

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 11  
By: Carona  
Transportation & Homeland Security  
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Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The ability of the state to detect, deter, and respond to acts of terrorism, natural disasters, and violent criminal activity is essential to the safety and security of all Texans. There are many weaknesses in the state's ability to take the appropriate measures to mitigate these threats.

C.S.S.B. 11 addresses these weaknesses as follows:

First, under current law, when a disaster overwhelms the local response mechanisms of a local government entity, agencies such as law enforcement and fire departments from an outside local government entity may provide, on request, assistance to the troubled entity under a mutual aid agreement. Recent disasters such as hurricanes Katrina and Rita, flooding along the border, and massive wildfires have revealed a flaw in this approach in that needed assistance may come from an entity far from a requesting entity that has no agreement or understanding with the requesting entity regarding the details of providing such assistance. The state currently lacks a baseline, default plan to determine how agencies will respond to emergencies that overwhelm the capabilities of local units. In response, this bill creates the Texas Statewide Mutual Aid System to provide integrated statewide mutual aid response capability among local government entities without a written mutual aid agreement.

Second, unlike a contract for a cellular telephone service plan with a provider, a prepaid or disposable cellular telephone does not provide any way to link an telephone owner to a telephone number or vice-versa. As such, violent criminal organizations often use such telephones to avoid remote surveillance by law enforcement. In response, this bill places limitations on the sale of prepaid and disposable cellular telephones and requires business that sell such telephones to retain certain information about the purchasers of such telephones.

Third, amateur radio operators are often needed to assist in communications in an emergency, yet there is no mechanism to allow state employees who are amateur radio operators to take paid leave in order to assist in disaster response operations as there is for other needed state employees, such as employees who are Red Cross members. In response, this bill authorizes state employees who are amateur radio operators to, with certain limitations, take leave in order to participate in disaster relief operations with the approval of their supervisor and the governor.

Fourth, current open records laws require school meetings that involve security planning to be open to the public, thereby exposing schools to unnecessary risks. It also unnecessarily limits the participation of the Department of State Health Services (DSHS) in such matters due to an obsolete authorization giving the now-defunct Department of Mental Health and Mental Retardation (MHMR) a seat on the board of directors (board) of the Texas School Safety Center instead of DSHS. In response, this bill authorizes an exception to the open records laws that allows schools to conduct security meetings in private, and changes the reference in law granting MHMR a seat on the board to grant that seat to DSHS.

Fifth, certain vehicles belonging to non-profit disaster relief organizations are only used during disasters, when expeditious travel and conservation of funds are required of these organizations. However, current law subjects such vehicles to paying tolls, which slows their travel and increases disaster response costs. Current law prevents photographs taken by Department of Transportation (TxDOT) toll enforcement cameras from being used in the prosecution of any offense other than a capital offense or the failure to pay a toll. In response, this bill exempts a disaster vehicle identified under current law from the payment of tolls and removes the

prohibition on the use of evidence obtained from TxDOT toll enforcement cameras in the prosecution of any crime.

Sixth, there is no mechanism for the Department of Public Safety to designate vehicles as emergency vehicles during a declared disaster, thereby hindering the expeditious travel of volunteers and agencies providing aid from other parts of the state to a disaster site. In response, this bill creates such a mechanism by prescribing the circumstances under which such vehicles, at the discretion of the state, may be designated and operated as an authorized emergency vehicle.

Seventh, offenses of human trafficking, kidnapping, unlawful restraint, and money laundering often fund criminal enterprises, yet current law does not authorize the use of wiretaps to combat these offenses. Current law also limits wiretaps to facilities described in an application for a wiretap order, limiting usage of wiretaps on newer, portable technologies such as the cellular telephone. This bill authorizes the interception of communications related to offenses of human trafficking, kidnapping, unlawful restraint, and money laundering. It also authorizes a judge to determine that an order authorizing a wiretap need not be limited to a particular facility and to extend the order to any communications of a specified person while the person is in the geographic jurisdiction of the court for reasons set forth in the bill.

Eighth, the 73<sup>rd</sup> Legislature, Regular Session, 1993, reduced the penalty for burglary of a motor vehicle to a Class A misdemeanor during an overhaul of the Penal Code. This resulted in a substantial increase in property damage occurring as a result of burglaries of motor vehicles, thereby increasing the growth of crime rings and consuming a substantial amount of law enforcement resources that could be better allocated to other problems. The total statewide dollar cost related to motor vehicle burglaries was \$168,299,072 in 2005. In response, this bill increases the level of offense for burglary of a vehicle from a Class A misdemeanor to a state jail felony.

Ninth, public broadcasters see it as their social responsibility to facilitate delivery of vital public safety information. However, some local officials have not received the training that is necessary for them to actually utilize the system and issue emergency alerts, thus leaving expensive equipment designed to override regular programming and issue emergency alerts unused when it is needed the most. In response, this bill authorizes the Division of Emergency Management to include provisions in the state emergency management plan to educate and train local officials on the activation of the Emergency Alert System.

Finally, law enforcement agencies have long recognized the problematic nature of temporary cardboard tags given to consumers who buy vehicles from a dealership. These tags cannot be traced back to an individual. A blind stop of a vehicle displaying such a tag whereby an officer has no prior information on the driver of a vehicle, creates an unnecessary danger for an officer making a routine traffic stop. Criminal organizations also use these tags to move undetected throughout state roadways. In response, this bill creates a database of vehicle-specific numbers to be assigned to each tag in order to identify the individual who purchased the vehicle. The bill also requires dealers to charge a five-dollar fee per vehicle purchase in order to make this database self-supporting.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Department of Public Safety in SECTION 6.02 (Section 546.006, Transportation Code) of this bill.

Rulemaking authority is expressly granted to the Department of Transportation in SECTION 10.04 (Section 503.0626, Transportation Code), SECTION 10.06 (Sections 503.0631 and 503.0632, Transportation Code), and SECTION 10.11 of this bill.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. CERTAIN DISASTER RESPONSE PROCEDURES FOR POLITICAL SUBDIVISIONS

SECTION 1.01. Amends Section 418.004, Government Code, by adding Subdivisions (10) through (14) to define “local government entity,” “mutual aid,” “requesting local government entity,” “responding local government entity,” and “system.”

SECTION 1.02. Amends Subchapter E, Chapter 418, Government Code, by adding Section 418.1015, as follows:

Sec. 418.1015. EMERGENCY MANAGEMENT DIRECTORS. (a) Designates the presiding officer of the governing body of an incorporated city or county or the chief administrative officer of a joint board as the emergency management director (director) for the officer’s political subdivision.

(b) Provides that a director serves as the governor’s designated agent in the administration and supervision of duties under this chapter. Authorizes a director to exercise the powers granted to the governor under this chapter on an appropriate local scale.

(c) Authorizes a director to designate a person as emergency management coordinator (coordinator). Requires the coordinator to serve as an assistant to the director for emergency management purposes.

SECTION 1.03. Amends Section 418.107(c), Government Code, to authorize a local government entity, rather than a political subdivision or regional planning commission, to render mutual aid (aid) to other local government entities under aid agreements or the Texas Statewide Mutual Aid System (system). Makes conforming changes.

SECTION 1.04. Amends the heading of Section 418.109, Government Code, to read as follows:

Sec. 418.109. AUTHORITY TO RENDER MUTUAL AID ASSISTANCE.

SECTION 1.05. Amends Section 418.109(d), Government Code, to authorize a local government entity or volunteer group, rather than other local emergency service entities, to render aid to other local entities or volunteer groups on request. Deletes a requirement of the highest ranking officer of the entity from which assistance is requested to provide assistance in accordance with any aid plans developed by the emergency management council (council).

SECTION 1.06. Amends Section 418.110, Government Code, to authorize division of emergency management in the office of the governor (division), in consultation with state fire protection agencies and the Texas Commission on Fire Protection, to develop a statewide aid program for fire emergencies. Provides that such a program does not alter the legal obligations of political subdivisions participating in the system and must be consistent with the state emergency management plan.

SECTION 1.07. Amends Chapter 418, Government Code, by adding Subchapter E-1, as follows:

#### SUBCHAPTER E-1. TEXAS STATEWIDE MUTUAL AID SYSTEM

Sec. 418.111. CREATION OF TEXAS STATEWIDE MUTUAL AID SYSTEM. (a) Establishes the system to provide integrated statewide aid response capacity between local government entities without a written aid agreement (agreement).

(b) Provides that an aid request is considered to be made under the system unless the requesting and responding entities are parties to an agreement in effect when the request is made.

(c) Provides that this subchapter does not affect an agreement between entities in effect on or before this subchapter’s effective date or restrict entities in entering into an agreement as otherwise authorized by statute after this subchapter’s effective date. Provides that, if a request is made between entities that are parties

to an agreement, the terms of the agreement control the rights and obligations of the parties.

Sec. 418.112. ADMINISTRATION BY DIVISION. Requires the division of emergency management in the office of the governor (division) to administer the system and encourage and assist political subdivisions in planning and implementing comprehensive all-hazards emergency management programs, including assisting in ensuring that the local emergency management plan of each subdivision adequately provides for the rendering and receipt of aid.

Sec. 418.113. DISASTER DISTRICTS. (a) Divides the state into disaster districts (districts) to engage in homeland security preparedness and response activities. Provides that the district boundaries coincide with the geographic boundaries of the state planning regions established by the governor under Chapter 391 (Regional Planning Commissions), Local Government Code.

(b) Establishes for each district a district committee composed of local representatives of state agencies, boards, and commissions and organized volunteer groups with representation on the emergency management council.

(c) Requires each district committee to coordinate with political subdivisions located in district to ensure state and federal emergency assets are available as needed for the most efficient and effective response possible.

(d) Requires the public safety director of the Department of Public Safety (DPS) to appoint a commanding officer from the Texas Highway Patrol as chair of each district committee. Sets forth the required duties of the chair.

(e) Requires representatives of the emergency management council assigned to each district to assist and provide guidance, counsel, and administrative support to their respective committee chairs.

Sec. 418.114. PROCEDURES FOR MUTUAL AID. (a) Requires the political subdivisions in each state planning region established by the governor under Chapter 391, Local Government Code, to agree on procedures specifying how aid will be provided when requested.

(b) Requires a copy of the procedures to be provided to the division and the district committee chair.

Sec. 418.115. REQUESTING AND PROVIDING MUTUAL AID ASSISTANCE. (a) Authorizes a request for aid assistance to be submitted verbally or in writing. Requires the request, if made verbally, to be confirmed in writing not later than the 30th day after the date the request was made.

(b) Authorizes the chief or highest ranking officer of a department or agency of a political subdivision to which a request is made, with the approval and consent of the presiding officer or officer's designee of the governing body of that subdivision, to provide the requested assistance in accordance with methods established by the political subdivision's governing body.

Sec. 418.1151. ASSESSMENT OF ABILITY TO RENDER ASSISTANCE. (a) Requires a local government entity to assess local resources to determine their availability to respond to an aid assistance request.

(b) Authorizes a responding local government entity to provide assistance to the extent it determines resources to be available. Provides that the entity is not required to provide assistance unless the entity determines that the entity has sufficient resources to provide assistance, based on current or anticipated events in its jurisdiction.

Sec. 418.1152. SUPERVISION AND CONTROL. Sets forth the requirements of the provided assistance and the entities involved.

Sec. 418.1153. DURATION OF AID. Sets forth the conditions under which the assistance ends.

Sec. 418.116. RIGHTS AND PRIVILEGES. (a) Entitles a person assigned, designated, or ordered to perform services by the governing body of a local government entity employing the person in response to a request under the system to the same compensation and benefits as though the services were rendered for that entity.

(b) Provides that the local government entity employing the person is responsible for the payment of compensation and benefits associated with the performance of services under the system.

Sec. 418.117. LICENSE PORTABILITY. Provides that a person, whose assistance is requested because the person holds a document evidencing qualification in a needed skill, is considered licensed, certified, permitted, or otherwise documented as such in the political subdivision in which the service is provided for as long as necessary, subject to limitations imposed by the chief executive officer or governing body of the requesting local government entity.

Sec. 418.118. REIMBURSEMENT OF COSTS: STATE REQUEST OR FEDERAL DISASTER DECLARATION. (a) Requires the division to administer all requests for reimbursement for costs associated with providing assistance requested by the division in response to a disaster declaration by the president of the United States. Requires such a request to be made in accordance with division procedures.

(b) Authorizes the division to directly request the provision of aid assistance from any local government entity in the system. Requires the state, from available state money, to reimburse the costs of providing assistance requested by the division to which a local government entity responds, including costs for personnel, operation, maintenance, damaged equipment, medical expenses, food, lodging, and transportation incurred by the responding local government entity. Requires the division to make reimbursements from the disaster contingency fund for eligible expenses to the extent that available state money is inadequate, if funds are made available from the fund.

(c) Requires the division, if federal money is available to fund the costs of aid assistance requested by the division, to claim the eligible costs of the responding local government entity on the division's grant application and disburse the federal share of the money to the responding local government entity, with sufficient state funds to cover the assistance costs incurred by the entity.

Sec. 418.1181. REIMBURSEMENT OF COSTS: REQUEST BY LOCAL GOVERNMENT ENTITY. (a) Requires a requesting local government entity to reimburse the costs of providing assistance to the responding entity, including costs for personnel, operation and maintenance of equipment, damaged equipment, food, lodging, and transportation incurred by the responding entity in response to a request for reimbursement.

(b) Requires the requesting local government entity to pay the reimbursement from available funds and, if federal money is available to fund the costs of aid assistance requested by the entity, to claim the eligible costs of the responding local government entity on the requesting entity's subgrant application and disburse the federal share of the money to the responding local government entity, with sufficient state funds to cover the assistance costs incurred by the entity.

SECTION 1.08. Repealer: Sections 418.004(9) (definition of "regional planning commission") and 418.109(a), (b), and (c) (Mutual Aid), Government Code.

SECTION 1.09. Effective date of this article: upon passage or September 1, 2007.

## ARTICLE 2. PREPAID MOBILE TELEPHONES

SECTION 2.01. Amends Title 4, Business & Commerce Code, by adding Chapter 51, as follows:

### CHAPTER 51. SALE OF MOBILE TELEPHONES

Sec. 51.01. DEFINITIONS. Defines “activation,” “business establishment,” “mobile telephone,” “prepaid mobile telephone,” (prepaid phone) and “valid identifying information.”

Sec. 51.02. RESTRICTION ON SALE OF PREPAID MOBILE TELEPHONE. Prohibits a business establishment that sells a prepaid phone from selling a person more than five such telephones from the establishment during a single transaction, unless the customer provides proof of nonprofit status or employment by a governmental entity or political subdivision.

Sec. 51.03. CERTAIN INFORMATION REQUIRED; OFFENSE. (a) Requires a purchaser of a prepaid phone to provide the wireless service provider or other business establishment activating the prepaid phone with certain information set forth in this subsection.

(b) Provides that a purchaser who provides false or misleading information when providing information required under this section commits an offense, and that if such conduct constitutes an offense under another law, the actor may be prosecuted under either law or both.

Sec. 51.04. PREREQUISITES TO ACTIVATION OF PREPAID MOBILE TELEPHONE. Requires a business establishment that engages in the activation of a prepaid phone, before completing an activation, to make a record of the activation, including the name and either the address, date of birth, or social security number of the person activating the prepaid phone.

Sec. 51.05. MAINTENANCE OF RECORDS. Requires a business that activates mobile telephones, unless otherwise provided by federal law, to maintain the records made under Section 51.04 and corresponding information received under Section 51.03 in a secure location until at least the first anniversary of the date the record is made or information received.

Sec. 51.06. CIVIL PENALTY. Provides that a business that violates this chapter is subject to a civil penalty of \$1,000 for a violation, for which the attorney general is authorized to bring suit to collect.

## ARTICLE 3. AMATEUR RADIO OPERATIONS

SECTION 3.01. Amends Subchapter Z, Chapter 661, Government Code, by adding Section 661.919, as follows:

Sec. 661.919. AMATEUR RADIO OPERATORS. (a) Authorizes a state employee holding an amateur radio station license (operator) issued by the Federal Communications Commission to be granted leave to participate in specialized disaster relief services with conditions set forth in this subsection.

(b) Prohibits the number of operators eligible for leave under this section from exceeding 350 state employees at any one time during a state fiscal year. Requires the division to coordinate the establishment and maintenance of the eligible employee list.

SECTION 3.02. Amends Section 37.082(c), Education Code, to provide that the term “paging device” does not include an amateur radio operator under the control of an operator who holds an amateur radio station license issued by the Federal Communications Commission.

ARTICLE 4. CERTAIN OPEN MEETINGS PROVISIONS RELATED TO SCHOOLS  
AND GOVERNMENTAL BODIES; TEXAS SCHOOL SAFETY CENTER

SECTION 4.01. Amends Section 12.1051(b), Education Code, to apply, as previously provided for in this subsection, any laws that concern open meetings or the availability of information to open-enrollment charter schools.

SECTION 4.02. Amends Section 37.108(c), Education Code, to require a school district to report the results of the security audit of the district’s facilities conducted under Subsection (b) to the Texas School Safety Center (center) in the manner required by the center, in addition to the district’s board of trustees.

SECTION 4.03. Amends Section 37.203(a), Education Code, to change to reference authorizing the now-defunct Department of Mental Health and Mental Retardation to a seat on the board of directors of the center to authorize that seat to the Department of State Health Services

SECTION 4.04. Amends Section 37.207, Education Code, as follows:

Sec. 37.207. MODEL SAFETY AND SECURITY AUDIT PROCEDURE. (a) Creates this subsection from existing text.

(b) Requires each school district to report the results of its audits to the center in the manner required by the center.

SECTION 4.05. Amends Section 551.076, Government Code, as follows:

Sec. 551.076. New heading: DELIBERATION REGARDING SECURITY DEVICES, SECURITY AUDITS, OR EMERGENCY OPERATIONS PLANS; CLOSED MEETING. Provides that this chapter (Open Meetings) does not require a governmental body to conduct an open meeting to deliberate a security audit or an emergency operations plan, in addition to other exceptions provided for in this subsection.

ARTICLE 5. PROVISIONS RELATED TO TOLL ROADS

SECTION 5.01. Amends Subtitle G, Title 6, Transportation Code, by adding Chapter 371, as follows:

CHAPTER 371. PROVISIONS APPLICABLE TO MORE THAN ONE TYPE  
OF TOLL PROJECT

Sec. 371.001. VEHICLES USED BY NONPROFIT DISASTER RELIEF ORGANIZATIONS. (a) Defines “toll project” and “toll project entity.”

(b) Prohibits a toll project entity from requiring a vehicle registered under Section 502.203 (Vehicles Used by Nonprofit Disaster Relief Organizations) to pay a toll for the use of a toll project.

SECTION 5.02. Repealer: Section 228.058(d) (which prohibits automated enforcement technology from being used to prosecute an offense except in certain cases), Transportation Code.

ARTICLE 6. OPERATION OF DESIGNATED EMERGENCY VEHICLES

SECTION 6.01. Amends Section 418.013, Government Code, by adding Subsection (c), to require the council to make recommendations to DPS as to which private emergency organizations, such as the American National Red Cross, the Salvation Army, Radio Amateur Civil Emergency Services, and other similar organizations capable of supplementing the state's

resources in a disaster, should be authorized to operate certain vehicles as designated emergency vehicles in the case of a disaster.

SECTION 6.02. Amends Subchapter A, Chapter 546, Transportation Code, by adding Section 546.006, as follows:

Sec. 546.006. DESIGNATED EMERGENCY VEHICLE DURING DECLARED DISASTERS. (a) Requires DPS to designate which organizations and vehicles are authorized to be operated as emergency vehicles during a declared disaster based on the recommendations made under Section 418.013(c), Government Code.

(b) Authorizes a vehicle designated under Subsection (a) to be operated by a designated organization as an authorized emergency vehicle under this subtitle (Rules of the Road) if it meets certain conditions set forth in this subsection.

(c) Requires DPS to adopt rules as necessary to implement this section.

#### ARTICLE 7. INTERCEPTION OF WIRE, ORAL, OR ELECTRONIC COMMUNICATIONS

SECTION 7.01. Amends Article 18.20, Code of Criminal Procedure, by amending Section 4 and adding Section 9A, as follows:

Sec. 4. OFFENSES FOR WHICH INTERCEPTIONS MAY BE AUTHORIZED. Authorizes a judge to issue an order authorizing the interception of wire, oral, or electronic communications (wiretap) only if the prosecutor shows probable cause to believe that the interception will provide evidence of the commission of a felony offense under Chapter 20 (Kidnapping and Unlawful Restraint), 20A (Trafficking of Persons), or 34 (Money Laundering), Penal code, in addition to certain other offenses.

Sec. 9A. INTERCEPTION ORDER FOR COMMUNICATION BY SPECIFIED PERSON. (a) Provides that, notwithstanding Section 8(a)(2)(B) (requiring a description of the facility or facilities to be wiretapped on an application for an order authorizing a wiretap), an application for a wiretap order is not required to contain a description of the nature and location of the facilities where a communication is to be intercepted if a judge of competent jurisdiction determines the person whose communications are to be intercepted is likely to circumvent the order by changing communication devices repeatedly or there are exigent circumstances requiring the order to apply to any communication by that person and not be limited to a specific facility or place.

(b) Provides that a judge making a determination under Subsection (a) is not required to include a description of the nature or location of the facility for which the authority to wiretap is granted, as required by Section 9(b)(2), in the wiretap order. Authorizes the judge to authorize the interception of the communications of a specified person while the person is present in the geographic jurisdiction of the court.

(c) Provides that this section does not place any additional legal obligation on a wire or electronic communications provider to identify or locate a person whose communications are to be intercepted.

SECTION 7.02. Makes application of this article prospective.

#### ARTICLE 8. PUNISHMENT FOR THE OFFENSE OF BURGLARY OF A VEHICLE

SECTION 8.01. Amends Section 30.04(d), Penal Code, to make an offense under this section (Burglary of Vehicles), regardless of whether the vehicle broken into or entered is a rail car, a state jail felony, rather than a Class A misdemeanor.

SECTION 8.02. Makes application of this article prospective.

#### ARTICLE 9. EMERGENCY ALERT SYSTEM

SECTION 9.01. Amends Section 418.042(a), Government Code, to authorize the state emergency management plan to include provisions for the education and training of local officials on activation of the Emergency Alert System established under 47 C.F.R. Part 11, in addition to certain other items as set forth in this subsection. Makes conforming changes.

#### ARTICLE 10. TEMPORARY CARDBOARD TAGS ON VEHICLES

SECTION 10.01. Amends Section 503.005, Transportation Code, by adding Subsections (c) and (d), as follows:

(c) Provides that a dealer who submits information to the database under Section 503.0631 satisfies the requirement for a dealer to notify the Texas Department of Transportation (TxDOT) of the sale or transfer of a motor vehicle, trailer, or semitrailer under this section (Notice of Sale or Transfer).

(d) Provides that the notice required under this section is in addition to the application for vehicle registration and certificate of title a dealer is required to submit under Section 501.0234.

SECTION 10.02. Amends Section 503.062(d), Transportation Code, to require TxDOT to prescribe procedures for a dealer to generate a vehicle-specific number (number) using the database developed under Section 503.0626 and assign the number to each temporary cardboard buyer's tag (tag) and procedures to clearly display such a number, in addition to other items set forth in this subsection. Makes conforming changes.

SECTION 10.03. Amends Section 503.0625(e), Transportation Code, to make conforming changes.

SECTION 10.04. Amends Subchapter C, Chapter 503, Transportation Code, by adding Section 503.0626, as follows:

Sec. 503.0626. DEALER'S AND CONVERTER'S TEMPORARY TAG DATABASE.

(a) Requires TxDOT to develop and maintain a secure, real-time database of information on vehicles to which dealers and converters have affixed tags, to be managed by the vehicle titles and registration division of TxDOT.

(b) Requires the database to allow law enforcement agencies to use the number assigned to and displayed on the tag as required by Section 503.062(d) or 503.0625(e) to obtain information about the dealer or converter that owns the vehicle.

(c) Requires the dealer or converter to enter into the database, through the Internet, information on the vehicle and information about the dealer or converter as prescribed by TxDOT before a tag is authorized to be displayed on the vehicle. Prohibits TxDOT from denying access to the database to any dealer who holds a general distinguishing number issued under this chapter (Dealer's and Manufacturer's Vehicle License Plates) or a dealer or converter licensed under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code.

(d) Requires TxDOT to adopt rules and prescribe procedures necessary to implement this section.

SECTION 10.05. Amends Section 503.063, Transportation Code, by amending Subsections (a), (e), and (f), and adding Subsections (g) and (h), as follows:

(a) Requires a dealer to issue to a person who buys a vehicle one tag for the vehicle.

(e) Requires TxDOT to prescribe procedures for a dealer to take certain actions set forth in this subsection related to the generation and display of a number on the tag.

(f) Requires TxDOT to ensure that a dealer may generate in advance a sufficient amount of numbers under Subsection (e)(2)(B) (numbers generated for use when the Internet is inaccessible) in order to continue selling vehicles for a period of up to one week in which the dealer is unable to access the Internet due to an emergency. Requires TxDOT to establish an expedited procedure to allow affected dealers to apply for additional numbers so they may remain in business during an emergency.

(g) Redesignated from existing Subsection (f). Authorizes a dealer to issue an additional tag to a person, using the same number generated under Subsection (e)(2)(A) (a number generated using the database), after the expiration of 20 working days after the tags' initial issuance and the person to operate the vehicle with the tag if the dealer is unable to obtain the necessary documents for permanent metal license plates because the documents are in the possession of a lienholder not in compliance with certain law. Makes a conforming change.

(h) Requires a dealer to charge the buyer a registration fee of not more than \$5 for each tag other than an additional tag under Subsection (g), as prescribed by TxDOT to be sent to the comptroller for deposit to the credit of the state highway fund.

SECTION 10.06. Amends Subchapter C, Chapter 503, Transportation Code, by adding Sections 503.0631 and 503.0632, as follows:

Sec. 503.0631. BUYER'S TEMPORARY TAG DATABASE. (a) Requires TxDOT to develop and maintain a secure, real-time database of information on persons to whom temporary buyer's tags are issued that may be used by a law enforcement agency in the same manner that the agency uses vehicle registration information, to be managed by the vehicles titles and registration division of TxDOT.

(b) Requires the database to allow law enforcement agencies to use a number assigned to and displayed on the tag as required by Section 503.063(e)(2) to obtain information about the person to whom the tag was issued.

(c) Requires the dealer to enter into the database, through the Internet, information about the buyer of the vehicle for which the tag was issued as prescribed by TxDOT and generate a vehicle-specific number for the tag as required by Section 503.063(e) before a tag is authorized to be displayed on the vehicle, except as provided by Subsection (d). Prohibits TxDOT from denying access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301, Occupations Code.

(d) Requires a dealer to obtain 24-hour Internet access at its place of business. Requires a dealer, if unable to access the Internet at the time of the sale of the vehicle, to complete and sign a form, as prescribed by TxDOT, that states the dealer has Internet access but was unable to access the Internet at the time of the sale. Requires the buyer to keep the original copy of the form in the vehicle until the vehicle is registered to the buyer. Requires the dealer to submit the information required under Subsection (c) not later than the next business day after the time of the sale.

(e) Requires TxDOT to adopt rules and prescribe procedures necessary to implement this section.

Sec. 503.0632. NOTICE TO BUYER. (a) Requires each dealer to provide a one-page written notice to a buyer explaining certain items set forth in this subsection.

(b) Requires the dealer to require the buyer to sign a statement indicating the buyer received notice under this section.

(c) Requires TxDOT to adopt rules regarding the notice as set forth in this subsection.

SECTION 10.07. Amends the heading of Section 503.067, Transportation Code, to read as follows:

Sec. 503.067. UNAUTHORIZED REPRODUCTION, PURCHASE, USE, OR SALE OF TEMPORARY CARDBOARD TAGS.

SECTION 10.08. Amends Section 503.067, Transportation Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Prohibits a person from producing or reproducing a tag or an item represented to be a tag for the purpose of distributing the tag to someone other than a dealer or converter.

(c) Prohibits a person other than a dealer or converter from purchasing a tag.

(d) Prohibits a person from selling or distributing a tag or an item represented to be a tag unless the person is a certain person set forth in this subsection.

SECTION 10.09. Amends Section 503.094, Transportation Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Makes a conforming change.

(d) Set forth certain penalties for offenses under certain sections.

SECTION 10.10. Amends Section 2301.651(a), Occupations Code, to authorize the director of the Motor Vehicle Division of TxDOT to deny an application for a license, revoke or suspend a license, place on probation a person whose license has been suspended, or reprimand a license holder if the applicant or license holder violates the requirements of Section 503.0631, Transportation Code.

SECTION 10.11. (a) Requires TxDOT to adopt rules implementing Sections 503.0626 and 503.0631, Transportation Code, as added by this article, as soon as practicable after the effective date of this Act.

(b) Prohibits TxDOT from enforcing Sections 503.0626 and 503.0631, Transportation Code, as added by this article, until the rules adopted under Subsection (a) of this section take effect and the databases are operational and available to dealers with a general distinguishing number or a converter's license issued under Chapter 2301, Occupations Code.

SECTION 10.12. Makes application of the changes to Sections 503.067 and 503.094, Transportation Code, made by this article prospective.

#### ARTICLE 11. EFFECTIVE DATE

SECTION 11.01. Effective date: September 1, 2007, except as otherwise provided by this Act.