

**SUBJECT:** Eliminating temporary tags, requiring dealers to offer license plates

**COMMITTEE:** Transportation — committee substitute recommended

**VOTE:** 11 ayes — Canales, Raney, Davis, Gámez, Caroline Harris, Lozano, Lujan, Ordaz, Patterson, Perez, Romero

0 nays

2 absent — Ashby, Landgraf

**WITNESSES:** For — Daniel Scesney, Texas Police Chiefs Association and City of Grand Prairie; Jose Escribano, Travis County Constable Pct 3; Tawny Solbrig (*Registered, but did not testify*: Billy Phenix, American Property Casualty Insurance Association; Debbie Bindseil, Ami Wisdom, Burnet County Jp4; Missy Bindseil, Burnet County Pct 4 Constable; Clifford Sparks, City of Dallas; TJ Patterson, City of Fort Worth; Nadia Islam, City of San Antonio; Javier Castillo, Ramsey Castillo, College Station Police Department; Marvin Ryals, Jennifer Szimanski, Combined Law Enforcement Associations of Texas; James Parnell, Dallas Police Association; Julio Gonzalez, Dallas Police Department; Ron Tooke, Deputy Sheriffs Association of Bexar County; Drew Campbell, DRMC; Jay Crossley, Farm&City; Stephen Myers, Fort Worth; Chad Mahaffey, Fort Worth Police Department; Michael Angel, Thomas Berrettini, Ryan Simpson, Timothy Sliva, Tyler Woods, Grand Prairie Police Department; Christian Bionat, Greater Houston Partnership; Jessica Anderson, Houston Police Department; Arturo Ballesteros, North Texas Tollway Authority; Brian Hawthorne, Sheriffs Association of Texas; Monty Wynn, Texas Municipal League; Dallas Reed, Texas Municipal Police Association; Steven Derrick, Stacy Suits, Travis Constable Pct 3; Mike Bradburn, Travis County; Saul Medrano, Travis County Constable Pct Three; Robert Garza, Travis County Precinct 3; Jeremy Davis, Williamson County Deputies Association; Alfred Nunez, Nathaniel Ragaisis, Williamson County Deputies Association; Noel Johnson, Williamson County Sheriffs Office; Chris Drewry; Wendy Johnson; James Jones; David Kohler)

Against — (*Registered, but did not testify*: Julie Wheeler, Travis County Commissioners Court; J. McCartt, Vroom)

On — Dawn Vieth, Archer County; Kevin Kieschnick, County of Nueces, Tax Assessor Collectors Association of Texas; Shay Luedeke, Tax Assessor-Collector Association; Robert Braziel, Texas Automobile Dealers Association (*Registered, but did not testify*: Roland Luna, Texas Department of Motor Vehicles)

**BACKGROUND:** Transportation Code sec. 503.063 requires a motor vehicle dealer to issue to a buyer a temporary buyer's tag for the vehicle, and provides for the display, term of validity, information content, and form of the tag.

Sec. 503.0631 requires the Texas Department of Motor Vehicles to develop, manage, and maintain a database of information on persons to whom temporary buyer's tags are issued for use by law enforcement.

Concerns have been raised that the current use of temporary paper license tags for motor vehicles could facilitate fraud and other criminal activity.

**DIGEST:** CSHB 718 would repeal statutory requirements for the use of temporary license tags and instead require motor vehicle dealers to issue license plates to buyers upon purchase of a vehicle, if a license plate or set of plates was legally required to be displayed on the vehicle. Such plates would be valid for the operation of the vehicle while the registration application submitted by the dealer on the behalf of the buyer was pending.

Dealers would be required to obtain license plates from the Texas Department of Motor Vehicles (TxDMV) in the manner provided by the department's rules. TxDMV would be required to ensure that a dealer could obtain in advance a sufficient amount of license plates in order to continue selling vehicles without an unreasonable disruption of business due to the unavailability of license plates. A dealer could not issue license plates for a vehicle exempt from registration fees until TxDMV approved the application for the vehicle's registration.

CSHB 718 would revise statute establishing the buyer's temporary tag database to instead require TxDMV to maintain a database of dealer-issued license plates for the same purpose. Before displaying license plates issued under the bill, a dealer would be required to complete and sign a form stating that they had entered the buyer's information into the database. If a dealer was unable to access the Internet at the time of sale to enter the buyer's information into the database, the dealer would have to complete and sign a form including a statement to that effect. The form would have to contain notice to the buyer describing the procedure by which the vehicle's registration insignia would be provided. A buyer would have to keep an original copy of the applicable form in the vehicle until it was registered.

TxDMV would be authorized to establish the maximum number of license plates that a dealer could obtain in a calendar year, based on anticipated need and taking into account:

- the dealer's time in operation, sales data, and expected growth;
- expected changes in the dealer's market;
- temporary conditions that could affect sales by the dealer; and
- any other information TxDMV considered relevant.

The bill would provide for a dealer to receive additional license plates if the dealer demonstrated need. TxDMV could deny access to the database of dealer-issued license plates to a dealer who was obtaining license plates or using the database fraudulently.

CSHB 718 would repeal authorization for certain temporary vehicle permits and associated offenses.

The bill would take effect March 1, 2025, and would apply only to an offense committed on or after that date.