaining or using vehicle inspection reports described by Section 548.603(a)(1) (relating to presenting falsified inspection reports or insurance documents), after giving notice electronically and by certified mail to the dealer, to deny access to the database of dealer-issued license plates to the dealer.

SECTION 7. Effective date: September 1, 2025.