

By: Nichols, et al.

S.B. No. 1902

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the dealer-issued license plates database and to the removal and transfer of license plates.

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

SECTION 1. Section 503.0633(f), Transportation Code, as effective July 1, 2025, is amended to read as follows:

(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, or has been denied access to the temporary tag database under former Section 503.0632(f), 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 2. Section 504.901, Transportation Code, as effective July 1, 2025, is amended to read as follows:

Sec. 504.901. REMOVAL AND TRANSFER OF LICENSE PLATES. (a) 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 remove each license plate issued for the motor vehicle. The dealer shall transfer each removed license plate to a motor vehicle if that motor vehicle is purchased from the dealer and the license

1 plates are appropriate for the class of vehicle to which the plates
2 are being transferred [~~Each license plate issued for the motor~~
3 ~~vehicle shall be assigned to a subsequent purchaser of the motor~~
4 ~~vehicle at retail sale as required by Section 503.063~~].

5 (b) On the sale or transfer of a motor vehicle to a person
6 who does not hold a general distinguishing number issued under
7 Chapter 503, the seller shall remove each license plate issued for
8 the motor vehicle. The removed license plates may be transferred to
9 another vehicle titled in the seller's name if the license plates
10 are appropriate for the class of vehicle to which the plates are
11 being transferred and the seller obtains:

12 (1) the department's approval of an application to
13 transfer the license plates; and

14 (2) a new registration insignia for [~~shall remain~~
15 ~~with~~] the motor vehicle.

16 (c) A license plate removed from [~~(b-1) The purchaser of~~] a
17 motor vehicle that is not transferred to another motor vehicle must
18 be disposed of in a manner prescribed by the department not later
19 than the 10th day after the date the license plate is removed from
20 the motor vehicle [~~may request replacement license plates under~~
21 ~~Section 504.007~~].

22 SECTION 3. Not later than October 1, 2025, the Texas
23 Department of Motor Vehicles shall adopt rules as necessary to
24 implement or administer the changes in law made by this Act.

25 SECTION 4. This Act takes effect July 1, 2025, if this Act
26 receives a vote of two-thirds of all the members elected to each
27 house, as provided by Section 39, Article III, Texas Constitution.

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1 If this Act does not receive the vote necessary to take effect on
2 that date, this Act takes effect September 1, 2025.