

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1235  
By: Davis, Wendy  
Transportation & Homeland Security  
3/31/2009  
Committee Report (Substituted)

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

Automobile dealers are currently required to use cardboard products for temporary vehicle tags. Allowing new products to be introduced into the industry will relieve the Texas Department of Transportation (TxDOT) from having to identify and be strapped with writing rules around the definition of cardboard. Extending the temporary buyer's vehicle tag and eliminating the "blue" supplemental tag will make it easier for law enforcement to identify counterfeit vehicle tags.

C.S.S.B. 1235 authorizes automobile dealers to use products other than cardboard for temporary vehicle tags. The bill also requires the seller to collect the tax from the purchaser and remit it to the county tax assessor-collector, not later than the 45th day after the date the motor vehicle is delivered to the purchaser.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.022(d), Transportation Code, to provide that Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a buyer's temporary tag, rather than temporary cardboard tag, attached to the vehicle as provided by Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates).

SECTION 2. Amends Sections 503.038(a) and (c), Transportation Code, to make conforming changes.

SECTION 3. Amends the heading to Section 503.062, Transportation Code, to read as follows:

Sec. 503.062. DEALER'S TEMPORARY TAGS.

SECTION 4. Amends Sections 503.062(a), (b) and (d), Transportation Code, as follows:

(a) Makes a conforming change.

(b) Provides that Subsection (a)(1) ( relating to issuing a temporary tag to demonstrate an unregistered vehicle for sale purposes), does not prohibit a dealer from permitting a customer to operate a vehicle temporarily while the customer's vehicle is being repaired. Makes nonsubstantive changes.

(d) Makes conforming changes.

SECTION 5. Amends the heading to Section 503.0625, Transportation Code, to read as follows:

Sec. 503.0625. CONVERTER'S TEMPORARY TAGS.

SECTION 6. Amends Sections 503.0625(b), (e), and (f), Transportation Code, to make conforming changes.

SECTION 7. Amends Sections 503.0626(a) and (c), Transportation Code, to make conforming changes.

SECTION 8. Amends the heading to Section 503.063, Transportation Code, to read as follows:

Sec. 503.063. BUYER'S TEMPORARY TAGS.

SECTION 9. Amends Sections 503.063(a), (b), (g), and (h), Transportation Code, as follows:

(a) Makes a conforming change.

(b) Provides that the buyer's tag, except as provided by this section, is valid for the operation of the vehicle until the earlier of the date on which the vehicle is registered or the 60th, rather than 21st, day after the date of purchase.

(g) Deletes existing text authorizing a dealer, using the same vehicle-specific number generated under Subsection (e)(2)(A) (relating to Texas Department of Transportation (TxDOT) prescribing procedures for generating a vehicle-specific number), to issue an additional temporary cardboard buyer's tag to a person after the expiration of 20 working days after the issue of a temporary cardboard buyer's tag, and the person is authorized to operate the vehicle for which the tag was issued on the additional temporary cardboard buyer's tag if the dealer has been unable to obtain on behalf of the vehicle's owner the necessary documents to obtain permanent metal license plates because the documents are in the possession of a lienholder who has not complied with the terms of Section 501.115(a) (relating to requirements of lienholder when debt is satisfied) and providing that an additional tag issued under the terms of this subsection is valid for a maximum of 20 working days after the date of issue. Redesignates Subsection (h) as Subsection (g). Deletes existing text requiring a dealer, for each buyer's temporary cardboard tag other than an additional temporary cardboard buyer's tag under Subsection (g) to charge the buyer a registration fee of not more than \$5 as prescribed by TxDOT to be sent to the Comptroller of Public Accounts for deposit to the credit of the state highway fund.

SECTION 10. Amends Section 503.0631(c), Transportation Code, to make a conforming change.

SECTION 11. Amends Section 503.065(a), Transportation Code, to delete existing text authorizing TxDOT to issue or cause to be issued to a person a temporary license plate, rather than a temporary license plate made of cardboard or similar material authorizing a person to operate a new unregistered vehicle on a public highway of this state if the person meets certain conditions.

SECTION 12. Amends Section 503.067, Transportation Code, to make conforming changes.

SECTION 13. Amends Sections 503.068(a)-(c), Transportation Code, to make conforming changes.

SECTION 14. Amends Section 503.069(a), Transportation Code, to require that a license plate, other than an in-transit license plate, or a temporary tag issued under this chapter be displayed in accordance with Texas Transportation Commission, rather than board, rules. Makes a conforming change.

SECTION 15. Amends Section 601.002(12), Transportation Code, to redefine "vehicle registration."

SECTION 16. Amends Section 152.041(c), Tax Code, to provide that except as provided by Subsection (f) and Sections 152.0411 and 152.047, rather than Section 152.047, the tax imposed by Section 152.021 is due on the 20th working day after the date the motor vehicle is delivered to the purchaser.

SECTION 17. Amends Section 152.0411(b), Tax Code, to require the seller to collect the tax from the purchaser and remit it to the tax assessor-collector in the manner, rather than in the time

and manner, provided by law not later than the 45th day after the date the motor vehicle is delivered to the purchaser.

SECTION 18. Amends Section 152.069(a), Tax Code, to require the seller of a motor vehicle sold in a seller-financed sale to apply for the registration of, and a Texas certificate of title for, the motor vehicle in the name of the purchaser to the appropriate county tax assessor-collector not later than the 45th day after the date the motor vehicle is delivered to the purchaser.

SECTION 19. Repealer: Section 503.0632 (Notice to Buyer), Transportation Code.

SECTION 20. Makes application of Section 503.067, Transportation Code, as amended by this Act, prospective.

SECTION 21. Effective date: September 1, 2009.