

## **BILL ANALYSIS**

C.S.H.B. 1711  
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Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the significant costs incurred by the state relating to the vehicle registration process. It is noted that some recent reports estimate that the state could save time, money, and effort by reducing and eliminating various parts of this process and implementing new approaches. C.S.H.B. 1711 seeks to address one such issue by providing for the issuance of digital license plates.

### **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 rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 1711 amends the Transportation Code to require the board of the Texas Department of Motor Vehicles (TxDMV) by rule to allow a registered vehicle to be equipped with a digital license plate that is placed on the rear of the vehicle in lieu of a physical license plate and to authorize TxDMV to contract with digital license plate providers for the issuance of digital license plates, including any services related to the issuance of digital license plates.

C.S.H.B. 1711 requires the rule to require the owner of a vehicle issued a digital license plate to obtain a physical license plate to be placed on the front of the vehicle unless the vehicle is of a class of vehicles that is not required to display two license plates, as provided by other law.

C.S.H.B. 1711 subjects a digital license plate to state laws applicable to a physical license plate, except as otherwise provided by the bill or a related rule, requires the board, not later than December 31, 2019, to adopt rules as necessary to implement and administer the bill's provisions, and authorizes the rules to:

- authorize the display of the vehicle's registration insignia on a digital license plate issued for the vehicle in lieu of attaching the registration insignia to the inside of the vehicle's windshield;
- establish a fee in an amount necessary to cover any administrative costs incurred that relate to the issuance of a digital license plate and exceed the administrative costs incurred for the issuance of a physical license plate; or
- prohibit a digital license plate provider from contracting with TxDMV in the marketing of specialty plates.

C.S.H.B. 1711 requires the board by rule to set the specifications and requirements for digital

license plates, including requirements for the placement of such plates. The bill requires the design of and information displayed on a digital license plate to be approved by TxDMV. The bill sets out specific requirements for digital license plates and requires TxDMV to consult with law enforcement agencies when considering whether to approve the design of a digital license plate. The bill sets out a range of functions that a rule may authorize or for which a rule may establish procedures.

C.S.H.B. 1711 sets out the powers and duties of a digital license plate provider with whom TxDMV contracts for the issuance of digital license plates.

C.S.H.B. 1711 establishes as a defense to prosecution for an offense involving the operation of a motor vehicle and relating to the placement of a license plate or the display of a registration insignia that the vehicle was operated in compliance with the bill's applicable rules.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1711 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute, with respect to the board rule allowing the use of a digital license plate:

- does not include the provision authorizing the rule to authorize the owner of a vehicle issued a digital license plate to attach such a plate to the rear of the vehicle in lieu of attaching two physical license plates to the vehicle but includes a provision requiring the rule, instead, to allow a vehicle to be equipped with a digital license plate that is placed on the rear of the vehicle in lieu of a physical plate;
- does not include a provision authorizing the rule to authorize a digital license plate provider to process vehicle registration transactions on behalf of TxDMV;
- includes a provision requiring the rule to require the owner of the vehicle issued a digital license plate to obtain a physical license plate to be placed on the front of the vehicle unless the vehicle is statutorily exempt from the requirement to display two license plates;
- includes a provision authorizing the rule to establish a fee to cover certain incurred costs of digital license plate issuance that exceed the costs incurred for the issuance of a physical license plate; and
- includes a provision authorizing the rule to prohibit a digital license plate provider from contracting with TxDMV in the marketing of specialty plates.