

BILL ANALYSIS

Senate Research Center
76R12979 DRH-D

C.S.H.B. 2539
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State Affairs
5/14/1999
Committee Report (Substituted)

DIGEST

Currently, Texas law does not provide vehicle converters with access to special temporary license plates that allow them to drive new, untitled, and unregistered vehicles on Texas roads. This bill would allow converters to obtain special temporary license plates necessary to drive newly converted vehicles to facilities that add equipment and to new car dealerships for warranty repairs.

PURPOSE

As proposed, C.S.H.B. 2539 sets forth guidelines for the issuance of temporary license plates for vehicle converters.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 503C, Transportation Code, by adding Section 503.0618, as follows:

Sec. 503.0618. CONVERTER'S LICENSE PLATES. Defines "converter." Authorizes a converter to apply for, receive, and attach metal converter's license plates to certain vehicles, instead of registering a vehicle under Chapter 502. Provides that the fee for a metal converter's license plate is \$20. Requires the Texas Department of Transportation (TxDOT) to prescribe a form of an application under this section.

SECTION 2. Amends Chapter 503C, Transportation Code, by adding Section 503.0625, as follows:

Sec. 503.0625. CONVERTER'S TEMPORARY CARDBOARD TAGS. Defines "converter." Authorizes a converter to issue a temporary cardboard tag (tag) for use on an unregistered vehicle by the converter or the converter's employee only to demonstrate or cause to be demonstrated to a prospective buyer who is an employee of a franchised motor vehicle dealer (employee) the vehicle; or convey the vehicle from the converter's place of business to certain destinations, from certain locations to the converter's place of business, or to road test the vehicle. Provides that Subsection (b)(1) does not prohibit a converter from permitting a prospective buyer who is an employee to operate a vehicle while the vehicle is being demonstrated. Exempts a vehicle being conveyed under this section while displaying a temporary tag from the inspection requirements of Chapter 548. Prohibits TxDOT from issuing a tag or contract for the issuance of a tag but is required to prescribe the specifications, form, and color of a tag. Prohibits a converter or an employee of a converter from using a tag issued under this section as authorization to operate a vehicle for the converter's or the employee's personal use.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.