

## **BILL ANALYSIS**

Senate Research Center  
82R19237 JAM-D

H.B. 2357  
By: Pickett (Williams)  
Transportation & Homeland Security  
5/17/2011  
Engrossed

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

The purpose of this bill is to reorganize Chapters 501, 502, 504, and 520 of the Transportation Code (the motor vehicle statutes), including an update to reflect automation capability in systems and payment. The motor vehicle statutes were codified in 1995, but there has not been a complete reorganization of substance since before that time. This bill directly addresses the problem of the statutes being outdated in regard to automation and organization.

H.B. 2357 amends current law relating to motor vehicles and provides penalties.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Motor Vehicles (TxDMV) in SECTION 32 (Section 501.053, Transportation Code), SECTION 46 (Section 501.10015, Transportation Code), SECTION 58 (Section 501.117, Transportation Code), SECTION 59 (Section 501.134, Transportation Code), SECTION 85 (Section 502.043, Transportation Code), SECTION 94 (Section 502.059, Transportation Code), SECTION 180 (Section 504.010, Transportation Code), and SECTION 228 (Section 520.003, Transportation Code) of this bill.

Rulemaking authority previously granted to TxDMV is transferred to the Motor Vehicle Board (board) in SECTION 19 (Section 501.029, Transportation Code), SECTION 87 (Section 502.045, Transportation Code), SECTION 101 (Section 502.094, Transportation Code), and SECTION 180 (Section 504.010, Transportation Code) of this bill.

Rulemaking authority previously granted to TxDMV is modified in SECTION 28 (Section 501.036, Transportation Code), SECTION 59 (Section 501.134, Transportation Code), SECTION 132 (Section 502.255, Transportation Code), SECTION 133 (Section 502.359, Transportation Code), SECTION 140 (Section 502.401, Transportation Code), SECTION 141 (Section 502.402, Transportation Code), and SECTION 221 (Section 504.853, Transportation Code) of this bill.

Rulemaking authority previously granted to TxDMV is rescinded in SECTION 94 (Section 502.059, Transportation Code), SECTION 100 (Section 502.093, Transportation Code), SECTION 102 (Section 502.095, Transportation Code), and SECTION 117 (Section 502.194, Transportation Code) of this bill.

Rulemaking authority is expressly granted to the board in SECTION 32 (Section 501.053, Transportation Code), SECTION 73 (Section 501.173, Transportation Code), SECTION 86 (Section 502.044, Transportation Code), SECTION 87 (Section 502.045, Transportation Code), SECTION 180 (Section 504.010, Transportation Code), SECTION 222 (Section 504.854, Transportation Code), and SECTION 223 (Section 504.855, Transportation Code) of this bill.

Rulemaking authority previously granted to the board is modified in SECTION 172 (Section 504.0011, Transportation Code), SECTION 220 (Section 504.851, Transportation Code), SECTION 221 (Section 504.853, Transportation Code), and SECTION 248 (Section 2302.204, Occupations Code) of this bill.

Rulemaking authority previously granted jointly to TxDMV, the Department of Public Safety of the State of Texas, the Department of Information Resources, and the Texas Department of Insurance is modified in SECTION 136 (Section 502.357, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.002, Transportation Code, as follows:

Sec. 501.002. DEFINITIONS. Redefines "certificate of title," "dealer," "distributor," "first sale," "manufacturer," "motorcycle," "motor vehicle," "new motor vehicle," "owner," "subsequent sale," and "title receipt." Defines "credit card," "debit card," "electric bicycle," "purchaser," "record of title," "seller," "title," "travel trailer," and "vehicle identification number." Makes nonsubstantive changes.

SECTION 2. Amends the heading to Section 501.003, Transportation Code, to read as follows:

Sec. 501.003. PURPOSE.

SECTION 3. Amends Section 501.004(a), Transportation Code, to provide that, except as provided by this section, this chapter applies to all motor vehicles, including a motor vehicle owned by this state or a political subdivision of the state.

SECTION 4. Transfers Section 501.131, Transportation Code, to Subchapter A, Chapter 501, Transportation Code, redesignates it as Section 501.0041, Transportation Code, and amends it as follows:

Sec. 501.0041. RULES; FORMS. Redesignates existing Section 501.131 as Section 501.0041. (a) Makes no changes to this subsection.

(b) Requires the Texas Department of Motor Vehicles (TxDMV) to post forms on the Internet and provide each county assessor-collector with a sufficient supply of any necessary forms on request. Deletes existing text requiring TxDMV in addition to other forms required by this chapter to prescribe forms for a title receipt, manufacturer's certificate, and importer's certificate, and other forms TxDMV determines necessary.

SECTION 5. Transfers Section 501.159, Transportation Code, to Subchapter A, Chapter 501, Transportation Code, redesignates it as Section 501.006, Transportation Code, and amends it as follows:

Sec. 501.006. New heading: ALIAS TITLE. Redesignates existing Section 501.159 as Section 501.006. Authorizes TxDMV, on receipt of a verified request approved by the executive administrator of a law enforcement agency, to issue a title in the form requested by the executive administrator for a vehicle in an alias for the agency's use in a covert criminal investigation, rather than authorizes TxDMV, on receipt of a written request approved by the executive administrator of a law enforcement agency, to issue a certificate of title for a vehicle in alias for the law enforcement agency's use in a covert criminal investigation.

SECTION 6. Amends Section 501.021, Transportation Code, as follows:

Sec. 501.021. New heading: TITLE FOR MOTOR VEHICLE. (a) Requires that a motor vehicle title issued by TxDMV include, rather than provides that a motor vehicle certificate of title is an instrument used by TxDMV that includes:

(1) the name and address of each purchaser and seller at the first sale or subsequent sale, rather than the name and address of the purchaser and seller at the first sale or the transferee and transferor at a subsequent sale;

(2) the make of the motor vehicle;

- (3) the body type of the vehicle;
- (4) the manufacturer's permanent vehicle identification number of the vehicle or the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted;
- (5) the serial number of the vehicle;
- (6) the name and address of each lienholder and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;
- (7) a statement indicating rights of survivorship under Section 501.031;
- (8) if the vehicle has an odometer, the odometer reading at the time of application for the title, rather than if the vehicle has an odometer, the odometer reading indicated by the application for the certificate of title; and
- (9) any other information required by TxDMV.

Deletes existing text requiring that a motor vehicle title issued by TxDMV to include the number on the vehicle's current Texas license plates, if any, a statement that no lien on the vehicle is recorded, or a space for the signature of the owner of the vehicle. Redesignates existing Subdivision (10) as Subdivision (8) and existing Subdivision (11) as Subdivision (9).

- (b) Requires that a printed certificate of title, rather than certificate of title, bear the following statement on its face. Sets forth the required language on the title.
- (c) Makes a conforming change.

SECTION 7. Amends the heading to Section 501.022, Transportation Code, to read as follows:

Sec. 501.022. MOTOR VEHICLE TITLE REQUIRED.

SECTION 8. Amends Sections 501.022(a), (b), and (c), Transportation Code, as follows:

- (a) Requires the owner of a motor vehicle registered in this state to, except as provided by Section 501.029, apply for a title to the vehicle; and prohibits the owner from operating or permitting the operation of the vehicle on a public highway until the owner obtains title and registration for the vehicle, or a receipt evidencing title for registration purposes only under Section 501.029, rather than prohibiting an owner of a motor vehicle registered in this state to operate or permit the operation of the vehicle on a public highway until the owner obtains a certificate of title for the vehicle or until the owner obtain registration for the vehicle if a receipt evidencing title to the vehicle is issued under Section 501.029(b).
- (b) Makes a conforming change.
- (c) Requires the owner of a motor vehicle that is required to be titled and registered in this state to obtain a title, rather than apply for a certificate of title to, the vehicle before selling or disposing of the vehicle.

SECTION 9. Amends Subchapter B, Chapter 501, Transportation Code, by adding Section 501.0225, as follows:

Sec. 501.0225. CERTIFICATE OF TITLE REQUIRED FOR OFF-ROAD VEHICLE. Prohibits a person who purchases, imports, or otherwise acquires an off-road vehicle, as defined by Section 152.001 (Definitions), Tax Code, that is not required to be registered under Chapter 502, from operating or permitting the operation of the vehicle in this state, or selling or disposing of the vehicle in this state, until the person obtains a certificate of title for the vehicle. Provides that this section does not apply to:

- (1) an off-road vehicle that is exempt from motor vehicle sales and use taxation under Section 152.091 (Farm or Timber Use), Tax Code; or
- (2) an off-road vehicle acquired and sold or disposed of by a lienholder exercising a statutory or contractual lien right with regard to the vehicle, except that this section does apply to the purchaser of that vehicle.

SECTION 10. Amends the heading to Section 501.023, Transportation Code, to read as follows:

Sec. 501.023. APPLICATION FOR TITLE.

SECTION 11. Amends Section 501.023, Transportation Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Requires the owner of a motor vehicle to present identification and apply for a title as prescribed by TxDMV, unless otherwise exempted by law, rather than apply for a certificate of title. Requires the owner, to obtain a title, to apply:

- (1) to the county assessor-collector in the county in which the owner is domiciled; or the motor vehicle is purchased or encumbered; or
- (2) if the county in which the owner resided has been declared by the governor as a disaster area, to the county assessor-collector in one of the closest unaffected counties to a county that asks for assistance and continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and is inoperable for a protracted period of time. Deletes existing text requiring an owner to apply on a form prescribed by TxDMV.

(b) Requires the assessor-collector to send the application to TxDMV or enter it into TxDMV's titling system within 72 hours, rather than not later than 24 hours, after receipt of the application. Makes nonsubstantive changes.

(c) Authorizes the owner or lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.091 that is applying for a title for purposes of registration to only apply directly to the TxDMV, rather than requiring the owner or lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.054, that is applying for a certificate of title for purposes of registration to be made directly to TxDMV. Requires that the fee be distributed to the appropriate county assessor-collector in the manner provided by Section 501.138, rather than requiring TxDMV to send the fee to the appropriate county-assessor for distribution in the manner provided by Section 501.138.

(e) Requires that applications submitted to TxDMV electronically request the purchaser's choice of county as stated in Subsection (a) as the recipient of all taxes, fees, and other revenue collected as a result of the transaction.

SECTION 12. Amends Sections 501.0234(a), (b), (d), and (e), Transportation Code, as follows:

(a) Makes a conforming change.

(b) Provides that this section does not apply to a motor vehicle that has been declared a total loss by an insurance company in the settlement or adjustment of a claim for which

the title, rather than certificate of title, has been surrendered in exchange for a salvage vehicle title or salvage record of title issued under this chapter; a nonrepairable vehicle title or a nonrepairable vehicle record of title issued under this chapter or Subchapter D, Chapter 683 (Abandoned Motor Vehicles: Seizure and Auction) (Abandoned Motor Vehicles); or an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B); with a gross weight in excess of 11,000 pounds; or purchased by a commercial fleet buyer who is a full-service deputy under Section 520.008, rather than 502.114, and who utilizes the dealer title application process developed to provide a method to submit title transactions to the county in which the commercial fleet buyer is a full-service deputy. Deletes existing text relating to a certificate of authority issued under Subchapter D, Chapter 683. Makes nonsubstantive changes.

(d) Requires a seller who applies for the registration or a title, rather than certificate of title, for a motor vehicle under Subsection (a)(1) to apply in the county as directed by the purchaser from the counties set forth in Section 501.023, rather than Section 501.023 of this code.

(e) Requires TxDMV to develop, rather than promulgate, a form or electronic process in which the purchaser of a motor vehicle is required to designate the purchaser's choice as set out in Section 501.023 as the recipient of all taxes, fees, and other revenue collected as a result of the transaction, which the tax assessor-collector is authorized by law to retain. Requires a seller to make that form or electronic process available to the purchaser of a vehicle at the time of purchase.

SECTION 13. Amends Subchapter B, Chapter 501, Transportation Code, by adding Section 501.0235, as follows:

Sec. 501.0235. PERSONAL IDENTIFICATION INFORMATION FOR OBTAINING TITLE. (a) Requires TxDMV to require an applicant for a title to provide current personal identification as determined by TxDMV rule.

(b) Authorizes that any identification number required by TxDMV under this section be entered in TxDMV's electronic titling system, but prohibits it from being printed on the title.

SECTION 14. Amends Section 501.024, Transportation Code, as follows:

Sec. 501.024. TITLE RECEIPT. (a) Requires a county assessor-collector who receives an application for a title, rather than certificate, to issue a title receipt to the applicant containing the information concerning the motor vehicle required for issuance of a title under Section 501.02 or Subchapter I after the requirements of this chapter are met, including the payment of the fees required under Section 501.138; and the information is entered into TxDMV's titling system. Deletes existing text relating to the payment of the fees required under Section 501.138 concerning the motor vehicle required for the certificate of title under Section 501.021, including a statement of the existence of each lien as disclosed on the application or a statement that no lien is disclosed.

(b) Requires the assessor-collector, if a lien is not disclosed on the application for a title, to issue a title receipt to the applicant, rather than requiring the assessor-collector, if a lien is not disclosed on the application for a certificate of title, to mark the title receipt "original" and deliver it to the applicant.

(c) Requires the assessor-collector, if a lien is disclosed on the application for a title, to issue a duplicate title receipt to the lienholder, rather than issue duplicate title receipts. Deletes existing text requiring the assessor-collector to mark one receipt "original" and mail or deliver it to the first lienholder disclosed on the application; and mark the second receipt "duplicate original" and mail or deliver it to the address of the applicant provided on the application. Makes a conforming change.

(d) Provides that a title receipt with registration or permit authorizes the operation of the motor vehicle on a public highway in this state for 10 days or until the title is issued, whichever period is shorter. Makes a conforming change.

SECTION 15. Amends Section 501.025, Transportation Code, as follows:

Sec. 501.025. New heading: MANUFACTURER'S CERTIFICATE REQUIRED ON FIRST SALE. Prohibits a county assessor-collector from issuing a title receipt on the first sale of a motor vehicle unless the applicant for the title provides the application for a title and a manufacturer's certificate in a manner prescribed by TxDMV. Deletes existing text providing that a county assessor-collector may not issue a title receipt on the first sale of the a motor vehicle unless the applicant for the certificate of title provides to the assessor-collector the application for a certificate of title and a manufacturer's certificate on a form prescribed by TxDMV that is assigned to the applicant by the manufacturer, distributor, or dealer shown on the manufacturer's certificate as the last transferee, and shows the transfer of the vehicle from its manufacturer to the purchaser, whether a distributor, dealer, or owner, and each subsequent transfer from distributor to dealer, dealer to dealer and dealer to applicant.

SECTION 16. Amends Section 501.027, Transportation Code, as follows:

Sec. 501.027. New heading: ISSUANCE OF TITLE. (a) Requires that on the day that a county assessor-collector issues a title receipt, a copy of the title receipt and all evidence of title be submitted to TxDMV in the period specified in Section 501.023(b). Deletes existing text requiring the assessor-collector to mail to TxDMV a copy of the receipt, and the evidence of title delivered to the assessor-collector by the applicant.

(b) Requires that not later than the fifth day after the date TxDMV receives an application for a titled and TxDMV determines the requirements of this chapter are met, the title be issued to the first lienholder, or TxDMV notify the applicant that TxDMV's titling system has established a record of title of the motor vehicle in the applicant's name if a lien is not disclosed, rather than to send the certificate by first class mail to the applicant at the address provided on the application. Requires TxDMV, if a lien is disclosed on the application, to notify the lienholder that the lien has been recorded, rather than requiring TxDMV, if a lien is disclosed on the application, to send the certificate by first class mail to the first lienholder as disclosed on the application.

SECTION 17. Amends Section 501.0275, Transportation Code, as follows:

Sec. 501.0275. ISSUANCE OF TITLE FOR UNREGISTERED VEHICLE. (a) Requires TxDMV to issue a title for a motor vehicle that complies with the other requirements under this chapter unless:

(1) the vehicle is not registered for a reason other than a reason provided by Section 501.051(a)(6) (relating to the registration of a motor vehicle that is suspended or revoked), rather than 501.051(6); and

(2) the applicant does not provide evidence of financial responsibility that complies with Section 502.046 rather than 502.153 (Evidence of Financial Responsibility).

Makes conforming changes.

(b) Requires the applicant, on application for a title under this section, to surrender any license plates issued for the motor vehicle if the plates are not being transferred to another vehicle and any registration insignia for validation of those plates to TxDMV. Makes a conforming change.

SECTION 18. Amends Section 501.0276, Transportation Code, as follows:

Sec. 501.0276. New heading: DENIAL OF TITLE RECEIPT, TITLE, OR RECORD OF TITLE FOR FAILURE TO PROVIDE PROOF OF EMISSIONS TESTING. Prohibits a county assessor-collector from issuing a title receipt and TxDMV from issuing a certificate of title for a vehicle subject to Section 548.3011 unless proof that the vehicle has passed a vehicle emissions test as required by that section in a manner, rather than form, authorized by that section, is presented to the county assessor-collector with the application for a title. Makes a conforming change.

SECTION 19. Amends Section 501.029, Transportation Code, as follows:

Sec. 501.029. New heading: ACCEPTABLE PROOF OF OWNERSHIP. Authorizes the Motor Vehicle Board (board) by rule, to provide a list of documents required for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. Provides that the fee for application for the receipt is the fee applicable to application for a title. Prohibits the title receipt from being used to transfer an interest in or establish a lien on the vehicle.

SECTION 20. Amends Sections 501.030(b), (d), (e), (f), and (g), Transportation Code, as follows:

(b) Requires an applicant, before a motor vehicle that was not manufactured for sale or distribution in the United States may be titled in this state, to:

(1) provide to the assessor-collector a bond release letter, with all the attachments, issued by the United States Department of Transportation acknowledging receipt of a statement of compliance submitted by the importer of the vehicle; and that the statement meets the safety requirements of 19 C.F.R. Section 12.80(e); or

(2) provide to the assessor-collector proof, satisfactory to TxDMV, rather than satisfactory to the assessor-collector, that the vehicle was not brought into the United States from outside the country. Makes a nonsubstantive change.

(d)-(g) Makes conforming changes.

SECTION 21. Amends Section 501.031, Transportation Code, as follows:

Sec. 501.031. RIGHTS OF SURVIVORSHIP AGREEMENT. (a) Requires TxDMV to include on each title an optional rights of survivorship agreement that provides that if the agreement is between two or more eligible persons, the motor vehicle is held jointly by those persons with the interest of a person who dies to transfer to the surviving person or persons; and provides for the acknowledgment by signature, either electrically or by hand of the persons, rather than requires TxDMV to include on each certificate of title a right of survivorship agreement form that provides that if the agreement is signed by two or more eligible persons, the motor vehicle is held jointly by those persons with the interest of a person who dies to survive to the surviving person or persons; and provide blanks for the signatures of the persons. Makes a conforming change.

(b) Authorizes the title, if the vehicle is registered in the name of one or more of the persons who acknowledged, rather than signed, the agreement to contain a:

(1) rights of survivorship agreement acknowledged, rather than signed, by all the persons; or

(2) remark if a rights of survivorship agreement is on file with TxDMV, rather than remark if a rights of survivorship agreement is surrendered with the application for certificate of title or otherwise on file with TxDMV.

(c) Authorizes ownership of the vehicle to be transferred only by all the persons acting jointly, if all the persons are alive; and on the death of one of the persons by the surviving person or persons by transferring ownership of the vehicle in the manner otherwise required by law, with a copy of the death certificate of the deceased person, rather than authorizes ownership of the vehicle, except as provided in Subsection (g), to be transferred only on the death of one of the persons by the surviving person or persons by transferring certificate of title, in the manner otherwise required by law for transfer of ownership of the vehicle, with a copy of the death certificate of the deceased person attached to the certificate of title application.

(d) Authorizes a rights of survivorship agreement under this section to be revoked only if, rather than by surrender of the certificate of title to the TxDMV and joint application by, the persons named in, rather than who signed, the agreement file a joint application for a new title in the name of the person or persons designated in the application.

(e) Provides that a person is eligible to file, rather than sign, a rights of survivorship agreement under this section if the person:

(1) is married and the spouse of the person is the only other party to the agreement;

(2) Makes no changes to this subdivision; or

(3) is married and provides TxDMV with an affidavit from the person's spouse that attests that the person's interest in the vehicle is the person's separate property, rather than is married and provides TxDMV with an affidavit from the signing person's spouse that attests that the signing person's interest in the vehicle is the signing person's separate property.

(f) Authorizes TxDMV to develop an optional electronic rights of survivorship agreement for public use. Deletes existing text providing that if the title is being issued in connection with the sale of the vehicle, the seller is not eligible to sign a rights of survivorship agreement under this section unless the seller is the child, grandchild, parent, grandparent, brother, or sister of each other person signing the agreement. Deletes existing text authorizing a family relationship required by this subsection to be a relationship established by adoption.

Deletes existing text of Subsection (g) requiring TxDMV, if an agreement, other than the agreement provided for in Subsection (a), providing for right of survivorship is signed by two or more persons, to issue new certificate of title to the surviving person upon application accompanied by a copy of the death certificate of the deceased person. Deletes existing text authorizing TxDMV to develop for public use under this subsection an optional rights of survivorship agreement form.

SECTION 22. Amends Section 501.032, Transportation Code, as follows:

Sec. 501.032. New heading: ASSIGNMENT OF VEHICLE IDENTIFICATION NUMBER BY DEPARTMENT. (a) Requires TxDMV, on proper application, to assign a vehicle identification, rather a serial, number to a travel, rather than house, trailer, a trailer or semitrailer that has a gross vehicle weight that exceeds 4,000 pounds, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment on which:

(1) a vehicle identification, rather than serial, number was not die-stamped by the manufacturer; or



(2) a vehicle identification, rather than serial, number die stamped by the manufacturer has been lost, removed, or obliterated.

(b)-(c) Makes conforming changes.

SECTION 23. Amends Sections 501.033(a), (b), and (d), Transportation Code, as follows:

(a) Authorizes a person determined by law enforcement, rather than TxDMV, or a court to be the owner of a motor vehicle, a part of a motor vehicle, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment to apply to TxDMV, for an assigned vehicle identification number that has been removed, altered, or obliterated.

(b) Requires an application under this section be in a manner prescribed by TxDMV and accompanied by valid evidence of ownership as required by TxDMV, rather than requires an application under this section be on a form prescribed and furnished by TxDMV and accompanied by the certificate of title for the vehicle or other valid evidence of ownership as required by TxDMV if there is not certificate of title.

(d) Requires that the assigned vehicle identification number be die-stamped or otherwise affixed in the manner designated by TxDMV, rather than requiring that the assigned number be die stamped or otherwise affixed to the motor vehicle, part, or item of equipment at the location and in the manner designated by TxDMV.

SECTION 24. Transfers Section 520.011, Transportation Code, to Subchapter B, Chapter 501, Transportation Code, redesignates it as Section 501.0331, Transportation Code, and amends it as follows:

Sec. 501.0331. New heading: MOTOR NUMBER REQUIRED FOR REGISTRATION. Redesignates existing Section 520.011 as Section 501.0331. Deletes existing text providing that a person commits an offense if the person violated this section. Deletes existing text providing that an offense under this subsection is a misdemeanor punishable by a fine of not less than \$50 and not more than \$100.

SECTION 25. Transfers Section 520.012, Transportation Code, to Chapter 501, Transportation Code, redesignates it as Section 501.0332, Transportation Code, and amends it as follows:

Sec. 501.0332. New heading: APPLICATION FOR MOTOR NUMBER RECORD. Redesignates existing Section 520.012 as Section 501.0332. (a) Makes no changes to this subsection

(b) Requires TxDMV to maintain a record of, rather than a separate register for recording, each motor number assigned by TxDMV that includes certain information. Deletes existing text requiring that the record, for each motor number assigned by TxDMV, indicate certain information.

Deletes existing text of Subsection (c) providing that a person who fails to comply with this section commits an offense. Deletes existing text providing that an offense under this subsection is a misdemeanor punishable by a fine of not less than \$10 and not more than \$100.

SECTION 26. Amends Section 501.034, Transportation Code, to make a conforming change.

SECTION 27. Amends Section 501.035, Transportation Code, as follows:

Sec. 501.035. New heading: TITLE FOR FORMER MILITARY VEHICLE. (a) Requires TxDMV, notwithstanding any other law, to issue a title for a former military vehicle if all requirements for issuance of a title are met, rather than requires TxDMV to issue a certificate of title for a former military vehicle that is not registered under the laws of this state if all other requirements for issuance of a certificate of title are met.

(b) Redefines "former military vehicle."

SECTION 28. Amends Section 501.036, Transportation Code, as follows:

Sec. 501.036. New heading: TITLE FOR FARM SEMITRAILER. (a) Authorizes TxDMV, notwithstanding any other provision of this chapter, to issue a title for a farm semitrailer with a gross weight of more than 4,000 pounds if the farm semitrailer is eligible for registration under Section 502.146, rather than Section 504.504; and all other requirements for issuance of a title are met. Makes conforming changes.

(b) Makes a conforming change.

(c) Requires TxDMV to adopt rules, rather than rules and forms, to implement and administer this section.

SECTION 29. Amends Section 501.051, Transportation Code, as follows:

Sec. 501.051. New heading: GROUNDS FOR REFUSAL TO ISSUE OR FOR REVOCATION OR SUSPENSION OF TITLE. (a) Creates this subsection from existing text. Authorizes a title to be refused, canceled, suspended, or revoked by TxDMV, rather than requires TxDMV to refuse to issue a certificate of title or to suspend or revoke a certificate of title. Sets forth certain criteria and makes nonsubstantive changes.

(b) Authorizes TxDMV to rescind, cancel, or revoke an application for a title if a notarized affidavit is presented containing:

(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;

(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;

(3) a statement that the vehicle was never in the possession of the title applicant; or was in the possession of the title applicant; and

(4) the signatures of the dealer, the applicant and any lienholder.

(c) Provides that a rescission, cancellation, or revocation containing the statement authorized under Subsection (b)(3)(B) does not negate the fact that the vehicle has been the subject of a previous retail sale.

SECTION 30. Amends the heading to Section 501.052, Transportation Code, to read as follows:

Sec. 501.052. HEARING ON REFUSAL TO ISSUE OR REVOCATION OR SUSPENSION OF TITLE; APPEAL.

SECTION 31. Amends Sections 501.052(a), (d), and (e), Transportation Code, as follows:

(a) Authorizes an interested person aggrieved by a refusal rescission, cancellation, suspension, or revocation under Section 501.051, to apply for a hearing to the county assessor-collector for the county in which the person is a resident, rather than domiciled.

(d) Makes conforming changes.

(e) Makes a conforming change.

SECTION 32. Amends Section 501.053, Transportation Code, by amending Subsections (a), (b), and (d) and adding Subsection (e), as follows:

(a) Authorizes a person on the filing of the bond to obtain a title, rather than authorizes TxDMV on the filing of the bond to issue the certificate of title.

(b) Requires the bond to be in the manner, rather than form, prescribed by TxDMV; executed by the applicant; issued by a person authorized to conduct a surety business in this state; in an amount equal to one and one-half times the value of the vehicle as determined by TxDMV, which may set an appraisal system by rule, if it is unable to determine that value; and conditioned to indemnify all prior owners and lienholders and all subsequent purchasers of the vehicle or persons who acquire a security interest in the vehicle, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, occurring because of the issuance of the title, rather than certificate of title, for the vehicle or for a defect in or disclosed security interest on the right, title, or interest of the applicant to the vehicle.

(d) Deletes existing text requiring TxDMV to return an expired bond to the person who filed the bond unless TxDMV has been notified of a pending action to recover on the bond.

(e) Authorizes the board by rule to establish a fee to cover the cost of administering this section.

SECTION 33. Amends Section 501.071, Transportation Code, as follows:

Sec. 501.071. SALE OF VEHICLE; TRANSFER OF TITLE. (a) Prohibits a motor vehicle, except as provided in Section 503.039, to be the subject of a subsequent sale unless the owner on the title submits a transfer of ownership of the title, rather than the owner designated in the certificate of title transfers the certificate of title at the time of the sale.

(b) Requires the transfer of the title to be in a manner prescribed by TxDMV that certifies the purchaser is the owner of the vehicle and certifies there are no liens on the vehicle or provides a release of each lien on the vehicle, rather than requiring the transfer of the certificate of title to be on a form prescribed by TxDMV that includes a statement that the signer is the owner of the vehicle, and there are no liens on the vehicle except as shown on the certificate of title or as fully described in the statement.

SECTION 34. Transfers Section 520.022, Transportation Code, to Subchapter D, Chapter 501, Transportation Code, redesignates it as Section 501.0721, Transportation Code, and amends it, as follows:

Sec. 501.0721. New heading: DELIVERY OF RECEIPT AND TITLE TO PURCHASER OF USED MOTOR VEHICLE. Redesignates existing Section 520.022 as Section 501.0721. Deletes existing Subsection (a) designation. Requires a person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle to deliver to the purchaser, rather than transferee, at the time of delivery of the vehicle a properly assigned title or other evidence of title as required by this chapter, rather than Chapter 501. Makes conforming changes. Deletes existing text requiring a person to deliver to the purchaser, at the time of delivery of the vehicle the license receipt issued by TxDMV for registration of the vehicle, if the vehicle was required to be registered at the time of the delivery.

Deletes existing text of Subsection (b) providing that a person commits an offense if the person violates this section. Deletes existing text providing that an offense under this subsection is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 35. Amends Sections 501.074(a), (b), and (c), Transportation Code, as follows:

(a) Requires TxDMV to issue a new title for a motor vehicle registered in this state for which the ownership is transferred by operation of law or other involuntary divestiture of ownership after receiving, rather than for which the ownership is transferred by operation of law, including by inheritance, devise or bequest, bankruptcy, receivership, judicial sale, or other involuntary divestiture of ownership after receiving, among other criteria, including a certified copy of an order appointing a temporary administrator or of the probate proceedings.

(b) Makes a conforming change.

(c) Makes a conforming change.

SECTION 36. Amends Section 501.076(c), Transportation Code, as follows:

(c) Requires the person named as the agent in the limited power of attorney to meet certain requirements, including that the person may be a person who has been appointed by the commissioners court, rather than commissioner's court, as a deputy to perform vehicle registration functions under Section 520.0091, rather than 502.112, a licensed vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents.

SECTION 37. Amends Section 501.091, Transportation Code by amending Subdivisions (2), (3), (6), (7), (8), (9), (10), (12), and (14)-(18) and adding Subdivisions (10-a) and (16-a), to redefine "casual sale," "damage," "major component part," "metal recycler," "motor vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle title," "out-of-state ownership document," "rebuilder," "salvage motor vehicle" "salvage vehicle title," "salvage vehicle dealer," and "self-insured motor vehicle" and to define "salvage record of title" and "nonrepairable record of title."

SECTION 38. Redesignates Section 501.098, Transportation Code, as Section 501.09111, Transportation Code, and amends it as follows:

Sec. 501.09111. New heading: RIGHTS AND LIMITATIONS OF NONREPAIRABLE VEHICLE TITLE, NONREPAIRABLE RECORD OF TITLE, SALVAGE VEHICLE TITLE, OR SALVAGE RECORD OF TITLE. Redesignates existing Section 501.098 as Section 501.09111. (a) Entitles a person who owns a nonrepairable motor vehicle, rather than a person who holds a nonrepairable title for a motor vehicle, to possess, transport, dismantle, scrap, destroy, record a lien as provided for in Section 501.097(a)(3)(A), and sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle and prohibits the person from taking certain actions.

(b) Entitles a person who holds a nonrepairable certificate of title issued prior to September 1, 2003, to the same rights listed in Subsection (a) and to repair, rebuild, or reconstruct the motor vehicle. Deletes existing text authorizing a person to possess, transport, dismantle, scrap, or destroy the motor vehicle; and sell transfer, or release ownership of the vehicle or a used part from the motor vehicle. Deletes existing text prohibiting a person from operating or permitting the operation of the motor vehicle on a public highway, in addition to any other requirement of law, or register the motor vehicle.

(c) Entitles a person who owns a salvage motor vehicle, rather than a person who holds a salvage vehicle title for a motor vehicle, to possess, transport, dismantle, scrap, destroy, repair, rebuild, reconstruct, record a lien on, and sell, transfer, or release, ownership of the motor vehicle or a used part from the motor vehicle; and prohibits the person to operate, register, or permit the operation of the motor vehicle on a public highway in addition to any other requirement of law.

SECTION 39. Redesignates Section 501.103, Transportation Code, as Section 501.09112, Transportation Code, and amends it, as follows:

Sec. 501.09112. New heading: APPEARANCE OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. Redesignates existing Section 501.103 as Section 501.09112. (a) Provides that TxDMV's printed nonreparable vehicle title must clearly indicate, rather than requires TxDMV to print a nonreparable vehicle title in a color that distinguishes it from a regular certificate of title or salvage vehicle title so that it clearly shows, that it is the negotiable ownership document for a nonreparable motor vehicle.

(b) Requires that a nonreparable vehicle title clearly indicate, rather than requiring that a nonreparable vehicle title state on its face, that the motor vehicle:

(1) may not be issued a regular title, rather than issued a regular certificate of title, registered in this state, or repaired, rebuilt, or reconstructed; and

(2) may be used only as a source for used parts or scrap metal.

(c) Requires TxDMV's printed salvage vehicle title to clearly show, rather than requires TxDMV to print a salvage vehicle title in a color that distinguishes it from a regular certificate of title or nonreparable vehicle title, and so that each document clearly shows, that it is the ownership document for a salvage motor vehicle. Makes a nonsubstantive change.

(d) Requires that a salvage vehicle title or a salvage record of title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood bear a notation, rather than a notation on its face, that TxDMV considers appropriate.

(e) Requires that an electronic application for a nonreparable vehicle title, nonreparable record of title, salvage vehicle title, or salvage record of title clearly advise the applicant of the same provisions required on a printed title.

(f) Requires that a nonreparable vehicle title, nonreparable record of title, salvage vehicle title, or salvage record of title in TxDMV's electronic database include appropriate remarks so that the vehicle record clearly shows the status of the vehicle. Deletes existing text authorizing TxDMV to provide a stamp to a person who is a licensed salvage vehicle dealer under Chapter 2302 (Salvage Vehicle Dealers), Occupations Code, to mark the face of a title under this subchapter. Deletes existing text requiring TxDMV to provide the stamp to the person for a fee in the amount determined by TxDMV to be necessary for TxDMV to recover the cost of providing the stamp.

SECTION 40. Redesignates Section 501.101, Transportation Code, as Section 501.09113, Transportation Code, and amends it as follows:

Sec. 501.09113. New heading: OUT-OF-STATE SALVAGE OR REBUILT SALVAGE VEHICLE. Redesignates existing Section 501.101 as Section 501.09113.

(a) Makes a conforming change.

(b) Makes a conforming change.

Deletes existing text requiring that a certificate of title issued under this section show on its face the date of issuance; the name of the owner; any registration number assigned to the motor vehicle; and a description of the motor vehicle or other notation TxDMV considers necessary or appropriate.

SECTION 41. Amends the heading to Section 501.095, Transportation Code, to read as follows:

Sec. 501.095. SALE, TRANSFER, OR RELEASE.

SECTION 42. Amends Sections 501.095(a), and (b), Transportation Code, as follows:

(a) Authorizes a business or governmental entity described by Subdivisions (1)-(3), if TxDMV has not issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title for the motor vehicle and a comparable out-of-state ownership document for the motor vehicle has not been issued by another state jurisdiction, to sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle to certain persons, including an insurance company that has paid a claim on the nonrepairable or salvage motor vehicle; or a governmental entity. Deletes existing text authorizing a business or governmental entity described by Subdivisions (1)-(3), to sell transfer or release a nonrepairable motor vehicle or salvage motor vehicle to a out-of-state buyer. Makes nonsubstantive changes.

(b) Requires an owner, rather than person, other than a salvage vehicle dealer, a used automotive parts recycler, or an insurance company licensed to do business in this state, who acquired ownership of a nonrepairable or salvage motor vehicle that has not been issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, salvage record of title, or a comparable ownership document issued by another state or jurisdiction to before the selling the motor vehicle, surrender the proper assigned title for the motor vehicle to TxDMV and apply to TxDMV for the appropriate ownership document. Deletes existing text requiring an owner to apply to the TxDMV for a nonrepairable vehicle title if the vehicle is a nonrepairable motor vehicle; or a salvage title if the vehicle is a salvage motor vehicle. Makes conforming changes.

SECTION 43. Amends Section 501.097, Transportation Code, by amending Subsections (a), (b), and (c) and adding Subsection (c-1), as follows:

(a) Requires an application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title to be made in a manner, rather than be made on a form, prescribed by TxDMV and accompanied by a \$8 application fee. Deletes existing text requiring a statement describing whether the motor vehicle was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093; is a self-insured motor vehicle under Section 501.094; is an export-only motor vehicle under Section 501.099; or was sold, transferred, or released to the owner or former owner of the motor vehicle or a buy at a casual sale;

(b) Requires TxDMV, except as provided by Sections 501.10015 and 501.10025, on receipt of a complete application, the properly assigned title or manufacturer's certificate of origin, and the application fee, before the sixth business day after the date TxDMV receives the application, to issue the applicant the appropriate title for the motor vehicle.

(c) Requires a printed nonrepairable vehicle title to state on its face that the motor vehicle may not be repaired, rebuilt, or reconstructed; be issued a title, rather than regular certificate, or registered in this state; be operated on a public highway, in addition to any other requirement of law; and may only be used as a source for used parts or scrap metal.

(c-1) Requires TxDMV's titling system to include a remark that clearly indentifies the vehicle as a salvage or nonrepairable motor vehicle.

SECTION 44. Amends Sections 501.100(a), (b), (c), and (f), Transportation Code, as follows:

(a) Authorizes a vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003, or for which a salvage vehicle title or salvage record of title has been issued to obtain a title, rather than regular certificate of title, after the motor vehicle has been repaired, rebuilt, or reconstructed and, in addition to any other requirement of law, only if the application describes each major component part used to repair the motor vehicle; states the name of each person from whom the parts used in assembling the vehicle were obtained; and shows the identification number required by federal law to be affixed to or inscribed on the par.

(b) Requires TxDMV, on receipt of a complete application under this section accompanied by the fee for the title to issue the applicant a regular title, rather than requiring TxDMV, on receipt of a complete application under this section accompanied by the \$13 fee for the certificate of title, to issue the applicant a regular certificate of title for the motor vehicle.

(c) Makes a conforming change and deletes existing text requiring a regular title issued under this section to bear on its face the words "rebuilt salvage" in capital letter that are red, are centered on and occupy at least 15 percent of the face of the certificate of title; and do not prevent any other words on the title from being read or copied.

(f) Prohibits TxDMV from issuing a regular title for a motor vehicle based on a nonrepairable vehicle title or comparable out-of-state ownership document; a receipt issued under Section 501.1003(b), rather than Section 501.096(b); or a certificate of authority. Makes a conforming change.

SECTION 45. Redesignates Section 501.092, Transportation Code, as Section 501.1001, Transportation Code, and amends it as follows:

Sec. 501.1001. New heading: SALVAGE MOTOR VEHICLES OR NONREPAIRABLE MOTOR VEHICLES FOR INSURANCE COMPANIES OR SELF-INSURED PERSONS. Redesignates existing Section 501.092 as Section 501.1001. (a) Requires an insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a title issued by this state or a manufacturer's certificate of origin to surrender a properly assigned title or manufacturer's certificate of origin to TxDMV, in a manner prescribed by TxDMV. Deletes existing text requiring an insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a certificate of title issued by this state or a manufacturer's certificate of origin to surrender a properly assigned title or manufacturer's certificate of origin to TxDMV, on a form prescribed by TxDMV, except that not earlier than the 46th day after the date of payment of the claim the insurance company may surrender a certificate of title, on a form prescribed by TxDMV, and receive a salvage certificate of title or a nonrepairable certificate of title without obtaining a properly assigned certificate of title if the insurance company has obtained the release of all liens on the motor vehicle; is unable to locate one or more owners of the motor vehicle; and has provided notice to the last known address in TxDMV's records to each owner that has not been located by a registered or certified mail, return receipt requested, or if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent.

(b) Makes conforming changes.

(c) Authorizes an insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle to voluntarily and on proper application obtain a salvage title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title for the vehicle, rather than a salvage vehicle title or a nonrepairable vehicle title, for the vehicle.

(d) Provides that this subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to the extent it becomes a nonrepairable or salvage motor vehicle. Requires the owner of a motor a vehicle to which this subsection applies to submit to TxDMV before the 31st business day after the date of the damage, in a manner prescribed by TxDMV, a statement that the motor vehicle was self-insured and damaged. Requires the owner, when the owner submits a report, to surrender the ownership document and apply for a nonrepairable vehicle title, nonrepairable record of title, salvage title, or salvage record of title.

Deletes existing Subsection (c) prohibiting an insurance company from selling a motor vehicle to which this section applies unless TxDMV has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

Deletes existing Subsection (d) authorizing an insurance company to sell a motor vehicle to which this section applies, or assign a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle, only to a salvage vehicle dealer, an out-of-state buyer, a buyer in a casual sale at auction, a metal recycler, or a used automotive parts recycler. Deletes existing text providing that if the motor vehicle is not a salvage motor vehicle or a nonrepairable motor vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage title or a nonrepairable vehicle title for the motor vehicle.

SECTION 46. Amends Subchapter E, Chapter 501, Transportation Code, by adding Sections 501.10015 and 501.10025, as follows:

Sec. 501.10015. INSURANCE COMPANY NOT REQUIRED TO SURRENDER CERTIFICATES OF TITLE IN CERTAIN SITUATIONS. (a) Authorizes an insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title that the company is unable to obtain from TxDMV not earlier than the 30th day after the date of payment of the claim:

- (1) a salvage vehicle title or salvage record of title for a salvage motor vehicle;
- (2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle; or
- (3) a title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(b) Requires that an application for a title under Subsection (a) be submitted to TxDMV on a form prescribed by TxDMV and include:

- (1) a statement that the insurance company has provided at least two written notices attempting to obtain the title for the motor vehicle; and
- (2) evidence acceptable to TxDMV that the insurance company has made payment of a claim involving the motor vehicle.

(c) Authorizes an insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a title for which the company is unable to obtain proper assignment of the title to obtain from TxDMV not earlier than the 30th day after the date of payment of the claim:

- (1) a salvage vehicle title or salvage record of title for a salvage motor vehicle;
- (2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle; or
- (3) a title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(d) Requires that an application for a title under Subsection (c) be submitted to TxDMV on a form prescribed by TxDMV and include:



- (1) a statement that the insurance company has provided at least two written notices attempting to obtain a proper assignment of the title; and
- (2) the title.

(e) Requires that a title issued under Subsection (a) or (c) be issued in the name of the insurance company.

(f) Authorizes an insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by an out-of-state ownership document to obtain from TxDMV a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title if:

- (1) the motor vehicle was damaged, stolen, or recovered in this state;
- (2) the motor vehicle owner from whom the company acquired ownership resides in this state; or
- (3) otherwise allowed by TxDMV rule.

(g) Authorizes a title to be issued under Subsection (f) if the insurance company:

- (1) surrenders a properly assigned title on a form prescribed by TxDMV; or
- (2) complies with the application process for a title issued under Subsection (a) or (c).

(h) Requires TxDMV to issue the appropriate title to a person authorized to apply for the title under this section if TxDMV determines that the application is complete and complies with applicable law.

(i) Authorizes TxDMV by rule to provide that a person required by this section to provide notice may provide the notice electronically, including through the use of e-mail or an interactive website established by TxDMV for that purpose.

(j) Provides that Sections 501.1001(c) and 501.095 apply to a motor vehicle acquired by an insurance company as described in Subsection (a), (c), or (f).

(k) Authorizes TxDMV to adopt rules to implement this section.

Sec. 501.10025. ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR. (a) Defines, in this section, "salvage pool operator."

(b) Provides that this section applies only to a salvage pool operator who, on request of an insurance company, takes possession of a motor vehicle that is the subject of an insurance claim and the insurance company subsequently:

- (1) denies coverage with respect to the motor vehicle; or
- (2) does not otherwise take ownership of the motor vehicle.

(b-1) Requires an insurance company described by Subsection (b) to notify the salvage pool operator of the denial of the claim regarding the motor vehicle or other disposition of the motor vehicle. Requires the insurance company to include in the notice the name and address of the owner of the motor vehicle and the lienholder, if any.

(c) Requires a salvage pool operator, before the 31st day after receiving notice under Subsection (b-1), to notify the owner of the motor vehicle and any lienholder that:

(1) the owner or lienholder must remove the motor vehicle from the salvage pool operator's possession at the location specified in the notice to the owner and any lienholder not later than the 30th day after the date the notice is mailed; and

(2) if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle as described by Subsection (d).

(d) Authorizes the salvage pool operator to include in the costs described by Subsection (c)(2) only costs actually incurred by the salvage pool operator that have not been reimbursed by a third party or are not subject to being reimbursed by a third party, such as costs of notices, title searches, and towing and other costs incurred with respect to the motor vehicle. Provides that the costs described by Subsection (c)(2):

(1) may not include charges for storage or impoundment of the motor vehicle; and

(2) may be deducted only from the proceeds of a sale of the motor vehicle.

(e) Requires that the notice required of a salvage pool operator under this section be sent by registered or certified mail, return receipt requested.

(f) Authorizes the salvage pool operator, if a motor vehicle is not removed from a salvage pool operator's possession before the 31st day after the date notice is mailed to the motor vehicle's owner and any lienholder under Subsection (c), to obtain from TxDMV:

(1) a salvage vehicle title or salvage record of title for a salvage motor vehicle; or

(2) a nonrepairable vehicle title or nonrepairable record of title for a nonrepairable motor vehicle.

(g) Requires that an application for a title under Subsection (f):

(1) be submitted to TxDMV on a form prescribed by TxDMV; and

(2) include evidence that the notice was mailed as required by Subsection (c) to the motor vehicle owner and any lienholder.

(h) Requires that a title issued under this section be issued in the name of the salvage pool operator.

(i) Requires TxDMV to issue the appropriate title to a person authorized to apply for the title under this section if TxDMV determines that the application is complete and complies with applicable law.

(j) Requires the salvage pool operator, on receipt of a title under this section, to sell the motor vehicle and retain from the proceeds of the sale the costs incurred by the salvage pool operator as permitted by Subsection (d) along with the cost of titling and selling the motor vehicle. Requires the salvage pool operator to pay

any excess proceeds from the sale to the previous owner of the motor vehicle and the lienholder, if any. Requires that the excess proceeds be mailed to the lienholder.

(k) Requires any excess proceeds from the sale of the motor vehicle under Subsection (j), if the previous owner of the motor vehicle and the lienholder, if any, cannot be identified or located, to escheat to the State of Texas. Requires that the proceeds be administered by the comptroller and be disposed of in the manner provided by Chapter 74 (Report, Delivery and Claims Process), Property Code.

SECTION 47. Redesignates Section 501.093, Transportation Code, as Section 501.1002, Transportation Code, and amends it as follows:

Sec. 501.1002. New heading: OWNER-RETAINED VEHICLES. Redesignates existing Section 501.093 as Section 501.1002. (a) Requires the insurance company, if an insurance company pays claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle to:

(1) apply on behalf of the owner for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title; or

(2) notify the owner of the information contained in Subsection (b); or Section 501.09111; and

(3) submit to TxDMV, before the 31st day after the date of the payment of the claim, in a manner rather than on a form, prescribed by TxDMV, a report stating that the insurance company has paid a claim on the motor vehicle; and has not acquired ownership of the motor vehicle. Makes nonsubstantive changes.

(b) Prohibits the owner of a motor vehicle to which this section applies from operating or permitting operation of the motor vehicle on a public highway or transfer ownership of the motor vehicle by sale or otherwise unless TxDMV has issued a salvage vehicle title, salvage record of title, nonrepairable title, rather than or a nonrepairable vehicle title, or nonrepairable record of title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

Deletes existing text of Subsection (c) providing that Subsection (b) does not apply if TxDMV has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle; or another state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle.

SECTION 48. Redesignates Section 501.096, Transportation Code, as Section 501.1003, Transportation Code, and amends it as follows:

Sec. 501.1003. New heading: SALVAGE DEALER RESPONSIBILITIES. Redesignates existing Section 501.096 as Section 501.1003. (a) Makes a conforming change.

(b) Makes no changes to this subsection.

(c) Requires TxDMV to adopt rules to notify the salvage dealer if the vehicle was not issued a printed title, but has a record of title in TxDMV's titling system, rather than requiring the salvage vehicle dealer to keep on the business premises of the dealer until the third anniversary of the date the report on the motor vehicle is submitted to TxDMV, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed, and present to TxDMV, on the form

prescribed by TxDMV, evidence that the motor vehicle was dismantled, scrapped, or destroyed, before the 61st day after the date the dealer completed the dismantling, scrapping, or destruction of the motor vehicle.

SECTION 49. Amends Section 501.104, Transportation Code, as follows:

Sec. 501.104. **REBUILDER TO POSSESS TITLE OR DOCUMENTATION.** (a) Provides that this section applies only to a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles, regardless of whether the person is licensed to engage in that business, rather than providing that this section applies only to a rebuilder licensed as a salvage vehicle dealer, a person engaged the business of rebuilder, regardless of whether the person is licensed to engage in that business or a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) Requires a person described by Subsection (a) to possess an acceptable ownership document or proof of ownership for any motor vehicle, rather than requiring a person described by Subsection (a) to possess a regular certificate of title nonrepairable vehicle title, salvage title, or comparable out-of-state ownership document for any motor vehicle, that meets certain criteria.

SECTION 50. Redesignates Section 501.105, Transportation Code, as Section 501.108, Transportation Code, and amends it as follows:

Sec. 501.108. New heading: **RECORD RETENTION.** Redesignates existing Section 501.105 as Section 501.108. (a) Creates this subsection from existing text. Makes no further changes.

(b) Requires a salvage vehicle dealer or used automotive parts recycler to keep on the business premises of the dealer or recycler, until the third anniversary of the date the report on the motor vehicle is submitted to TxDMV, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed as required by Section 501.1003.

SECTION 51. (a) Redesignates Section 501.102, Transportation Code, as Section 501.109, and amends it as follows:

Sec. 501.109. **OFFENSES.** Redesignates existing Section 501.102 as Section 501.109. (a) Provides that a person commits an offense if the person applies to TxDMV for a title rather than regular certificate of title, for a motor vehicle; and knows or reasonably should know that the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed; the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed; the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed; the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.

(b) Makes no changes to this subsection.

(c) Provides that a person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the person:

(1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or

(2) knows the vehicle has become a nonrepairable motor vehicle or salvage motor vehicle under Section 501.1001 rather than Section 501.094.

(f) Provides that Subsection (c) does not apply to an applicant for a title under Sections 501.10015 and 501.10025.

(b) Provides that the change in law made by this section applies only to an offense committed on or after the effective date of this Act. Provides that an offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. Provides that for purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 52. Redesignates Section 501.106, Transportation Code, as Section 501.110, Transportation Code, and amends it as follows:

Sec. 501.110. ENFORCEMENT OF SUBCHAPTER. Redesignates existing Section 501.106 as Section 501.110. (a) Makes no changes to this subdivision.

(b) Provides that TxDMV, an agent, officer, or employee of TxDMV, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance or revocation of a title, rather than a regular certificate of title, nonrepairable title, nonrepairable record of title, salvage vehicle title, or salvage record of title under this subchapter. Makes a nonsubstantive change.

SECTION 53. Amends Section 501.111(a), Transportation Code, to authorize a person, except as provided by Subsection (b), to perfect a security interest in a motor vehicle that is the subject of a first or subsequent sale only by recording the security interest on the title, rather than certificate of title, as provided by this chapter.

SECTION 54. Amends Section 501.113, Transportation Code, as follows:

Sec. 501.113. RECORDATION OF SECURITY INTEREST. (a) Provides that recordation of a lien under this chapter is considered to occur when TxDMV's titling system is updated or the county assessor-collector accepts the application of title that discloses the lien with the filing fee, rather than provides that a recordation of a lien under this chapter is considered to occur when the county assessor-collector is present with an application for a certificate of title that discloses the lien with the tender of the filing fee; or accepts the application.

(b) Provides that for purposes of Chapter 9 (Secured Transactions), Business & Commerce Code, the time of recording a lien under this chapter is considered to be the time of filing the security interest, and on such recordation, the recorded lienholder and assignees under Section 501.114 obtain priority over the rights of a lien creditor, as defined by Section 9.102 (Definitions and Index of Definitions), Business & Commerce Code, for so long as the lien is recorded on the title, rather than certificate of title.

SECTION 55. Amends Sections 501.114(b), (d), (e), (f), and (g), Transportation Code, as follows:

(b) Provides that an assignee or assignor may, but need not to retain the validity, perfection, and priority of the lien assigned, as evidence of the assignment of a lien recorded under Section 501.113 apply to the county-assessor-collector for the assignee to be named as lienholder on the title, rather than certificate of title, and notify the debtor of the assignment.

(d) Requires that an application under Subsection (b) be acknowledged by the assignee, rather than requiring that an application under Subsection (b) be signed by the assignee and accompanied by the applicable fee, a copy of the assignment agreement executed by the parties, and the certificate of title on which the lien to be assigned is recorded.

(e) Authorizes TxDMV, on receipt of the completed application and fee, to amend TxDMV's records to substitute the assignee for the recorded lienholder; and issue, rather than is required to issue, a new title, rather than certificate of title, as provided by this chapter, rather than Section 501.027.

(f) Makes a conforming change.

(g) Makes a conforming change.

SECTION 56. Amends Section 501.115, Transportation Code, as follows:

Sec. 501.115. DISCHARGE OF LIEN. (a) Requires the lienholder, when a debt or claim secured by a lien has been satisfied, within a reasonable time not to exceed the maximum time allowed by Section 348.408 (Outstanding Balance Information; Payment in Full), Finance Code, to execute and deliver to the owner, or the owner's designee, a discharge of the lien in a manner prescribed, rather than on a form prescribed, by TxDMV.

(b) Authorizes the owner to submit the discharge and title to TxDMV for a new title, rather than authorizes the owner to present the discharge and certificate of title to the county assessor-collector with an application for a new certificate of title and requires TxDMV to issue a new certificate of title.

SECTION 57. Amends Section 501.116, Transportation Code, to authorize TxDMV to cancel a discharge lien that has been recorded on a title for 10 years or more, rather than on a certificate of title for six years or more, if the recorded lienholder does not exist; or cannot be located for the owner to obtain a release of the lien.

SECTION 58. Amends Section 501.117, Transportation Code, by amending Subsection (a) and adding Subsections (d), (d-1), (d-2), (e), and (f), as follows:

(a) Authorizes TxDMV to establish categories of lienholders that may participate in the system and, except as provided by this section, to require a lienholder to participate in the system. Deletes existing text providing that participation by a lienholder in the system is voluntary.

(d) Prohibits TxDMV from requiring a depository institution, as defined by Section 180.002 (Definitions), Finance Code, to participate in the system if TxDMV has issued fewer than 100 notifications of security interests in motor vehicles to the depository institution during a calendar year.

(d-1) Prohibits TxDMV from requiring a depository institution, as defined by Section 180.002, Finance Code, to participate in the system:

(1) during 2011, if TxDMV issues fewer than 200 notifications of security interests in motor vehicles to the depository institution between September 1, 2011, and December 31, 2011; and

(2) during 2012, if the depository institution was exempt under Subdivision (1) and TxDMV issues fewer than 200 notifications of security interests in motor vehicles to the depository institution in 2012.

(d-2) Provides that this subsection and Subsection (d-1) expire January 1, 2013.

(e) Requires TxDMV by rule to establish a reasonable schedule for compliance with the requirements of Subsection (a) for each category of lienholder that TxDMV requires to participate in the system.

(f) Prohibits TxDMV from prohibiting a lienholder from using an intermediary to access the system; or requiring a lienholder to use an intermediary to access the system.

SECTION 59. Amends Sections 501.134(a), (b), (c), (d), and (g), Transportation Code, as follows

(a) Authorizes the owner or lienholder disclosed on the title, if a printed title is lost or destroyed, to obtain, in the manner provided by this section and TxDMV rule, a certified copy of the lost or destroyed title directly from TxDMV by applying in the manner prescribed by TxDMV and paying a fee of \$2, rather than authorizes the owner or lienholder disclosed on the certificate, if a certificate of title is lost or destroyed, to obtain, in the manner provided by this section and TxDMV rule, a certified copy of the lost or destroyed certificate of title directly from TxDMV by applying on a form prescribed by TxDMV and paying a fee of \$2.

(b) Authorizes TxDMV, if a lien is disclosed on a title, to issue a certified copy of the original title only to the first lienholder or the lienholder's verified agent. Makes conforming changes.

(c) Requires TxDMV to plainly mark "certified copy" on the face of a certified copy issued under this section, rather than requiring TxDMV to plainly mark "certified copy" on the face of a certified copy issued under this section and each subsequent certificate issued for the motor vehicle until the vehicle.

(d) Makes a conforming change.

(g) Authorizes TxDMV to issue a certified copy of a title only if the applicant, rather than authorizes TxDMV to issue a certified copy of a certificate of title before the fourth business day after the date application is made, only if the applicant is the registered owner of the vehicle, the holder of a recorded lien against the vehicle, or a verified agent of the owner or lienholder; and submits a personal identification as required by TxDMV rule, rather than submits personal identification, including a photograph, issued by an agency of this state or the United States.

SECTION 60. Amends Section 501.135(a), Transportation Code, to require TxDMV to make a record of each report to TxDMV that a motor vehicle registered in this state has been stolen or concealed in violation of Section 32.33 (Hindering Secured Creditors), Penal Code; and note the fact of the report in TxDMV's records, rather than note the fact of the report in TxDMV's records of the vehicle's certificate of title.

SECTION 61. Amends Sections 501.138(a), (b), and (b-1), Transportation Code, as follows:

(a) Requires an applicant for a title, rather than certificate of title, other than the state or a political subdivision of the state to pay certain fees, rather than to pay the county assessor-collector certain fees. Sets forth fees.

(b) Requires certain fees to be distributed, rather than requires the county assessor-collector to send certain fees.

(b-1) Requires that fees collected under Subsection (b) be sent to the comptroller to be deposited to the credit of the Texas Mobility Fund except that \$5 of each fee be deposited to the emissions reduction plan fund, rather than be deposited before September 1, 2008, to the credit of the Texas emissions reduction plan fund; and on or after September 1, 2008, to the credit of the Texas Mobility Fund except that \$5 of each fee be deposited to the credit of the Texas emissions reduction plan fund.

SECTION 62. Transfers Section 520.031, Transportation Code, as amended by Chapters 836 (H.B. 1743) and 1423 (H.B. 2409), Acts of the 76th Legislature, Regular Session, 1999, to Subchapter H, Chapter 501, Transportation Code, redesignates it as Section 501.145, Transportation Code, and reenacts and amends it as follows:

Sec. 501.145. New heading: FILING BY PURCHASER; APPLICATION FOR TRANSFER OF TITLE. Redesignates existing Section 520.031 as Section 501.145. (a) Requires the purchaser of the used motor vehicle, not later than the later of the 30th day after the date of assignment on the documents or the date provided by Section 152.069 (Registration of Motor Vehicle Using Seller Financing), Tax Code, to file with the county assessor-collector the certificate of title or other evidence of title; or if appropriate, a document described by Section 502.457 and the title or other evidence of ownership, rather than requires the transferee of the used motor vehicle, not later than the 20th working day after the date of receiving the documents under Section 520.022 or 520.0225, to file with the county assessor-collector the license receipt and the certificate of title or other evidence of title; or if appropriate, a document described by Section 520.0225(b)(1) or (2) and the certificate of title or other evidence of title.

(b) Provides that the filing under Subsection (a) is an application for transfer of title as required under this chapter, rather than Chapter 501, and an application, rather than if the license receipt is filed, for transfer of the registration of the motor vehicle.

(c) Deletes existing text of Subsection (c) defining "working day." Redesignates existing Subsection (d) as Subsection (c). Requires that the documents under Subsection (a), notwithstanding Subsection (a), if the purchaser, rather than transferee, is a member of the armed forces of the United States, a member of the Texas National Guard or of the National Guard of another state serving on active duty under an order of the president of the United States, or a member of a reserve component of the armed forces of the United States serving on active duty under an order of the president of the United States, be filed with the county assessor-collector not later than the 60th day, rather than 60th working day, after the date of assignment of ownership, rather than after the date of their receipt by the transferee.

SECTION 63. Transfers Section 520.032, Transportation Code, to Subchapter H, Chapter 501, redesignates it as Section 501.146, Transportation Code, and amends it as follows:

Sec. 501.146. New heading: TITLE TRANSFER; LATE FEE. Redesignates existing Section 520.032 as Section 501.146. (a) Deletes existing text of Subsection (a) requiring the transferee of a used motor vehicle to pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of \$2.50 for the transfer of the registration of the motor vehicle. Redesignates existing Subsection (b) as Subsection (a). Provides that if the application for the transfer of title is not filed during the period provided by Section 501.145, the late fee is to be paid to the county assessor-collector when the application is filed, rather than providing if the transferee does not file the application during the period provided by Section 520.031, the transferee is liable for a late fee to be paid to the county assessor-collector when the application is filed. Provides that if the seller, rather than transferee, holds a general distinguishing number issued under Chapter 503 of this code, or Chapter 2301, Occupations Code, the seller is liable for the late fee in amount of \$10. Provides that if the seller does not hold a general distinguishing number, subject to Subsection (b) the applicant's late fee is \$25, rather than if the transferee does not hold a general distinguishing number, subject to Subsection (b-1) the amount of the late fee is \$25.

(b) Redesignates existing Subsection (b-1) as Subsection (b). Provides that if the application is filed after the 60th day after the date the purchaser was assigned ownership of the documents under Section 501.0721, the late fee imposed under Subsection (a) accrues an additional penalty in the amount of \$25 for each subsequent 30-day period, or a portion of a 30-day period, in which the



application is not filed, rather than provides that if the application is filed after the 31st working day after the date the transferee received the documents under Section 520.022, the late fee imposed under Subsection (b) accrues an additional penalty in the amount of \$25 for each subsequent 30-day period, or a portion of a 30-day period, in which the application is not filed.

(c) Deletes existing text of Subsection (c) providing that the county assessor-collector and the surety on the county assessor-collector's bond are liable for the late fee if the county-assessor-collector does not collect the late fee. Redesignates existing text of Subsection (d) as Subsection (c). Provides that Subsections (a) and (b), rather than Subsections (b) and (b-1), do not apply if the motor vehicle is eligible to be issued classic vehicle license plates under Section 504.501, or antique vehicle license plates under Section 504.502.

SECTION 64. Transfers Section 520.023, Transportation Code, to Subchapter H, Chapter 501, redesignates it as Section 501.147, Transportation Code, and amends it as follows:

Sec. 501.147. New heading VEHICLE TRANSFER NOTIFICATION. Redesignates existing Section 520.023 as Section 501.147. (a) Requires TxDMV, on receipt of a written notice of transfer from the seller, rather than the transferor, of a motor vehicle to indicate the transfer on the motor vehicle records maintained by TxDMV. Requires TxDMV, as an alternative to a written notice of transfer, to establish procedures that permit the seller, rather than the transferor, of a motor vehicle to electronically submit a notice of transfer to TxDMV through TxDMV's Internet Website. Provides that a notice of transfer provided through TxDMV's Internet website is not required to bear the signature of the seller, rather than transferor, or include the date of signing.

(b) Deletes existing text authorizing TxDMV to design the written notice of transfer to be part of the certificate of title for the vehicle. Requires the notice of transfer, rather than the form, to be provided by TxDMV and include a place for the seller, rather than transferor, to state:

- (1) a complete description of the vehicle as prescribed by TxDMV, rather than the vehicle identification number of the vehicle;
- (2) the full name and address of the seller;
- (3) the full name and address of the purchaser;
- (4) the date the seller delivered possession of the vehicle to the purchaser;
- (5) the signature of the seller; and
- (6) the date the seller signed the form.

Deletes existing text requiring the notice of transfer to be provided by TxDMV and include a place for the seller to state the number of the license plate issued to the vehicle, if any. Makes conforming and nonsubstantive changes.

(c) Provides that this subsection applies only if TxDMV receives notice under Subsection (a) before the 30th day after the date the seller delivered possession of the vehicle to the purchaser or in accordance with Section 152.069, Tax Code. Provides that after the date of the transfer of the vehicle shown on the records of TxDMV, the purchaser of the vehicle shown on the records is rebuttably presumed to be the owner of the vehicle; and subject to civil and criminal liability arising out of the use, operation, or abandonment of the vehicle, to the extent that ownership of the vehicle subjects the owner of the vehicle to criminal or civil liability under another provision of law.

(d) Deletes existing text authorizing TxDMV adopt a fee for filing a notice of transfer under this section in an amount not to exceed the lesser of the actual cost to TxDMV of implementing this section or \$5.

(e) Makes no changes to this subsection.

(f) Deletes existing text providing that this section does not require TxDMV to issue a certificate of title to a person shown on a notice of transfer as the transferee of a motor vehicle. Prohibits TxDMV from issuing a title or registering the vehicle until the purchaser applies for a title to the county assessor-collector as provided by this chapter. Makes conforming and nonsubstantive changes.

(g) Makes a conforming change.

SECTION 65. Transfers Section 520.033, Transportation Code, to Subchapter H, Chapter 501, Transportation Code, redesignates it as Section 501.148, Transportation Code, and amends it as follows:

Sec. 501.148. ALLOCATION OF FEES. Redesignates existing Section 520.033 as Section 501.148. (a) Authorizes the county assessor-collector to retain as commission for services provided under this subchapter half of each late fee, rather than authorizes the county assessor-collector to retain as commission for services provided under this subchapter half of each transfer fee collected, half of each late fee, and half of each additional penalty collected under Section 520.032.

(b) Requires the county assessor-collector to report and remit the balance of the fees collected to TxDMV on Monday of each week as other fees, rather than other registration fees, are required to be reported and remitted.

(c) Authorizes that of each late fee collected from a person who does not hold a general distinguishing number by TxDMV under Subsection (b), rather than a general distinguishing number that TxDMV receives under Subsection (b), \$10 be used only to fund a statewide public awareness campaign designed to inform and educate the public about the provisions of this chapter.

SECTION 66. Amends Section 501.152(b), Transportation Code, to provide that it is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the title, rather than certificate of title, to the vehicle if the sole reason he or she does not have possession of the title is that the title is in the possession of the lienholder who has not complied with the terms of Section 501.115(a). Makes a conforming and nonsubstantive change.

SECTION 67. Amends Section 501.153, Transportation Code, to provide that a person commits an offense if the person applies for a title, rather than certificate of title, for a motor vehicle that the person knows is stolen or concealed in violation of Section 32.33, Penal Code.

SECTION 68. Amends Section 501.154, Transportation Code, to provide that a person commits an offense if the person alters a manufacturer's certificate, rather than a manufacturer's or importer's certificate, a title receipt, or a title, rather than a certificate of title.

SECTION 69. Amends Section 501.155(a), Transportation Code, as follows:

(a) Provides that a person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a title, rather than a certificate of title;

(2) Makes a conforming change; or

(3)-(5) Makes no changes to these subdivisions.

SECTION 70. Amends the heading to Section 501.158, Transportation Code, to read as follows:

Sec. 501.158. SEIZURE OF STOLEN VEHICLE OR VEHICLE WITH ALTERED VEHICLE IDENTIFICATION NUMBER.

SECTION 71. Transfers Section 520.035, Transportation Code, to Subchapter H, Chapter 501, Transportation Code, redesignates it as Section 501.161, Transportation Code, and amends it as follows:

Sec. 501.161. EXECUTION OF TRANSFER DOCUMENTS; PENALTY. Redesignates existing Section 520.035 as Section 501.161. (a) Requires a person who transfers a motor vehicle in this state to complete, rather than execute, in full and date as of the date of the transfer all documents relating to the transfer of registration or title, rather than certificate of title.

(b)-(c) Makes no changes to these subsections.

SECTION 72. Amends Subchapter H, Chapter 501, Transportation Code, by adding Sections 501.162 and 501.163, as follows:

Sec. 501.162. MOTOR NUMBER REQUIRED FOR REGISTRATION; PENALTY. Provides that a person commits an offense if the person violates Section 501.0331. Provides an offense under this section is a misdemeanor punishable by a fine of not less than \$50 and not more than \$100.

Sec. 501.163. APPLICATION FOR MOTOR NUMBER RECORD; PENALTY. Provides that a person who fails to comply with Section 501.0332 commits an offense. Provides that an offense under this section is a misdemeanor punishable by a fine of not less than \$10 and not more than \$100.

SECTION 73. Amends Chapter 501, Transportation Code, by adding Subchapter I, as follows:

#### SUBCHAPTER I. ELECTRONIC TITLING SYSTEM

Sec. 501.171. APPLICATION OF SUBCHAPTER. Provides that this subchapter applies only if TxDMV implements a titling system under Section 501.173.

Sec. 501.172. DEFINITIONS. Defines, in this subchapter, "document," "electronic," "electronic document," "electronic signature," and "paper document."

Sec. 501.173. ELECTRONIC TITLING SYSEM. (a) Authorizes the board by rule to implement an electronic titling system.

(b) Provides that a record of title maintained electronically by TxDMV in the titling system is the official record of vehicle ownership unless the owner requests that TxDMV issue a printed title.

Sec. 501.174. VALIDITY OF ELECTRONIC DOCUMENTS. (a) Provides that if this chapter requires that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is met by an electronic document that complies with this subchapter.

(b) Provides that if a law requires that a document be signed, the requirements is satisfied by an electric signature.

(c) Provides that a requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically

associated with the document or signature. Provides that a physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

Sec. 501.175. RECORDING OF DOCUMENTS. (a) Authorizes TxDMV, under the titling system, to:

- (1) receive, index, store, archive, and transmit electronic documents;
- (2) provide for access to, and for search and retrieval of, documents and information by electronic means; and
- (3) convert into electronic form paper documents that it accepts for the titling of a motor vehicle; and information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented.

(b) Authorizes TxDMV to continue to accept paper documents after the titling system is implemented.

Sec. 501.176. PAYMENT OF FEES BY ELECTRONIC FUNDS TRANSFER OR CREDIT CARD. (a) Authorizes TxDMV to accept payment by electronic funds transfer, credit card, or debit card of any title or registration fee that TxDMV is required or authorized to collect under this chapter.

(b) Authorizes TxDMV to collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card. Requires that the amount of the fee not exceed the charges incurred by the state because of the use of the electronic funds transfer, credit card, or debit card.

(c) Authorizes TxDMV, for online transactions, to collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to any fee charged in accordance with Section 2054.2591 (Fees), Government Code.

Sec. 501.177. SERVICE CHARGE. Authorizes TxDMV, if, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, to collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. Requires that the amount of the service charge be reasonably related to the expense incurred by TxDMV in collecting the original amount.

Sec. 501.178. DISPOSITION OF FEES. Requires that all fees collected under this subchapter be deposited to the credit of the state highway fund.

Sec. 501.179. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. Provides that this subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

SECTION 74. Amends Section 502.001, Transportation Code, as follows:

Sec. 502.001. DEFINITIONS. Redefines "all-terrain vehicle," "commercial fleet," "commercial motor vehicle," "farm semitrailer," "farm tractor," "golf cart," "implements of husbandry," "light truck," "motorcycle," "owner," and "passenger car," and defines "apportioned license plate," "combination license plate," "combined gross weight," "construction machinery," "credit card," "debit card," "electric bicycle," "electric personal

assistive mobility device," "empty weight," "gross vehicle weight," "forestry vehicle," "motorized mobility device," "net carrying capacity," "oil well servicing, cleanout, or drilling machine," "power sweeper," "private bus," "token trailer," "tow truck," and "travel trailer." Makes nonsubstantive changes.

SECTION 75. Amends Section 502.0021, Transportation Code, as follows:

Sec. 502.0021. RULES AND FORMS. (a) Authorizes TxDMV to adopt rules to administer this chapter.

(b) Requires TxDMV to post forms on the Internet and provide each county assessor-collector with a sufficient supply of any necessary forms on request, rather than requiring TxDMV to prescribe forms determined by TxDMV to be necessary for the administration of this chapter; and provide each county assessor-collector with an adequate supply of each form necessary for the performance of a duty under this chapter by the assessor-collector.

SECTION 76. Amends Subchapter A, Chapter 502, Transportation Code, by adding Section 502.011, as follows:

Sec. 502.011. REFUSAL TO REGISTER VEHICLE FOR NONPAYMENT OF TOLL OR ADMINISTRATIVE FEE. (a) Requires the board to adopt rules, with input from county assessor-collectors and toll project entities, to require the county assessor-collector and TxDMV to refuse to register a motor vehicle if the motor vehicle is the subject of a past due toll or administrative fee owed to a toll project entity. Authorizes the board's rules to include a time frame for implementation of the refusal process and a requirement for a toll project entity to enter into a contract with TxDMV that includes:

- (1) information necessary to determine that a toll or fee is past due;
- (2) notification that the registration may be reinstated because of payment or other means of discharge of the past due toll or fee; or perfection of an appeal following conviction of an offense related to the nonpayment of a toll, if applicable;
- (3) compensation to TxDMV or the county for reasonable expenses associated with providing services under the contract; and
- (4) a time period when the toll or fee is considered past due.

(b) Provides that this section does not apply to the registration of a motor vehicle under Section 501.0234, unless the vehicle is titled and registered in the name of a person who holds a general distinguishing number.

(c) Defines "toll project entity."

SECTION 77. Transfers Section 502.052, Transportation Code, to Subchapter A, Chapter 502, Transportation Code, redesignates it as Section 502.00211, Transportation Code, and amends it as follows:

Sec. 502.0021. New heading: DESIGN OF REGISTRATION INSIGNIA. Redesignates existing Section 502.052 as Section 502.0021. Deletes existing Subsection (a) designation. Requires TxDMV to prepare the designs and specifications to be used as the registration insignia, rather than requires TxDMV to prepare the designs and specifications of license plates and devices selected by the board to be used as the registration insignia. Deletes existing text Subsection (b) requiring TxDMV to design each license plate to include a design at least one-half inch wide that represents in silhouette the shape of Texas and that appear between letters and numerals. Deletes existing text authorized TxDMV to omit the silhouette of Texas from especially designed license plates.

Deletes text of existing Subsection (c) requiring that each license plate, to promote safety, be made with a reflectorized material that provides effective and dependable brightness for the period for which the plate is issued. Deletes existing text requiring the purchase of reflective material to be submitted to the comptroller for approval.

SECTION 78. Amends the heading to Section 502.0023, Transportation Code, to read as follows:

Sec. 502.0023. EXTENDED REGISTRATION OF COMMERCIAL FLEET VEHICLES.

SECTION 79. Amends Section 502.0023, Transportation Code, by amending Subsections (a) and (c) and adding Subsection (i), as follows:

(a) Requires TxDMV, notwithstanding Section 502.044(c), rather than Section 502.158(c), to develop and implement a system of registration to allow an owner of a commercial fleet to register the motor vehicles, semitrailers, and trailers in the commercial fleet for an extended registration period of not less than one year or more than eight years. The owner may select the number of years for registration under this section within that range and register the commercial fleet for that period.

(c) Requires an owner registering a commercial fleet under this section, in addition to the registration fees prescribed by this chapter, rather than by Subchapter D, to pay:

(1) an annual commercial fleet registration fee of \$10 per motor vehicle, semitrailer, or trailer in the fleet; and

(2) except as provided by Subsection (e), a one-time license plate manufacturing fee of \$1.50 for each fleet motor vehicle, semitrailer, or trailer license plate.

(i) Authorizes TxDMV to provide for credits for fleet registration.

SECTION 80. Transfers Section 502.185, Transportation Code, to Subchapter A, Chapter 402, Transportation Code, redesignates it as Section 502.010, Transportation Code, and amends it as follows:

Sec. 502.010. New heading: COUNTY SCOFFLAW. Redesignates existing Section 502.185 as Section 502.010. (a) Authorizes a county assessor-collector or TxDMV to refuse to register a motor vehicle if the assessor-collector or TxDMV receives information that the owner of the vehicle:

(1) owes the county money for a fine, fee, or tax that is past due; or

(2) failed to appear in connection with a complaint, citation, information, or indictment in a court in the county in which a criminal proceeding is pending against the owner.

(b)-(e) Makes no changes to these subdivisions;

(f) Authorizes a county that has a contract under Subsection (b) to impose an additional fee to a person who fails to pay a fine, fee, or tax to the county by the date on which the fine, fee, or tax is due, or fails to appear in connection with a complaint, citation, information, or indictment in a court in the county in which a criminal proceeding is pending against the owner. Deletes existing text authorizing a county that has a contract under Subsection (b) to impose an additional fee to a person paying a fine, fee, or tax to the county after it is past due.

(f-1) Authorizes that the additional fee be used only to reimburse TxDMV or the county, rather than only to reimburse TxDMV, for its expenses providing services under the contract.

(g) Makes no changes to this subsection.

(h) Provides that this section does not apply to the registration of a motor vehicle under Section 501.0234, unless the vehicle is titled and registered in the name of a person who holds a general distinguishing number.

SECTION 81. Amends the heading to Subchapter B, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER B. REGISTRATION REQUIREMENTS

SECTION 82. Transfers Section 502.002, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.040, Transportation Code, and amends it as follows:

Sec. 502.040. REGISTRATION REQUIRED; GENERAL RULE. Redesignates existing Section 502.002 as Section 502.040. (a) Requires the owner of a motor vehicle, trailer, or semitrailer, not more than 30 days after purchasing a vehicle or becoming a resident of this state, to apply for the registration of the vehicle for:

(1) each registration year in which the vehicle is used on a public highway; and

(2) if the vehicle is unregistered for a registration year that has begun and that applies to the vehicle and if the vehicle is used or to be used on a public highway, the remaining portion of that registration year.

(b) Requires that the application be accompanied by personal identification as determined by TxDMV rule and made in a manner prescribed by TxDMV:

(1) through the county assessor-collector of the county in which the owner resides; or

(2) if the county in which the owner resides has been declared by the governor as a disaster area, through the county assessor-collector of a county that is one of the closest unaffected counties to a county that asks for assistance and:

(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and

(B) is inoperable for a protracted period of time.

(c)-(d) Makes no changes to these subsections.

SECTION 83. Transfers Section 502.157, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.041, Transportation Code, and amends it as follows:

Sec. 502.041. INITIAL REGISTRATION. Redesignates existing Section 502.157 as Section 502.041 (a) Authorizes the owner of a vehicle, notwithstanding Section 502.040, to concurrently apply for a title and for registration through the county assessor-collector of the county, rather than authorizes the owner of the vehicle, notwithstanding Section 502.002, when a motor vehicle must be registered before an application for a certificate of title will be accepted, to concurrently apply for a certificate of title and for

registration through the county assessor-collector of the county in which the owner resides, or in which the vehicle is purchased or encumbered.

(b) Authorizes the owner, the first time an owner applies for registration of a vehicle, to demonstrate compliance with Section 502.046(a), rather than Section 502.153(a), as to the vehicle by showing proof of financial responsibility in any manner specified in Section 502.046(c), rather than 502.153(c), as to any vehicle of the owner; or any vehicle used as part of the consideration for the purchase of the vehicle the owner applies to register.

SECTION 84. Transfers Section 502.152, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.042, Transportation Code, and amends it as follows:

Sec. 502.042. New heading: TITLE REQUIRED FOR REGISTRATION. Redesignates existing Section 502.152 as Section 502.042. Deletes existing Subsection (a) designation. Prohibits TxDMV from registering or renewing the registration of a motor vehicle for which a title, rather than certificate of title, is required under Chapter 501 unless the owner obtains title for the vehicle; or presents satisfactory evidence that a title was previously issued to the owner by TxDMV or another jurisdiction. Makes conforming changes.

Deletes text of existing Subsection (b) providing that this section does not apply to an automobile that was purchased new before January 1, 1936.

SECTION 85. Transfers Section 502.151, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.043, Transportation Code, and amends it as follows:

Sec. 502.043. APPLICATION FOR REGISTRATION. Redesignates existing Section 502.151 as Section 502.043. (a) Requires that an application for vehicle registration:

(1) be made in a manner prescribed and include the information required by TxDMV by rule, rather than be made on a form furnished by TxDMV; and

(2) contain a full description of the vehicle as required by TxDMV rule, rather than contain the full name and address of the owner of the vehicle.

Deletes existing text requiring that an application for vehicle registration contain a brief description of the vehicle; contain any other information required by TxDMV; and be signed by the owner.

(b) Requires TxDMV to deny the registration of a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant:

(1) has a business operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration or whose privilege to operate has been suspended, including the applicant entity, a relative, family member, corporate officer, or shareholder;

(2) has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for safety-related reasons;

(3) is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or



(4) fails to deliver to the county assessor-collector proof of an affidavit showing the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered.

Deletes existing text requiring that for a new motor vehicle, the description of the vehicle include the vehicle's trade name, year model, style and type of body, weight, if the vehicle is a passenger car, net carrying capacity and gross weight, if the vehicle is a commercial motor vehicle, vehicle identification number; and date of sale by the manufacturer or dealer to the applicant. Deletes existing text requiring the assessor-collector to keep the affidavit on file.

Makes nonsubstantive changes.

(c) Redesignates existing Subsection (d) as Subsection (c). Provides that this section allows issuance for registration purposes only but does not authorize TxDMV to issue a title.

(d) Authorizes TxDMV to require an applicant for registration to provide current personal identification as determined by TxDMV rule. Authorizes any identification number required by TxDMV under this subsection to be entered into TxDMV's electronic titling system but prohibits it from being printed on the title.

Deletes text of existing Subsection (e) requiring the county assessor-collector, if an owner claimed or claimed owner has lost or misplaced the registration receipt or transfer for the vehicle, to register the vehicle on the person's furnishing to the assessor-collector satisfactory evidence, by affidavit or otherwise, that the person owns the vehicle.

Deletes text of existing Subsection (f) requiring a county assessor-collector to date each registration receipt issued for a vehicle with the date on which the application for registration is made.

SECTION 86. Transfers Section 502.158, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.044, Transportation Code, and amends it as follows:

Sec. 502.044. REGISTRATION PERIOD. Redesignates existing Section 502.158 as Section 502.044. (a)-(b) Makes no changes to these subsections.

(c) Authorizes TxDMV to designate a registration period of less than 12 months to be computed at a rate of one-twelfth the annual registration fee multiplied by the number of months in the registration period. Authorizes the board by rule to allow payment of registration fees for a designated period not to exceed the amount of time determined by TxDMV rule. Deletes existing text providing that the registration fee for a registration period of less than 12 months is computed at a rate of one-twelfth the annual registration fee multiplied by the number of months in the registration period. Deletes existing text prohibiting TxDMV from designating a registration period of more than 12 months, but with the consent of TxDMV, an owner may pay registration fees for a designated period of more than 12 months; and an owner of a vehicle is authorized to pay registration fees for a designated period of 12, 24, or 36 months.

(d) Redesignates existing Subsection (g) as Subsection (d). Requires TxDMV to issue a registration, rather than requires TxDMV to issue the applicant for registration who pays registration fees for a designated period of 24 or 36 months, a registration receipt and registration insignia that are valid until the expiration of the designated period.

Deletes existing text of Subsection (d) requiring an application for registration to be made during the two months preceding the date on which the registration expires.

Deletes existing text of Subsection (e) providing that the fee to be paid for renewing a registration is the fee that will be in effect on the first day of the vehicle registration year.

SECTION 87. Transfers Section 502.176, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.045, Transportation Code, and amends it as follows:

Sec. 502.045. DELINQUENT REGISTRATION. Redesignates existing Section 502.176 as Section 502.0245. (a) Provides that a registration fee for a vehicle becomes delinquent immediately if the vehicle is used on a public highway without the fee having been paid in accordance with this chapter.

(b) Authorizes an applicant for registration who provides evidence to establish good reason for delinquent registration and who complies with the other requirements for registration under this chapter to register the vehicle for a 12-month period that ends on the last day of the 11 month after the month in which the registration occurs under this subsection. Deletes existing text requiring a county assessor-collector that determines that an applicant for registration fee is delinquent has provided evidence acceptable to the assessor-collector sufficient to establish good reason for delinquent registration and that the application complies with the other requirements for registration under this chapter to register the vehicle for a 12-month period that ends on the last day of the 11 month after the month in which the registration occurs under this subsection.

Deletes existing text providing that the registration period for vehicles registered in accordance with Sections 502.164, 502.167, 502.203, 502.255, 502.267, 502.277, 502.278, 502.293, as added by Chapter 1222, Acts of the 75th Legislature, Regular Session, 1997, and 502.295, as added by Chapter 625, Acts of the 75th Legislature, Regular Session, 1997, will end on the annual registration date, and the registration fees will be prorated.

(c) Requires that an applicant for registration who is delinquent and has not provided evidence acceptable to establish good reason for delinquent registration but who complies with the other requirements for registration under this chapter to register the vehicle for a 12-month period without changing the initial month of registration. Deletes existing text requiring a county assessor-collector that determines that an applicant for registration that is delinquent has not provided evidence acceptable to the assessor-collector sufficient to establish good reason for delinquent registration but that the application complies with the other requirements for registration under this chapter, to register the vehicle for a 12-month period without changing the initial month of registration.

(d) Authorizes a person who has been arrested or received a citation for a violation of Section 502.472, rather than Section 502.402, to register the vehicle being operating at the time of the offense rather than at the time of the offense with the county assessor collector, for a 12-month period without change to the initial month of registration only if the person meets the other requirements for registration under this chapter; and pay an additional charge equal to 20 percent of the prescribed fee.

(e) Requires the board by rule, rather than requires the county assessor-collector, to adopt a list a list of evidentiary items sufficient to establish good reason for delinquent registration under Subsection (b) and provide the evidence rather than forms of evidence, that may be used to establish good reason under that subsection. Deletes existing text requiring the list of evident item adopted under this section to allow for delinquent registration under Subsection (b) because of

extensive repairs on the vehicle; the absence of the owner of the vehicle from this country; seasonal use of the vehicle; or any other reason determined by the assessor-collector to be a valid explanation for the delinquent registration.

(f) Requires the board, rather than TxDMV, by rule to adopt procedures to implement this section in connection with the delinquent registration of a vehicle registered directly with TxDMV or through other means.

SECTION 88. Transfers Section 502.153, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.046, Transportation Code, and amends it as follows:

Sec. 502.046. EVIDENCE OF FINANCIAL RESPONSIBILITY. Redesignates existing Section 502.153 as Section 502.046. (a) Requires that evidence of financial responsibility as required by Section 601.05 other than for a trailer or semitrailer be submitted with the application for registration under Section 502.043, rather than requires that except as provided by Subsection (j), the owner of a motor vehicle, other than a trailer or semitrailer, for which evidence of financial responsibility required by Section 601.051 or a person who represents the owner for purposes of registering a motor vehicle to submit evidence of financial responsibility with the application for registration under Section 502.151.

(b) Requires that the evidence, after examination, be returned unless it is in the form of a photocopy or an electronic submission, rather than requires the assessor-collector, after examining the evidence to return the evidence unless it is in the form of a photocopy or an electronic submission.

(c) Authorizes in this section, evidence of financial responsibility to be certain documents, including a document listed under Section 601.053(a) or verified in compliance with Section 601.452.

(d) Requires that a personal automobile policy used as evidence of financial responsibility under this section comply with Section 1952.052 et seq. and Sections 2301.051 through 2301.055, Insurance Code, rather than comply with Article 5.06 or 5.145, Insurance Code.

(e) Requires the county assessor-collector, at the time of registration, to provide to a person registering a motor vehicle a statement rather than a separate statement that the motor vehicle may not be, rather than the motor vehicle being registered may not be, operated in this state unless liability insurance coverage for the motor vehicle in at least the minimum amounts required by law remains in effect to insure against potential losses; or the motor vehicle is exempt from the insurance requirement because the person has established financial responsibility in a manner described by Sections 601.051(2)-(5) or is exempt under Section 601.052.

(f)-(j) Makes no changes to these subsections.

SECTION 89. Transfers Section 502.009, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.047, Transportation Code, and amends it as follows:

Sec. 502.047. MOTOR VEHICLE EMISSIONS INSPECTION AND MAINTENANCE REQUIREMENTS. Redesignates existing Section 502.009 as Section 502.047. (a) Provides that Subsections (b)-(e) apply only if the United States Environmental Protection Agency determines that the state has not demonstrated, as required by 40 C.F.R. Section 51.361, that sticker-based enforcement of the program is more effective than registration-based enforcement and gives the Texas Commission on Environmental Quality (TCEQ), rather than the Texas Natural Resource Conservation Commission (TNRCC), or the governor written notification that the reregistration-based enforcement of the program, as described by those subsections, will be required. Requires TxDMV, if Subsections (b)-(e) are made applicable as provided by this subsection, to terminate

reregistration-based enforcement of the program under those subsections on the date the United States Environmental Protection Agency gives TCEQ or a person the commission designates written notification that reregistration-based enforcement is not required for the state implementation plan.

(b) Prohibits a motor vehicle from being registered if TxDMV receives from TCEQ or the Department of Public Safety (DPS) notification that the registered owner of the vehicle has not complied with Subchapter F (Motor Vehicle Emissions Inspection and Maintenance), Chapter 548 (Compulsory Inspection of Vehicles). Makes conforming and nonsubstantive changes.

(c) Prohibits a motor vehicle to be registered if the vehicle was denied registration under Subsection (b) unless verification is received that the registered vehicle owner is in compliance with Subchapter F, Chapter 548, rather than prohibits the county tax assessor-collector from registering a vehicle denied registration under Subsection (b) unless the tax assessor-collector has verification that the registered vehicle is in compliance with Subchapter F, Chapter 548.

(d) Makes a conforming change.

(e) Makes no changes to this subsection.

SECTION 90. Transfers 502.005, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.048, Transportation Code, and amends it as follows:

Sec. 502.048. REFUSAL TO REGISTER UNSAFE VEHICLE. Redesignates existing Section 502.005 as Section 502.048. Deletes existing Subsection (a) designation. Authorizes TxDMV to refuse to register a motor vehicle and to cancel, suspend, or revoke a registration if TxDMV determines that a motor vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway.

Deletes text of existing Subsection (b) authorizing TxDMV to refuse to register a motorcycle and to suspend or revoke the registration of a motorcycle if TxDMV determines that the motorcycle's breaking system does not comply with Section 547.408.

SECTION 91. Amends Section 502.055(b), Transportation Code, as follows:

(b) Authorizes TxDMV to require an applicant for registration to provide TxDMV with evidence of the manufacturer's rated carrying capacity for the vehicle; or the gross vehicle weight rating. Deletes existing text authorizing TxDMV to require an applicant for registration to provide TxDMV with evidence of the nominal tonnage rating of the vehicle and any combination of certain other information.

SECTION 92. Transfers Section 502.178, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.057, Transportation Code, and amends it as follows:

Sec. 502.057. REGISTRATION RECEIPT. Redesignates existing Section 502.178 as Section 502.057. Deletes existing Subsection (a) designation. Requires TxDMV to issue or require to be issued to the owner of a vehicle registered under this chapter a registration receipt showing the information required by rule. Deletes existing text requiring TxDMV to issue or require to be issued to the owner of a vehicle registered under this chapter a registration receipt showing the information required by rule the date of issuance; the license number assigned to the vehicle; the name and address of the owner; and other information as determined by TxDMV.

Deletes existing text of Subsection (b) requiring that the registration receipt issued for a commercial motor vehicle, truck-tractor, trailer, or semitrailer show the gross weight for which the vehicle is registered.

SECTION 93. Transfers Section 502.179, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.058, Transportation Code, and amends it as follows:

Sec. 502.058. **DUPLICATE REGISTRATION RECEIPT.** Redesignates existing Section 502.179 as Section 502.058. (a) Makes no further changes to this subsection.

(b) Requires that the office issuing a duplicate receipt to retain the fee received rather than retain the fee received as a fee of office.

SECTION 94. Transfers Section 502.180, Transportation Code, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 502.059, Transportation Code, and amends it as follows:

Sec. 502.059. **New heading: ISSUANCE OF REGISTRATION INSIGNIA.** Redesignates existing Section 502.180 as Section 502.059. (a) Requires an applicant for motor vehicle registration, on payment of the prescribed fee, to be issued a registration insignia rather than requiring TxDMV, on payment of the prescribed fee, to issue to an applicant for motor vehicle registration a licensed plate or set of plates or a device that, when attached to the vehicle as prescribed by TxDMV is the registration insignia for the period for which it was issued.

(b) Redesignates existing Subsection (c) as Subsection (b). Requires that TxDMV on application and payment of the prescribed fee for a renewal of the registration of a vehicle through the period set by rule, rather than on application and payment of the prescribed fee for a renewal of the registration of a vehicle for the first, second, third, or fourth registration year after the issuance of a license plate or set of plates for the vehicle, to issue a registration insignia for the validation of the license plate or plates to be attached as provided by Subsection (c) rather than (d). Deletes existing text of Subsection (b) requiring TxDMV to issue only one license plate or set of plates for a vehicle during a five-year period.

(c) Redesignates existing Subsection (d) as Subsection (c). Requires that the registration insignia for validation of license plate, except as provided by Subsection (f), rather than Subsection (h) to be attached the inside of the vehicle's windshield, if the vehicle has a windshield, within six inches of the place where the motor vehicle inspection sticker is required to be placed.

(d) Redesignates existing Subsection (e) as Subsection (d). Authorizes TxDMV to provide for the use of an automated registration process, including the automated on-site production of registration insignia; and automated on-premises and off-premises self-service registration. Deletes existing text requiring TxDMV to adopt rules for the issuance and use of license plates and registration insignia issued under this chapter.

(e) Redesignates existing Subsection (f) as Subsection (e). Provides that Subsection (c) does not, rather than Subsections (b)-(d) do not, apply to the issuance of specialized license plates as designated by TxDMV, including state official license plates, exempt plates for governmental entities, and temporary registration plates; or the issuance or validation of replacement license plates, except as provided by Chapter 504 rather than Section 504.184.

(f) Redesignates existing Subsection (h) as Subsection (f). Requires the registration insignia, rather than the registration insignia for validation of a license plate, to be attached to the rear license plate of the vehicle, if the vehicle is a motorcycle; machinery used exclusively to drill water wells or construction

machinery for which a distinguishing license plate has been issued under Section 502.146 rather than 504.504; or oil well servicing, oil clean out, or oil well drilling machinery or equipment for which a distinguishing license plate has been issued under Subchapter G (Oil Well Servicing and Drilling Machinery), Chapter 623 (Permits for Oversized or Overweight Vehicles).

Deletes existing Subsection (g) requiring TxDMV to provide a separate and distinctive tab to be affixed to the license plate of an automobile, pickup, or recreational vehicle that is offered for rent, as a business, to any part of the public.

SECTION 95. Transfers Section 502.184, Transportation Code, as effective September 1, 2011, to Subchapter B, Chapter 502, Transportation Code, redesignates it as Section 520.060, Transportation Code, and amends it as follows:

Sec. 502.060. REPLACEMENT OF REGISTRATION INSIGNIA. Redesignates existing Section 502.184 as Section 502.060. (a) Authorizes the owner of a registered motor vehicle to obtain a replacement registration insignia by certifying that the replacement registration insignia will not be used on any other vehicle owned or operated by the person making the statement; paying a fee of \$6 plus the fees required by Section 502.356(a), rather than Section 502.1705(a), for each replacement registration insignia, except as provided by other law; and returning each replaced registration insignia in the owner's possession.

(b) Provides that no fee is required under this section if the replacement fee for a license plate has been paid under Section 504.007, rather than Section 502.1841.

(c) Redesignates existing Subsection (e) as Subsection (c). Prohibits a county assessor-collector from issuing a replacement registration insignia without complying with this section. Deletes existing text of Subsection (c) providing that the fee for replacement of license plate issued under Section 504.507 is the amount prescribed by TxDMV as necessary to recover the cost of providing the replacement plates. Deletes existing text of Subsection (d) authorizing the owner of a vehicle, if license plates approved under Section 504.501(b) or 504.502(c) are lost, stolen, or mutilated, to obtain approval of another set of license plates as provided by Section 504.501 or 504.502, respectively. Deletes existing text providing that the fee for approval of replacement license plates is \$5.

(d) Redesignates existing Subsection (f) as Subsection (d). Requires a county-assessor collector to retain \$2.50 of each fee collected under this section and is required to report and sent the remainder to TxDMV.

Deletes existing Subsection (g) authorizing replacement license plates to be used in the registration year in which the plates are issued and during each succeeding year of the five-year period as prescribed by Section 502.180(b) if the registration insignia is properly attached.

Deletes existing Subsection (h) providing that Subsection (g) does not apply to the issuance of specialized license plates as designated by TxDMV including state official license plates, exempt plates for governmental entities, and temporary registration plates.

Deletes existing Subsection (i) authorizing the owner of a vehicle listed in Section 502.180(h) obtain replacement plates and a replacement registration insignia by paying a fee of \$5 plus the fees required by Sections 502.170(a) and 502.1705(a).

SECTION 96. Amends the heading to Subchapter C, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER C. SPECIAL REGISTRATIONS

SECTION 97. Transfers Section 502.0025, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.090, Transportation Code, and amends it as follows:

Sec. 502.090. EFFECT OF CERTAIN MILITARY SERVICE ON REGISTRATION REQUIREMENT. Redesignates existing Section 502.090 as Section 502.0025. (a) Makes no changes to this subsection.

(b) Makes a conforming change.

SECTION 98. Transfers Section 502.054, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.091, Transportation Code, and amends it as follows:

Sec. 502.091. New heading: INTERNATIONAL REGISTRATION PLAN. (a)-(b) Makes no changes to these subsections.

(c) Provides that TxDMV is not required to refund any amount less than \$10 unless required by the international registration plan.

(d)-(f) Makes no changes to these subsections.

SECTION 99. Transfers Section 502.355, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.092, Transportation Code, and amends it as follows:

Sec. 502.092. New heading: NONRESIDENT-OWNED VEHICLES USED TO TRANSPORT FARM PRODUCTS. Redesignates existing Section 502.355 as Section 502.092. (a)-(b) Makes no changes to these subsections.

(c) Makes a conforming change.

(d) Makes no changes to this subsection.

(e) Prohibits a vehicle for which a permit is issued under this section from being operated in this state after the permit expires unless the owner obtains another temporary permit; or registers the vehicle under Sections 502.253, 502.254, 502.255 rather than Sections 502.162, 502.165, 502.166, or 502.256, 502.0167, as appropriate, for the remainder of the registration year.

(f) Prohibits a vehicle for which a permit is issued under this section from being registered under Section 502.433, rather than Section 502.163.

(g) Makes no changes to this subsection.

Deletes Subsection (h) providing that a person operating a vehicle under a permit issued under this section commits an offense if the person transports farm products to a place of market, storage, or processing or a railhead or seaport that is farther from the place of production or point of entry, as appropriate, than the distance provided for in the permit, or follows a route other than that prescribed by the board.

Deletes existing Subsection (i) providing that an offense under Subsection (h) is a misdemeanor punishable by a fine not less than \$25 or more than \$200.

SECTION 100. Transfers Section 502.353, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.093, Transportation Code, and amends it as follows:

Sec. 502.093. New heading: ANNUAL PERMITS. Redesignates existing Section 502.343 as Section 502.093. (a) Authorizes TxDMV to issue an annual permit in lieu of registration to a foreign commercial motor vehicle, trailer, or semitrailer that is subject to registration in this state, and is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered. Makes nonsubstantive changes.

(b) Deletes existing text providing that a permit issued under this section is in lieu of registration. Makes nonsubstantive changes.

(c) Makes no changes to this subsection.

(d) Authorizes a person to obtain a permit under this section by applying in the manner prescribed by TxDMV; paying a fee in the amount required by Subsection (e) in the manner prescribed by TxDMV, including a service charge for a credit card payment or escrow account, rather than paying a fee in the amount required by Subsection (e) in cash or by postal money order or certified check; and furnishing evidence of financial responsibility for the motor vehicle that complies with Sections 502.046(c), rather than Section 502.153(c), and 601.168(a), the policies to be written by an insurance company or surety company authorized to write motor vehicle liability insurance in this state.

(e) Provides that the fee for a permit under this section is the fee that would be required for registering the vehicle under Section 502.253 or 502.255 rather than Section 502.162 or 502.167, except as provided by Subsection (f).

(f) Provides that a vehicle registered under this section is exempt from the token fee and is not required to display the associated distinguishing license plate if the vehicle:

(1) Makes no changes to this subdivision; and

(2) is used or intended to be used in combination with a truck tractor or commercial motor vehicle with a gross vehicle weight of more than 10,000 pounds rather than with a manufacturer's rated carrying capacity of more than one ton.

(g) Provides that a vehicle registered under this subject is not subsection to the fee required by Section 502.401 or 502.403, rather than Section 502.172 or 502.173.

Deletes existing Subsection (h) authorizing TxDMV to adopt rules to administer this section and prescribe an application for a permit and other forms under this section.

Deletes existing Subsection (i) providing that a person who violates this section commits an offense. Deletes existing text providing that an offense under this section is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 101. Transfers Section 502.352, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.094, Transportation Code, and amends it as follows:

Sec. 502.094. New heading: 72- OR 144-HOUR PERMITS. Redesignates existing Section 502.352 as Section 502.094. (a) Authorizes TxDMV to issue a temporary registration permit in lieu of registration for a commercial motor vehicle, trailer, semitrailer, or motor bus that is owned by a resident of the United States, Canada, or the United Mexican States; is subject to registration in this state; and is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or province in which the vehicle is registered.



(b) Deletes existing text providing that a permit issued under this section is in lieu of registration. Makes nonsubstantive changes.

(c) Authorizes a person to obtain a permit under this section by:

(1) applying to the county assessor-collector, TxDMV, or TxDMV's wire service agent, if TxDMV has a wire service agent;

(2) paying a fee of \$25 for a 72-hour permit or \$50 for a 144-hour permit in the manner prescribed by TxDMV that may include a service charge for a credit card payment or escrow account. Deletes existing text authorizing a person to obtain a permit under this section by paying a fee of \$25 for a 72-hour permit or \$50 for a 144-hour permit in cash; by postal money order; by certified check; by wire transfer through TxDMV's wire service agent, if any; by an escrow account; or where the service is provided, by a credit card issued by a financial institution chartered by a state or the United States; or a nationally recognized credit organization approved by the board;

(3) furnishing to the county assessor-collector, TxDMV, or TxDMV's wire service agent, evidence of financial responsibility for the vehicle that complies with Sections 502.046(c) and 601.168(a), rather than furnishing to the county assessor-collector, TxDMV, or TxDMV's wire service agent, evidence of financial responsibility for the vehicle that complies with Section 502.153(c) and 601.168(a) and is written by an insurance company or surety company authorized to write motor vehicle liability insurance in this state; and

(4) Redesignates existing Subdivision (5) as Subdivision (4). Makes no further changes.

Deletes existing text authorizing a person to obtain a permit under this section by paying a discount or service charge for a credit card payment or escrow account, in addition to the fee.

(d) Requires a county assessor-collector to report and send a fee collected under this section in the manner provided by Section 502.198, rather than by Sections 502.102 and 502.105. Requires a wire service agent, each week, to send to TxDMV a report of all permits issued by the agent during the previous week. Requires the board, rather than TxDMV, by rule to prescribe the format, rather than form, and content of a report required by this subsection.

(e) Deletes existing text of Subsection (e) authorizing TxDMV to adopt rules to administer this section, and prescribe an application for a permit and other forms under this section. Redesignates existing Subsection (f) as Subsection (e). Makes no further changes.

(f)-(h) Redesignates existing Subsections (g)-(i) as Subsections (f)-(h), respectively. Makes no further changes.

SECTION 102. Transfers Section 502.354, Transportation Code, to Subchapter C, Chapter 502, Transportation Code, redesignates it as Section 502.095, Transportation Code, and amends it as follows:

Sec. 502.095. New heading: ONE-TRIP OR 30-DAY TRIP PERMITS. Redesignates existing Section 502.354 as Section 502.095. (a) Authorizes TxDMV to issue a temporary permit in lieu of registration for a vehicle that is subject to registration in this state that is not authorized to travel on a public highway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered.

(b) Deletes existing text providing that a permit issued under this section is in lieu of registration. Makes nonsubstantive changes.

(c) Makes no changes to this subsection.

(d) Authorizes a 30-day permit to be issued only to a passenger vehicle, a private bus, a trailer or semitrailer with a gross weight of not more than 10,000 pounds, a light truck, or a light commercial vehicle with a gross vehicle weight, rather than a manufacturer's rated carrying capacity of more than 10,000 pounds rather than one ton that will operate unladen.

(e) Authorizes a person to obtain a permit under this section by:

(1) applying as provided by TxDMV rather than applying on a form provided by TxDMV to the county assessor-collector of the county in which the vehicle will first be operated on a public highway, or to TxDMV in Austin or at one of TxDMV's vehicle title and registration regional offices;

(2) paying a fee, in the manner prescribed by TxDMV including a registration service charge for a credit card payment or escrow account, rather than paying a fee in cash or by postal money order or certified check, of \$5 for one-trip permit, or \$25 for each 30-day period; and

(3) furnishing evidence of financial responsibility for the vehicle in a form listed under Section 502.046(c), rather than Section 502.153(c).

(f) Requires a registration receipt to be carried in the vehicle at all times during the period in which it is valid, rather than requiring a registration receipt and a temporary tag to be issued on forms provided by TxDMV.

(g) Makes no changes to this subsection.

Deletes existing Subsection (h) providing that a person issued a temporary registration under this section who operates a vehicle in violation of Subsection (f) commits an offense. Deletes existing text providing that an offense under this subsection is a Class C misdemeanor.

Deletes existing Subsection (i) authorizing TxDMV to adopt rules to administer this section; and prescribe an application for a permit and other forms under this section.

SECTION 103. Amends the heading to Subchapter D, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER D. VEHICLES NOT ISSUED REGISTRATION

SECTION 104. Transfers Section 502.006, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.095, Transportation Code, and amends it as follows:

Sec. 502.140. CERTAIN OFF-HIGHWAY VEHICLES. Redesignates existing Section 502.006 as Section 502.140. (a)-(b) Makes no changes to these subsections.

(c) Authorizes a recreational off-highway vehicle registered as provided by Subsection (b) to be operated on a public or private beach in the same manner as a golf cart may be operated on a public or private beach under Section 551.403 rather than Section 502.0071.

(d) Provides that Section 504.401, rather than Section 502.172, does not apply to an all-terrain vehicle or a recreational off-highway vehicle.

(e) Provides that operation of an all-terrain vehicle or recreational off-highway vehicle in compliance with Section 663.037 does not require registration under Subsection (b).

SECTION 105. Transfers Section 502.0072, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.142, Transportation Code, and amends it as follows:

Sec. 502.142. MANUFACTURED HOUSING. Redesignates existing Section 502.0072 as Section 502.142. Provides that manufactured housing, as defined by Section 1201.003 (Definitions), Occupations Code, is not a vehicle subject to this chapter.

SECTION 106. Transfers Section 502.0073, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.143, Transportation Code, and amends it as follows:

Sec. 502.143. New heading: OTHER VEHICLES. Redesignates existing Section 502.0073 as Section 502.143. Deletes existing Subsection (a) designation. Prohibits an from registering the following vehicles for operation on a public highway: power sweepers; motorized mobility devices; electric personal assistive mobility devices; and electric bicycles, rather than provides that an owner of a power sweeper is not required to register the power sweeper.

Deletes text of existing Subsection (b) defining "power sweeper."

SECTION 107. Transfers Section 502.0078, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.144, Transportation Code, and amends it as follows:

Sec. 502.144. VEHICLES OPERATED ON PUBLIC HIGHWAY SEPARATING REAL PROPERTY UNDER VEHICLE OWNER'S CONTROL. Redesignates existing Section 502.0078 as Section 502.144. Makes no further changes to this section.

SECTION 108. Transfers Section 502.0079, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.145, Transportation Code, and amends it as follows:

Sec. 502.145. VEHICLES OPERATED BY CERTAIN NONRESIDENTS. Redesignates existing Section 502.0079 as Section 502.145. (a) Deletes existing Subsection (a) authorizing a nonresident owner of a motor vehicle, trailer, or semitrailer that is registered in the state or country in which the person resides to operate the vehicle to transport persons or property for compensation without being registered in this state, if the person does not exceed two trips in a calendar month and each trip does not exceed four days. Redesignates existing Subsection (c) as Subsection (a).

(b)-(d) Deletes existing Subsection (b) prohibiting a nonresident owner of a privately owned vehicle that is not registered in this state making more than five occasional trips in any calendar month into this state using the vehicle and prohibiting each occasional trip into this state from exceeding five days. Redesignates existing Subsections (d)-(f) as Subsections (b)-(d). Makes no further changes.

SECTION 109. Transfers Section 504.504, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.146, Transportation Code, and amends it as follows:

Sec. 502.146. CERTAIN FARM VEHICLES AND DRILLING AND CONSTRUCTION EQUIPMENT. Redesignates existing Section 504.504 as Section 502.146. (a) Makes no changes to this subsection.

(b) Provides that an owner is not required to register a vehicle that is used only temporarily on the highways if the vehicle is:

(1) a farm trailer or farm semitrailer with a gross weight of more than 4,000 pounds but not more than 34,000 pounds that is used exclusively to transport seasonally harvested agricultural products or livestock from the place of production to the place of processing, market, or storage; or farm supplies from the place of loading to the farm;

(2) machinery used exclusively for the purpose of drilling water wells;

(3) oil well servicing or drilling machinery and if at the time of obtaining the license plates the applicant submits proof that the applicant has a permit under Section 623.142; or

(4) construction machinery rather, than construction machinery that is not designed to transport persons or property on a public highway.

Makes a nonsubstantive change.

(c)-(e) Makes no changes to these subsections.

(f) Provides that a vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated while unregistered and is immediately subject to the applicable registration fees and penalties prescribed by this chapter, rather than by Chapter 502.

(g) Makes no changes to this subsection.

SECTION 109A. (a) Amends Section 502.161, Transportation Code, by adding Subsection (a-1), as follows:

(a-1) Provides that for purposes of Subsection (a), a light truck that weighs 6,000 pounds or less is considered a passenger car.

(b) Provides that this section takes effect August 31, 2011.

SECTION 110. Amends Sections 502.180(b) and (c), Transportation Code, as follows:

(b) Requires TxDMV, subject to Subchapter I, to issue only one license plate or set of plates for a vehicle during a period, rather than during a five- year period, of no less than eight years.

(c) Requires TxDMV on application and payment of the prescribed fee for a renewal of the registration of a vehicle for each registration year, rather than for the first, second and third, or fourth registration year, after the issuance of a license plate or set of plates for the vehicle, to issue a registration insignia for the validation of the license plate or plates to be attached as provided by Subsection (d).

SECTION 111. Amends Section 502.184(g), Transportation Code, as follows:

(g) Authorizes replacement license plates be used in the registration year in which the plates are issued and during each succeeding year of a period of no less than eight years, rather than the five-year period, as prescribed by Section 502.180(b) if the registration insignia is properly attached.

SECTION 112. Amends the heading to Subchapter E, Chapter 502, Transportation Code, to read as follows:

SUBCHAPTER E. ADMINISTRATION OF FEES

SECTION 113. Transfers Section 502.159, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.190, Transportation Code, and amends it as follows:

Sec. 502.190. New heading: SCHEDULE OF REGISTRATION FEES. Redesignates existing Section 502.159 as Section 502.190. Requires TxDMV to post a complete schedule of registration fees on the Internet, rather than requiring TxDMV to compile and furnish to each county assessor-collector a complete schedule of registration fees to be collected on the various makes, models, and types of vehicles.

SECTION 114. Transfers Section 504.004, Transportation Code, to Subchapter D, Chapter 502, Transportation Code, redesignates it as Section 502.191, Transportation Code, and amends it as follows:

Sec. 502.191. New heading: COLLECTION OF FEES. Redesignates existing Section 502.004 as Section 502.191. (a) Creates this subsection from existing text. Makes no further changes.

(b) Authorizes TxDMV to accept electronic payment by electronic funds transfer, credit card, or debit card of any fee that TxDMV is authorized to collect under this chapter.

(c) Authorizes TxDMV to collect a fee for processing a payment by electronic funds transfer, credit card, or debit card. Requires that the amount of the fee not exceed the charges incurred by the state because of the use of the electronic funds transfer, credit card, or debit card.

(d) Authorizes TxDMV for online transactions to collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to the amount of any fee charged in accordance with Section 2054.2591, Government Code.

(e) Authorizes TxDMV, if, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, to collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. Requires that the amount of the service charge be reasonably related to the expense incurred by TxDMV in collecting the original amount.

SECTION 115. Amends Subchapter E, Chapter 502, Transportation Code, by adding Section 502.192, as follows:

Sec. 502.192. TRANSFER FEE. Requires the purchaser of a used motor vehicle to pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of \$2.50 for the transfer of the registration of the motor vehicle. Authorizes the county assessor-collector to retain as commission for services provided under this subchapter half of each transfer fee collected.

SECTION 116. Transfers Section 502.181, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.193, Transportation Code, and amends it as follows:

Sec. 502.193. New heading: PAYMENT BY CHECK DRAWN AGAINST INSUFFICIENT FUNDS. Redesignates existing Section 502.181 as Section 502.193. (a) Requires a county assessor-collector who receives from any person a check or draft for, rather than a check or draft drawn on a bank or trust company in, payment of a registration fee for a registration year that has not ended, rather than that has not ended on a motor vehicle, trailer, or motorcycle sidecar, that is returned unpaid because of insufficient funds or no funds in the bank or trust company to the credit of the drawer of the check or draft shall certify the fact to the sheriff or a constable or highway patrol officer in the county after attempts to contact the person fail to result in the collection of payment. Requires the certification to be made before the 30th day after the date the check or draft is returned unpaid and:

- (1) be under the assessor-collector's official seal;
- (2) include the name and address of the person who gave the check or draft rather than including the name and address of the person who gave the assessor-collector the check or draft;
- (3) include the license plate number and make of the vehicle;
- (4) be accompanied by the check or draft; and
- (5) be accompanied by documentation of any attempt to contact the person and collect payment.

(b) Requires the sheriff, constable, or highway patrol officer, on receiving a complaint under Subsection (a) from the county assessor-collector, to find the person who gave the check rather than who gave the assessor-collector the check, or draft, if the person is in the county, and demand immediate redemption of the check or draft from the person. Requires the sheriff, constable, or highway patrol officer, if the person fails or refuses to redeem the check or draft, to:

- (1) seize and remove the license plates and registration insignia from the vehicle; and
- (2) return the license plates and registration insignia to the county assessor-collector.

SECTION 117. Transfers Section 502.182, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.194, Transportation Code, and amends it as follows:

Sec. 502.194. CREDIT FOR REGISTRATION FEE PAID ON MOTOR VEHICLE SUBSEQUENTLY DESTROYED. Redesignates existing Section 502.182 as Section 502.194. (a) Deletes existing text requiring the owner to claim the credit by sending the registration fee receipt and the license plates for the vehicle to TxDMV and executing a statement on a form provided by TxDMV showing that the license plates have been surrendered to TxDMV.

(b) Makes no changes to this subsection.

Deletes existing Subsection (c) requiring a statement executed under Subsection (a)(2) to be delivered to a purchaser of the destroyed vehicle. Deletes existing text authoring the purchaser to surrender the statement to TxDMV in lieu of the vehicle license plates.

Deletes existing Subsection (d) requiring TxDMV to adopt rules to administer this section.

SECTION 118. Transfers Section 502.183, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.195, Transportation Code, and amends it as follows:

Sec. 502.195. REFUND OF OVERCHARGED REGISTRATION FEE. Redesignates existing Section 502.183 as Section 502.195. (a) Deletes existing text relating to the owner of a motor vehicle that is required to be registered.

(b) Requires the county assessor-collector who collects the excessive fee to refund an overcharge on presentation to the assessor-collector of satisfactory evidence of the overcharge not later than the first anniversary of the date the excessive registration fee was paid. Deletes existing text requiring the owner to make a claim for a refund of an overcharge not later than the fifth anniversary of the date the excessive registration fee was paid.

(c) Makes no changes to this subsection.

SECTION 119. Transfers Section 502.051, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.196, Transportation Code, and amends it as follows:

Sec. 502.196. DEPOSIT OF REGISTRATION FEES IN STATE HIGHWAY FUND. Redesignates existing Section 502.051 as Section 502.196. Makes no further changes.

SECTION 120. Transfers Section 502.101, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.197, Transportation Code, and amends it as follows:

Sec. 502.197. REGISTRATION BY MAIL OR ELECTRONIC MEANS; SERVICE CHARGE. Redesignates existing Section 502.101 as Section 502.197. (a)-(c) Makes no changes to these subsections.

SECTION 121. Transfers Section 502.102, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.198, Transportation Code, and amends it as follows:

Sec. 502.198. DISPOSITION OF FEES GENERALLY. Redesignates existing Section 502.102 as Section 502.198. (a) Provides that, except as provided by Sections 502.1982 and 502.357, rather than Sections 502.103 and 502.104, this section applies to all fees collected by a county assessor-collector under this chapter.

(b) Requires a county assessor-collector, each money to credit to the county road and bridge fund an amount equal to the net collections made during the preceding week until the amount so credited for the calendar year equals the total of:

(1) \$60,000;

(2) \$350 for each mile of county road maintained by the county, according to the most recent information available from TxDMV, not to exceed 500 miles; and

(3) an additional amount of fees equal to the amount calculated under Section 502.1981 rather than 502.1025.

(c)-(d) Makes no changes to these subsections.

Deletes existing Subsection (e) requiring the county assessor-collector, each Monday, to send to TxDMV a copy of each receipt issued the previous week for a registration fee under this chapter.

SECTION 122. Transfers Section 502.1025, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1981, Transportation Code, and amends it as follows:

Sec. 502.1981. CALCULATION OF ADDITIONAL FEE AMOUNTS RETAINED BY A COUNTY. Redesignates existing Section 502.1025 as Section 502.1981. (a) Makes no changes to this subsection.

(b) Requires that a county tax assessor-collector retain under Section 502.198(b), rather than Section 502.102(b), fees based on the following percentage of the amounts calculated under Subsection (a) (relating to tax and penalty calculation) during certain fiscal years. Sets forth fiscal years. Makes nonsubstantive changes.

(c) Makes no changes to this subsection.

SECTION 123. Transfers Section 502.103, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1982, Transportation Code, and amends it as follows:

Sec. 502.1982. DISPOSITION OF OPTIONAL COUNTY ROAD AND BRIDGE FEE. Redesignates existing Section 502.103 as Section 502.1982. Requires each Monday a county assessor-collector to apportion the collection for the preceding week for a fee imposed under Section 502.401, rather than Section 502.172, by crediting an amount equal to 97 percent of the collections to the county road and bridge fund; and sending to TxDMV an amount equal to three percent of the collections to defray TxDMV's costs of administering Section 502.401, rather than Section 502.172.

SECTION 124. Transfers Section 502.106, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1983, Transportation Code, and amends it as follows:

Sec. 502.1983. DEPOSIT OF FEES IN INTEREST-BEARING ACCOUNT. Redesignates existing Section 502.106 as Section 502.1983. (a) Authorizes a county assessor-collector, except as provided by Sections 502.1982 and 502.357, rather than Sections 502.103 and 502.104, to send the fees to the TxDMV not later than the 34th day after the date the fees are due under Section 502.357, rather than Section 502.104.

(b) Makes no changes to this subsection.

SECTION 125. Transfers Section 502.107, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1984, Transportation Code, and makes no further changes to this section.

SECTION 126. Transfers Section 502.108, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1985, Transportation Code, and amends it as follows:

Sec. 502.1985. USE OF REGISTRATION FEES RETAINED BY COUNTY. Redesignates existing Section 502.108 as Section 502.1985. (a) Prohibits money credited to the county road and bridge fund under Section 502.198 or 502.1982, rather than Section 502.102 or 502.103, from being used to pay the compensation of the county judge or a county commissioner.

(b)-(d) Makes no changes to these subsections.

SECTION 127. Transfers Section 502.110, Transportation Code, to Subchapter E, Chapter 502, Transportation Code, redesignates it as Section 502.1986, Transportation Code, and makes no further changes to this section.



SECTION 128. Amends the heading to Subchapter F, Chapter 502, Transportation Code, to read as follows:

SUBCHAPTER F. REGULAR REGISTRATION FEES

SECTION 129. Transfers Section 502.160, Transportation Code, to Subchapter F, Chapter 502, Transportation Code, as effective September 1, 2011, and redesignates it as Section 502.251, Transportation Code and makes no further changes.

SECTION 130. Transfers Section 502.162, Transportation Code, to Subchapter F, Chapter 502, Transportation Code, as effective September 1, 2011, redesignates it as Section 502.253, Transportation Code, amends it as follows:

Sec. 502.253. FEE: VEHICLES THAT WEIGH MORE THAN 6,000 POUNDS. Redesignates existing Section as 502.162 as Section 502.253. Deletes Subsection (a) designation.

Deletes existing Subsection (b) providing that the gross weight of a vehicle is the actual weight of the vehicle, fully equipped with a body and other equipment, as certified by a public weigher or a license and weight inspector of the Department of Public Safety, plus its net carrying capacity.

Deletes existing Subsection (c) providing the net carrying capacity of a vehicle other than a bus is the heaviest net load to be carried on the vehicle, but not less than the manufacturer's rated carrying capacity.

Deletes existing Subsection (d) providing that the net carrying capacity of a bus is computed by multiplying its seating capacity by 150 pounds. Deletes existing text providing that the seating capacity of a bus is the manufacturer's rated seating capacity, excluding the operator's seat, or if the manufacturer has not rated the vehicle for seating capacity, a number computed by allowing one passenger for each 16 inches of seating on the bus, excluding the operator's seat.

SECTION 131. Transfers Section 502.166, Transportation Code, to Subchapter F, Chapter 502, Transportation Code, as effective September 1, 2011, redesignates it as Section 502.254, Transportation Code, and amends it as follows:

Sec. 502.254. FEE: TRAILER, TRAVEL TRAILER, OR SEMITRAILER. Redesignates existing Section 502.166 as Section 502.254. (a) Makes no changes to this subsection.

(b) Redesignates existing Subsection (a-1) as Subsection (b). Provides that the fee for a registration year for registration of a trailer, travel trailer, or semitrailer with a gross weight of more than 6,000 pounds is calculated by gross weight according to Section 502.253, rather than Section 502.162.

Deletes existing Subsection (b) providing that the gross weight of a trailer or semitrailer is the actual weight of the vehicle, as certified by a public weigher or a license and weight inspector of the Department of Public Safety, plus its net carrying capacity.

Deletes existing Subsection (c) providing that the net carrying capacity of a vehicle is the heaviest net load to be carried on the vehicle, but not less than the manufacturer's rated carrying capacity.

Deletes existing Subsection (d) authorizing TxDMV to issue specialty license plates for rental trailers and travel trailers that include, as appropriate, the words "rental trailer" or "travel trailer."

Deletes existing Subsection (e) defining "rental fleet," "rental trailer," and travel trailer."

SECTION 132. Transfers Section 502.167, Transportation Code, as effective September 1, 2011, to Subchapter F, Chapter 502, Transportation Code, redesignates it as Section 502.255, Transportation Code, and amends it as follows:

Sec. 502.255. TRUCK-TRACTOR OR COMMERCIAL MOTOR VEHICLE COMBINATION FEE; SEMITRAILER TOKEN FEE. Redesignates existing Section 502.167 as Section 502.255. (a)-(f) Makes no changes these subsections.

(g) Provides that this section does not apply to:

(1) a combination of vehicles that includes a vehicle that has a distinguishing license plate under Section 502.146, rather than Section 504.504;

(2) a truck-tractor or commercial motor vehicle registered or to be registered with \$5 distinguishing license plates for which the vehicle is eligible under this chapter;

(3) a truck-tractor or commercial motor vehicle used exclusively in combination with a semitrailer of the travel trailer, rather than with a semitrailer of the housetrailer type; or

(4) a vehicle registered or to be registered with a temporary registration permit under Section 502.433 or under Section 502.435 rather than Section 502.163 or Section 502.188.

(h)-(i) Makes no changes to these subsections.

(j) Authorizes a person to register a semitrailer under this section, rather than authorizes a person to register a semitrailer under this section for a registration period of five consecutive years, if the person:

(1) applies to TxDMV for registration rather than applies to TxDMV for the five-year registration;

(2) provides proof of the person's eligibility to register the vehicle under this subsection as required by TxDMV; and

(3) pays a fee of \$15, plus any applicable fee under Section 502.401, rather than Section 502.172, for each year included in the registration period.

Deletes existing Subsection (k) providing that if during the five-year registration period for a vehicle registered under Subsection (j) the amount of a fee imposed under that subsection is increased, the owner of the vehicle is liable to TxDMV for the amount of the increase. Deletes existing text providing that if the amount of a fee is decreased, the owner of the vehicle is not entitled to a refund.

Deletes existing Subsection (1) defining "combined gross weight," "empty weight," "token trailer," "apportioned license plate," and "combination license plate."

SECTION 133. Transfers Section 502.165, Transportation Code, as effective September 1, 2011, to Subchapter F, Chapter 502, Transportation Code, redesignates it as Section 502.256, Transportation Code, and amends it as follows:

Sec. 502.256. FEE: ROAD TRACTOR. Redesignates existing Section 502.165 as Section 502.256. Provides that the fee for a registration year for registration of a road tractor is the fee prescribed by weight as certified by a public weigher or a license and weight inspector of the Department of Public Safety under Section 502.252 or 502.253, rather than Section 502.161 or 502.152, as applicable.

SECTION 134. Amends the heading to Subchapter G, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER G. ADDITIONAL FEES

SECTION 135. Transfers Section 502.1705, Transportation Code, to Subchapter G, Chapter 502, Transportation Code, as effective September 1, redesignates it as Section 502.356, Transportation Code, and amends it as follows:

Sec. 502.356. New heading: AUTOMATED REGISTRATION AND TITLING SYSTEM. Redesignates existing Section 502.1705 as Section 502.356. Makes no further changes to this section.

SECTION 136. Transfers Section 502.1715, Transportation Code, as amended by Chapters 892 (S.B. 1670) and 1108 (H.B. 2337), Acts of the 79th Legislature, Regular Session, 2005, to Subchapter G, Chapter 502, Transportation Code, redesignates it as Section 502.357, Transportation Code, and reenacts and amends it as follows:

Sec. 502.357. New heading: FINANCIAL RESPONSIBILITY PROGRAMS. Redesignates existing Section 502.1715 as Section 502.357. (a) Requires the applicant, in addition to other fees imposed for registration of a motor vehicle, at the time of application for registration or renewal of registration of a motor vehicle for which the owner is required to submit evidence of financial responsibility under Section 502.046, rather than Section 502.153, to pay a fee of \$1. Requires that fees collected under this section be remitted weekly to TxDMV.

(b)-(d) Makes no changes to these subsections.

SECTION 137. Transfers Section 502.1675, Transportation Code, to Subchapter G, Chapter 502, Transportation Code, redesignates it as Section 502.358, Transportation Code, and amends it as follows:

Sec. 502.358. TEXAS EMISSIONS REDUCTION PLAN SURCHARGE. Redesignates existing Section 502.1675 as Section 502.358. (a) Provides that in addition to the registration fees charged under Section 502.255, rather than Section 502.167, a surcharge is imposed on the registration of a truck-tractor or commercial motor vehicle under that section in an amount equal to 10 percent of the total fees due for the registration of the truck-tractor or commercial motor vehicle under that section.

(b)-(c) Makes no changes to these subsections.

SECTION 138. Transfers Section 502.171, Transportation Code, to Subchapter G, Chapter 502, Transportation Code, redesignates it as Section 502.359, Transportation Code, and amends it as follows:

Sec. 502.359. ADDITIONAL FEE FOR CERTAIN VEHICLES USING DIESEL MOTOR. Redesignates existing Section 502.171 as Section 502.359. (a) Provides that the registration fee under this chapter for a motor vehicle other than a passenger car, a truck with a gross vehicle weight of 18,000 pounds or less, rather than a truck with a manufacturer's rated carrying capacity of two tons or less, or a vehicle registered in combination under Section 502.255, rather than Section 502.167, is increased by 11 percent if the vehicle has a diesel motor.

(b) Requires the registration receipt for a motor vehicle, other than a passenger car or a truck with a gross vehicle weight of 18,000 pounds or less, to show that the vehicle has a diesel motor. Deletes existing text requiring the county assessor-collector to show on the registration receipt for a motor vehicle, other than a passenger car or a truck with a manufacturer's rated carrying capacity of two tons or less, that the vehicle has a diesel motor.

(c) Makes no changes to this subsection.

SECTION 139. Amends the heading to Subchapter H, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER H. OPTIONAL FEES

SECTION 140. Transfers Section 502.172, Transportation Code, to Subchapter H, Chapter 502, Transportation Code, redesignates it as Section 502.401, Transportation Code, and amends it as follows:

Sec. 502.401. OPTIONAL COUNTY FEE FOR ROAD AND BRIDGE FUND. Redesignates existing Section 502.172 as Section 502.401. (a)-(e) Makes no changes to these subsections.

(f) Requires TxDMV to collect the additional fee on a vehicle that is owned by a resident of a county imposing a fee under this section that is required to be registered directly with TxDMV, rather than under this section, and that, under this chapter, is required to be registered directly with TxDMV.

(g) Requires TxDMV to adopt rules necessary to administer registration, rather than to adopt rules and develop forms necessary to administer registration by mail, for a vehicle being registered in a county imposing a fee under this section.

SECTION 141. Transfers Section 502.1725, Transportation Code, to Subchapter H, Chapter 502, Transportation Code, redesignates it as Section 502.402, Transportation Code, and amends it as follows:

Sec. 502.402. OPTIONAL COUNTY FEE FOR TRANSPORTATION PROJECTS. Redesignates existing Section 502.1725 as Section 502.402. (a) Provides that this section applies only to a county that has a population of less than 50,000 that borders the United Mexican States, and contains at least one federal military base.

(b) Authorizes the commissioners court of a county by order to impose an additional fee, not to exceed \$10, for a vehicle registered in the county, rather than for registering a vehicle in the county.

(c) Authorizes a vehicle that is authorized to be registered under this chapter without payment of a registration fee to be registered, rather than to be registered in a county imposing a fee, under this section without payment of the additional fee.

(d) Authorizes a fee imposed under this section to take effect and be removed in accordance with the requirements of Section 502.401. Deletes existing text authorizing a fee imposed under this section to take effect only on January 1 of a year. Deletes existing text requiring the county to adopt the order and notify TxDMV not later than September 1 of the year preceding the year in which the fee takes effect. Deletes existing Subsection (e) relating to the removal of a fee imposed under this section.

(e) Redesignates existing Subsection (f) as Subsection (e). Requires that the additional fee be collected, rather than requires the county assessor-collector of a county imposing a fee under this section to collect the additional fee, for a vehicle when other fees imposed under this chapter are collected. Requires that the fee

revenue collected be sent, rather than requires the county to send the fee revenue, to the regional mobility authority of the county to fund long-term transportation projects in the county if the county is included in an authority or to the county treasurer to be credited to the county public transportation fund if the county is not included in an authority.

(f) Redesignates existing Subsection (h) as Subsection (f). Requires TxDMV to adopt rules necessary to administer registration, rather than to adopt rules and develop forms necessary to administer registration by mail, for a vehicle being registered in a county imposing a fee under this section. Deletes existing Subsection (g) requiring TxDMV to collect the additional fee on a vehicle that is owned by a resident of a county imposing a fee under this section and that, under this chapter, is required to be registered directly with TxDMV.

SECTION 142. Transfers Section 502.173, Transportation Code, to Subchapter H, Chapter 502, Transportation Code, redesignates it as Section 502.403, Transportation Code, and amends it as follows:

Sec. 502.403. **OPTIONAL COUNTY FEE FOR CHILD SAFETY.** Redesignates existing Section 502.173 as Section 502.403. (a) Authorizes the commissioners court of a county that has a population greater than 1.3 million and in which a municipality with a population of more than one million is primarily located to impose by order an additional fee of not less than 50 cents or more than \$1.50 for a vehicle registered in the county, rather than for registering a vehicle in the county.

(b) Authorize that a vehicle to be registered under this chapter without payment of a registration fee to be registered, rather than to be registered in a county imposing a fee under this section, without payment of the additional fee.

(c) Authorizes a fee imposed under this section to take effect and be removed in accordance with the provisions of Section 502.401. Deletes existing text authorizing a fee imposed under this section to take effect only on January 1 of a year. Deletes existing text requiring the county to adopt the order and notify TxDMV, not later than September 10 of the year preceding the year in which the fee takes effect. Deletes existing Subsection (d) relating to the removal of a fee imposed under this section.

(d) Redesignates existing Subsection (e) as Subsection (d). Requires that the additional fee be collected, rather than requires county assessor-collector of a county imposing a fee under this section to collect the additional fee, for a vehicle when other fees imposed under this chapter are collected.

(e) Redesignates existing Subsection (f) as Subsection (e). Makes no further changes to this subsection.

(f) Redesignates existing Subsection (g) as Subsection (f). Makes no further changes to this subsection.

(g) Redesignates existing Subsection (h) as Subsection (g). Makes a nonsubstantive change.

SECTION 143. Transfers Section 502.174, Transportation Code, to Subchapter H, Chapter 502, Transportation Code, redesignates it as Section 502.404, Transportation Code, and amends it as follows:

Sec. 502.404. **VOLUNTARY ASSESSMENT FOR YOUNG FARMER LOAN GUARANTEES.** Redesignates existing Section 502.174 as Section 502.404. (a) Requires a person, when the person registers a commercial motor vehicle under Section 502.433, rather than Section 502.163, to pay a voluntary assessment of \$5.

(b)-(c) Makes no changes to these subsections.

SECTION 144. Transfers Section 502.1745, Transportation Code, to Subchapter H, Chapter 502, Transportation Code, redesignates it as Section 502.405, Transportation Code, and amends it as follows:

Sec. 502.405. New heading: DONOR EDUCATION, AWARENESS, AND REGISTRY PROGRAM. (a) Requires that the educational materials be made available, rather than requires a county assessor-collector to make the education materials available, in each office authorized to accept applications for registration of motor vehicles.

(b) Authorizes a person to elect to pay an additional fee of \$1 for the registration or renewal of registration of a motor vehicle to pay the costs of the Donor Education, Awareness, and Registry Program of Texas, established under Chapter 49, Health and Safety Code, and of the Texas Organ, Tissue, and Eye Donor Council, established under Chapter 113, Health and Safety Code. Requires that all fees collected under this subsection, notwithstanding any other provision of this chapter, all fees collected under this subsection be remitted to the comptroller, who is required to maintain the identity of the source of the fees. Deletes existing text requiring the county assessor-collector to collect an additional fee of \$1 for the registration or renewal of registration of a motor vehicle to pay the costs of the Donor Education, Awareness, and Registry Program of Texas, established under Chapter 49, Health and Safety Code, and of the Texas Organ, Tissue, and Eye Donor Council, established under Chapter 113, Health and Safety Code, if the person registering or renewing the registration of a motor vehicle opts to pay the additional fee. Deletes existing text requiring the county assessor-collector, notwithstanding any other provision of this chapter, to remit all fees collected under this subsection to the comptroller, who is required to maintain the identity of the source of the fees.

(c) Makes no changes to this subsection.

SECTION 145. Amends the heading to Subchapter I, Chapter 502, Transportation Code, to read as follows:

#### SUBCHAPTER I. ALTERNATE REGISTRATION FEES

SECTION 146. Transfers Section 502.164, Transportation Code, to Subchapter I, Chapter 502, Transportation Code, and redesignates it as Section 502.431, Transportation Code, as follows:

Sec. 502.431. FEE: MOTOR VEHICLE USED EXCLUSIVELY TO TRANSPORT AND SPREAD FERTILIZER. Redesignates existing Section 502.164 as Section 502.431. Makes no further changes to this section.

SECTION 147. Transfers Section 502.1586, Transportation Code, to Subchapter I, Chapter 502, Transportation Code, redesignates it as Section 502.432, Transportation Code, and amends it as follows:

Sec. 502.432. New heading: VEHICLE TRANSPORTING SEASONAL AGRICULTURAL PRODUCTS. Redesignates existing Section 502.1586 as Section 502.432. (a) Requires TxDMV to provide for a monthly registration period for a truck-tractor or a commercial motor vehicle:

- (1) that is used exclusively to transport a seasonal agricultural product;
- (2) that would otherwise be registered for a vehicle registration year; and
- (3) for which the owner can show proof of payment of the heavy vehicle use tax or exemption.

Makes a nonsubstantive change.

(b) Redesignates existing Subsection (c) as Subsection (b). Requires TxDMV to prescribe, rather than design, prescribe, and furnish, a registration receipt that is valid until the expiration of the designated registration period. Deletes existing Subsection (b) requiring TxDMV to adopt forms for registration under this section, and requiring an applicant to indicate the number of months registration is applied for.

(c) Redesignates existing Subsection (d) as Subsection (c). Provides that the registration fee for a registration under this section is computed at a rate of one-twelfth the annual registration fee under Sections 502.253, 502.255, or 502.433, rather than Sections 502.162, 502.163, or 502.167, as applicable, multiplied by the number of months in the registration period specified in the application for the registration, which is prohibited from being less than one month or longer than six months.

(d) Redesignates existing Subsection (g) as Subsection (d). Provides that for purposes of this section, "to transport a seasonal agricultural product" includes any transportation activity necessary for the production, harvest, or delivery of an agricultural product that is produced seasonally.

Deletes existing Subsection (e) providing that a person issued a registration under this section commits an offense if the person, during the registration period for the truck-tractor or commercial motor vehicle, uses the truck-tractor or commercial motor vehicle for a purpose other than to transport a seasonal agricultural product.

Deletes existing Subsection (f) prohibiting a truck-tractor or commercial motor vehicle from being registered under this section for a registration period that is less than one month or longer than six months.

SECTION 148. Transfers Section 502.163, Transportation Code, to Subchapter I, Chapter 502, Transportation Code, redesignates it as Section 502.433, Transportation Code, and amends it as follows:

Sec. 502.433. New heading: FEE: COMMERCIAL FARM MOTOR VEHICLE. Redesignates existing Section 502.163 as Section 502.433. (a) Provides that the registration fee for a commercial motor vehicle as a farm vehicle is 50 percent of the applicable fee under Section 502.253, rather than Section 502.162, if the vehicle's owner will use the vehicle for commercial purposes only to transport:

- (1) the person's own poultry, dairy, livestock, livestock products, timber in its natural state, or farm products to market or another place for sale or processing;
- (2) laborers from their place of residence to the owner's farm or ranch; or
- (3) without charge, materials, tools, equipment, or supplies from the place of purchase or storage to the owner's farm or ranch exclusively for the owner's use or for use on the farm or ranch.

(b)-(d) Makes no changes to these subsections.

Deletes existing text of Subsection (e) providing that the owner of a commercial motor vehicle registered under this section commits an offense if the person uses or permits to be used the vehicle for a purpose other than one permitted by this section, and that each use or permission for use in violation of this section is a separate offense.

Deletes existing text of Subsection (f) providing that an offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.

SECTION 149. Transfers Section 502.351, Transportation Code, to Subchapter I, Chapter 502, Transportation Code, redesignates it as Section 502.434, Transportation Code, and amends it as follows:

Sec. 502.434. FARM VEHICLES: EXCESS WEIGHT. Redesignates existing Section 502.351 as Section 502.434. (a)-(c) Makes no changes to these subsections.

(d) Provides that the fee for a permit under this section is a percentage of the difference between the registration fee otherwise prescribed, rather than between the registration fee otherwise prescribed by this chapter, for the vehicle and the annual fee for the desired weight, as follows:

One month (30 consecutive days)	10 percent
One quarter	30 percent
Two quarters	60 percent
Three quarters	90 percent

(e) Makes no changes to this subsection.

SECTION 150. Transfers Section 502.188, Transportation Code, to Subchapter I, Chapter 502, Transportation Code, redesignates it as Section 502.435, Transportation Code, and amends it as follows:

Sec. 502.435. CERTAIN SOIL CONSERVATION EQUIPMENT. Redesignates existing Section 502.188 as Section 502.435. (a)-(b) Makes no changes to these subsections.

(c) Requires an owner to certify, rather than requires an owner applying for registration under this section to submit a statement, that the vehicle is to be used only as provided by Subsection (a) (relating to a reduced registration fee for certain vehicles used for certain actions).

(d) Requires that the registration receipt issued for a vehicle registered under this section be carried in or on the vehicle and state the nature of the operation for which the vehicle is authorized to be used. Deletes existing text requiring that the receipt be carried at all times in or on the vehicle to permit ready inspection.

(e) Makes no changes to this subsection.

SECTION 151. Amends Chapter 502, Transportation Code, by adding Subchapter J, as follows:

#### SUBCHAPTER J. REGISTRATIONS EXEMPT FROM FEES

SECTION 152. Transfers Section 502.201, Transportation Code, as effective September 1, 2011, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.451, Transportation Code, and amends it as follows:

Sec. 502.451. New heading: EXEMPT VEHICLES. Redesignates existing Section 502.201 as Section 502.451. (a) Makes no changes to this subsection.

(b) Requires TxDMV to revoke the registration of a vehicle issued license plates under this section and authorizes TxDMV to recall the plates if the vehicle is no longer:

(1) owned and operated by the person whose ownership of the vehicle qualified the vehicle for the exemption; or



(2) used in accordance with the exemption requirements.

(c) Redesignates existing Subsection (d) as Subsection (c). Requires TxDMV to provide by rule for the issuance of specially designated license plates for vehicles that are exempt by law. Requires that the license plates, except as provided by Subsection (f), rather than Subsection (g), bear the word "exempt."

(d) Redesignates existing Subsection (e) as Subsection (d). Provides that a license plate under Subsection (c), rather than Subsection (d), is not issued annually, but remains on the vehicle until:

(1) the registration is revoked as provided by Subsection (b); or

(2) the plate is lost, stolen, or mutilated.

(e) Redesignates existing Subsection (f) as Subsection (e). Makes no further changes to this subsection.

(f) Redesignates existing Subsection (g) as Subsection (f). Makes no further changes to this subsection.

SECTION 153. Transfers Section 502.2015, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.452, Transportation Code, and amends it as follows:

Sec. 502.452. **LIMITATION ON ISSUANCE OF EXEMPT LICENSE PLATES; SEIZURE OF CERTAIN VEHICLES.** Redesignates existing Section 502.2015 as Section 502.452. (a) Prohibits TxDMV from issuing exempt license plates for a vehicle owned by the United States, this state, or a political subdivision of this state unless when application is made for registration of the vehicle, the person who under Section 502.453, rather than Section 502.202, has authority to certify to TxDMV that the vehicle qualifies for registration under that section also certifies in writing to TxDMV that there is printed on each side of the vehicle, in letters that are at least two inches high or in an emblem that is at least 100 square inches in size, the name of the agency, department, bureau, board, commission, or officer of the United States, this state, or the political subdivision of this state that has custody of the vehicle.

(b) Prohibits TxDMV from issuing exempt license plates for a vehicle owned by a person other than the United States, this state, or a political subdivision of this state unless, when application is made for registration of the vehicle, the person who under Section 502.453, rather than Section 502.202, has authority to certify to TxDMV that the vehicle qualifies for registration under that section also certifies in writing to TxDMV that the name of the owner of the vehicle is printed on the vehicle in the manner prescribed by Subsection (a).

(c)-(e) Makes no changes to these subsections.

(f) Provides that Subsections (a) and (b) do not apply to a vehicle to which Section 502.451(f), rather than Section 502.201(g) or 502.206, applies.

(g) Makes no changes to this subsection.

SECTION 154. Transfers Section 502.202, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.453, Transportation Code, and amends it as follows:

Sec. 502.453. **GOVERNMENT-OWNED VEHICLES; PUBLIC SCHOOL BUSES; FIRE-FIGHTING VEHICLES; COUNTY MARINE LAW ENFORCEMENT VEHICLES.** Redesignates existing Section 502.202 as Section 502.453. (a) Authorizes

the owner of a motor vehicle, trailer, or semitrailer to annually apply for registration under Section 502.451, rather than Section 502.201, and exempts the owner from the payment of a registration fee under this chapter if the vehicle is:

- (1) owned by and used exclusively in the service of the United States, this state, or a county, municipality, or school district in this state;
- (2) owned by a commercial transportation company and used exclusively to provide public school transportation services to a school district under Section 34.008, Education Code;
- (3) designed and used exclusively for fire fighting;
- (4) owned by a volunteer fire department and used exclusively in the conduct of department business;
- (5) privately owned and used by a volunteer exclusively in county marine law enforcement activities, including rescue operations, under the direction of the sheriff's department; or
- (6) used by law enforcement under an alias for covert criminal investigations.

Makes a nonsubstantive change.

- (b) Makes no changes to this subsection.

SECTION 155. Transfers Section 502.203, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.454, Transportation Code, and amends it as follows:

Sec. 502.454. **VEHICLES USED BY NONPROFIT DISASTER RELIEF ORGANIZATIONS.** Redesignates existing Section 502.203 as Section 502.454. (a) Authorizes the owner of a commercial motor vehicle, trailer, or semitrailer to apply for registration under Section 502.451, rather than Section 502.201, and is exempt from the payment of the registration fee that would otherwise be required by this chapter if the vehicle is owned and used exclusively for emergencies by a nonprofit disaster relief organization.

- (b)-(f) Makes no changes to these subsections.

SECTION 156. Transfers Section 502.2035, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.455, Transportation Code, and amends it as follows:

Sec. 502.455. **TRAILERS AND SEMITRAILERS OWNED BY RELIGIOUS ORGANIZATIONS.** Redesignates existing Section 502.2035 as Section 502.455. Makes no further changes to this section.

SECTION 157. Transfers Section 502.204, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.456, Transportation Code, and amends it as follows:

Sec. 502.456. **EMERGENCY SERVICES VEHICLES.** Redesignates existing Section 502.204 as Section 502.456. (a) Authorizes a vehicle to be registered without payment if:

- (1) the vehicle is owned or leased by an emergency medical services provider that:

(A) is a nonprofit entity; or

(B) is created and operated by a county, a municipality, or any combination of counties and municipalities through a contract, joint agreement, or other method provided by Chapter 791, Government Code, or other law authorizing counties and municipalities to provide joint programs; and

(2) the vehicle:

(A) is authorized under an emergency medical services provider license issued by TxDMV of State Health Services, rather than the Texas Board of Health Services, under Chapter 773, Health and Safety Code, and is used exclusively as an emergency medical services vehicle; or

(B) is an emergency medical services chief or supervisor vehicle and is used exclusively as an emergency services vehicle.

(b) Makes no changes to this subsection.

(c) Requires that an application for registration under Subsection (a) be accompanied by a copy of the license issued by the Department of State Health Services, rather than the Texas Board of Health Services.

(d) Requires that an application for registration under Subsection (b) (relating to certain vehicles that are authorized to be registered without payment of a registration fee) include a statement signed by an officer of the Civil Air Patrol, Texas Wing, that the vehicle is used exclusively as an emergency services vehicle by members of the Civil Air Patrol, Texas Wing.

(e) Requires TxDMV to approve an application for registration under this section as provided by Section 502.451, rather than Section 502.201.

SECTION 155. Transfers Section 520.0225, Transportation Code, to Subchapter J, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.457, Transportation Code, and amends it as follows:

**Sec. 502.457. PERSONS ON ACTIVE DUTY IN ARMED FORCES OF UNITED STATES.** Redesignates existing Section 520.0225 as Section 502.457. (a) Makes no changes to this subsection.

(b) Provides that the requirement, rather than the requirement in Section 520.021, that a used vehicle be registered under the law of this state does not apply to a vehicle described by Subsection (a) (relating to a motor vehicle owned by certain persons in the armed forces). Requires the person selling, trading, or otherwise transferring a used motor vehicle described by Subsection (a), in lieu of delivering the license receipt to the transferee of the vehicle, as required by Section 501.0721, rather than Section 520.022, to deliver to the transferee:

(1) a letter written on official letterhead by the owner's unit commander attesting to the registration of the vehicle under Subsection (a)(3); or

(2) the registration receipt issued by the appropriate branch of the armed forces or host nation.

(c) Makes no changes to this subsection.

SECTION 159. Amends Chapter 502, Transportation Code, by adding Subchapter K, as follows:

## SUBCHAPTER K. OFFENSES AND PENALTIES

SECTION 160. Transfers Section 502.401, Transportation Code, to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.471, Transportation Code, and amends it as follows:

Sec. 502.471. GENERAL PENALTY. Redesignates existing Section 502.401 as Section 502.471. (a) Makes no changes to this subsection.

(b) Provides that this section does not apply to a violation of Section 502.003, 502.042, 502.197, or 502.431, rather than to a violation of Section 502.101, 502.109, 502.112, 502.113, 502.114, 502.152, 502.164, or 502.282.

(c) Provides that unless otherwise specified, an offense under this section is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 161. Transfers Section 502.402, Transportation Code, to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.472, Transportation Code, and amends it as follows:

Sec. 502.472. New heading: OPERATION OF VEHICLE UNDER IMPROPER REGISTRATION. Redesignates existing Section 502.402 as Section 502.472. Deletes existing Subsection (a) designation. Provides that a person commits an offense if the person operates a motor vehicle that has not been registered or registered for a class other than that to which the vehicle belongs as required by law. Deletes existing text providing that an offense under this subsection is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 162. Transfers Section 502.404, Transportation Code, to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.473, Transportation Code, and amends it as follows:

Sec. 502.473. New heading: OPERATION OF VEHICLE WITHOUT REGISTRATION INSIGNIA. Redesignates existing Section 502.404 as Section 502.473. (a) Redesignates existing Subsection (b) as Subsection (a). Provides that a person commits an offense if the person operates on a public highway during a registration period a motor vehicle, rather than a passenger car or commercial motor vehicle, other than a vehicle assigned license plates for the registration period, that does not properly display the registration insignia issued by TxDMV that establishes that the license plates have been validated for the period. Deletes existing Subsection (a) providing that a person commits an offense if the person operates on a public highway during a registration period a passenger car or commercial motor vehicle that does not display two license plates, at the front and rear of the vehicle, that have been assigned by TxDMV for the period, or validated by a registration insignia issued by TxDMV that establishes that the vehicle is registered for the period.

(b) Redesignates existing Subsection (c) as Subsection (b). Provides that a person commits an offense if the person operates on a public highway during a registration period a road tractor, motorcycle, trailer, or semitrailer that does not display a registration insignia issued by TxDMV that establishes that the vehicle is registered for the period. Deletes existing text providing that a person commits an offense if the person operates on a public highway during a registration period a road tractor, motorcycle, trailer, or semitrailer that does not display a license plate, attached to the rear of the vehicle, that has been assigned by TxDMV for the period, or validated by a registration insignia issued by TxDMV that establishes that the vehicle is registered for the period.

(c) Redesignates existing Subsection (d) as Subsection (c). Provides that this section does not apply, rather than Subsections (a) and (b) do not apply, to a dealer operating a vehicle as provided by law.

(d) Redesignates existing Subsection (g) as Subsection (d). Authorizes a court to dismiss a charge brought under Subsection (a) if the defendant:

(1) shows that the motor vehicle was issued a registration insignia by TxDMV that was attached to the motor vehicle, establishing that the vehicle was registered for the period during which the offense was committed; and

(2) pays an administrative fee not to exceed \$10.

Deletes existing Subsection (e) providing that an offense under this section is a misdemeanor punishable by a fine not to exceed \$200.

Deletes existing Subsection (f) authorizing a court to dismiss a charge brought under Subsection (a) if the defendant remedies the defect before the defendant's first court appearance, and pays an administrative fee not to exceed \$10. Deletes existing text authorizing a court to dismiss a charge brought under Subsection (b) if the defendant shows that the passenger car or commercial motor vehicle was issued a registration insignia by TxDMV that establishes that the vehicle was registered for the period during which the offense was committed, and the registration insignia described in Paragraph (A) was attached to the passenger car or commercial motor vehicle before the defendant's first court appearance; and pays an administrative fee not to exceed \$10.

SECTION 163. Amends Subchapter K, Chapter 502, Transportation Code, as added by this Act, by adding Section 502.474 as follows:

Sec. 502.474. OPERATION OF ONE-TRIP PERMIT VEHICLE. Provides that a person commits an offense if the person operates a vehicle for which a one-trip permit is required without the registration receipt and properly displayed temporary tag.

SECTION 164. Transfers Section 502.409, Transportation Code, to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.475, Transportation Code, and amends it, as follows:

Sec. 502.475. New heading: WRONG, FICTITIOUS, ALTERED, OR OBSCURED INSIGNIA. (a) Redesignates existing Section 502.409 as Section 502.475. Provides that a person commits an offense if the person attaches to or displays on a motor vehicle a registration insignia that:

(1) is assigned to a different motor vehicle;

(2) is assigned to the vehicle under any other motor vehicle law other than by TxDMV;

(3) is assigned for a registration period other than the registration period in effect; or

(4) is fictitious.

Deletes existing text providing that a person commits an offense if the person attaches to or displays on a motor vehicle a number plate or registration insignia that: has blurring or reflective matter that significantly impairs the readability of the name of the state in which the vehicle is registered or the letters or numbers of the license plate number at any time; has an attached illuminated device or sticker, decal, emblem, or other insignia that is not authorized by law and that interferes

with the readability of the letters or numbers of the license plate number or the name of the state in which the vehicle is registered; or has a coating, covering, protective material, or other apparatus that distorts angular visibility or detectability, alters or obscures one-half or more of the name of the state in which the vehicle is registered, or alters or obscures the letters or numbers of the license plate number or the color of the plate.

(b) Provides that except as provided by Subsection (d), rather than Subsection (f), an offense under Subsection (a) is a misdemeanor punishable by a fine of not more than \$200, unless it is shown at the trial of the offense that the owner knowingly altered or made illegible the letters, numbers, and other identification marks, in which case the offense is a Class B misdemeanor.

(c) Redesignates existing Subsection (d) as Subsection (c). Authorizes a court to dismiss a charge brought under Subsection (a)(3), rather than Subsection (a)(3), (5), (6), or (7), if the defendant remedies the defect before the defendant's first court appearance, and pays an administrative fee not to exceed \$10. Deletes existing Subsection (c) prohibiting Subsection (a)(7) from being construed to apply to a trailer hitch installed on a vehicle in a normal or customary manner, a transponder, as defined by Section 228.057, that is attached to a vehicle in the manner required by the issuing authority, a wheelchair lift or wheelchair carrier that is attached to a vehicle in a normal or customary manner, a trailer being towed by a vehicle, or a bicycle rack that is attached to a vehicle in a normal or customary manner.

(d) Redesignates existing Subsection (f) as Subsection (d). Makes no further changes to this subsection.

SECTION 165. Amends Subchapter K, Chapter 502, Transportation Code, as added by this Act, by adding Sections 502.476, 502.477, 502.478, and 502.479, as follows:

Sec. 502.476. ANNUAL PERMITS; OFFENSE. Provides that a person who violates Section 502.093 commits an offense.

Sec. 502.477. NONRESIDENT-OWNED VEHICLES USED TO TRANSPORT AGRICULTURAL PRODUCT; OFFENSE. (a) Provides that a person operating a vehicle under a permit issued under Section 502.092 commits an offense if the person transports farm products to a place of market, storage, or processing or a railhead or seaport that is farther from the place of production or point of entry, as appropriate, than the distance provided for in the permit.

(b) Provides that an offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.

Sec. 502.478. COMMERCIAL MOTOR VEHICLE USED PRIMARILY FOR AGRICULTURAL PURPOSES; OFFENSE. (a) Provides that the owner of a commercial motor vehicle registered under Section 502.433 commits an offense if the person uses or permits the use of the vehicle for a purpose other than one allowed under Section 502.433. Provides that each use or permission of use in violation of this section is a separate offense.

(b) Provides that an offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$200.

Sec. 502.479. SEASONAL AGRICULTURAL VEHICLE; OFFENSE. Provides that a person issued a registration under Section 502.432 commits an offense if the person, during the registration period, uses the truck-tractor or commercial motor vehicle for a purpose other than to transport a seasonal agricultural product.

SECTION 166. Transfers Section 520.014, Transportation Code, to Subchapter K, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.480, Transportation Code, and amends it as follows:

Sec. 502.480. VIOLATION BY COUNTY ASSESSOR-COLLECTOR; PENALTY. Redesignates existing Section 520.014 as Section 502.480. (a) Provides that a county assessor-collector commits an offense if the county assessor-collector knowingly accepts an application for the registration of a motor vehicle that:

- (1) has had the original motor number or vehicle identification number removed, erased, or destroyed; and
- (2) does not bear a motor number or vehicle identification number assigned by TxDMV.

(b) Makes no changes to this subsection.

SECTION 167. Amends Chapter 502, Transportation Code, by adding Subchapter L, to read as follows:

#### SUBCHAPTER L. REGISTRATION AND TRANSFER OF USED VEHICLES

SECTION 168. Transfers Section 502.451, Transportation Code, to Subchapter L, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.491, Transportation Code, and amends it as follows:

Sec. 502.491. New heading: TRANSFER OF VEHICLE REGISTRATION. Redesignates existing Subsection 502.451 as Section 502.491. (a) Requires the registration insignia issued for a motor vehicle, on the sale or transfer of a motor vehicle, to be removed. Deletes existing text requiring a dealer, on the sale or transfer of a motor vehicle to the dealer, as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, to remove each license plate and the registration insignia issued for the motor vehicle. Deletes existing Subsection (a-1) authorizing the seller or transferor, on a sale or transfer of a motor vehicle to a person that does not hold a general distinguishing number issued under Chapter 503, to remove each license plate and the registration insignia issued for the motor vehicle.

(b) Redesignates existing Subsection (c) as Subsection (b). Requires the purchaser or transferee, to continue the remainder of the registration period, to file the documents required under Section 501.145, rather than Section 520.031. Deletes existing Subsection (b) requiring a license plate removed from a motor vehicle under Subsection (a) or (a-1) to be disposed of in the manner specified by TxDMV, or transferred to another vehicle owned by the seller or transferor as provided by Section 502.452.

SECTION 169. Transfers Section 502.454, Transportation Code, to Subchapter L, Chapter 502, Transportation Code, as added by this Act, redesignates it as Section 502.492, Transportation Code, and amends it as follows:

Sec. 502.492. New heading: TEMPORARY TRANSIT PERMIT FOR A VEHICLE PURCHASED. Redesignates existing Section 502.454 as Section 502.492. (a) Authorizes a purchaser, rather than a purchaser or transferee, to obtain from TxDMV a temporary transit permit, rather than a temporary single-trip permit, to operate a motor vehicle that is subject to registration in this state, from which the license plates and the registration insignia have been removed as authorized by Section 502.491 or 504.901, rather than Section 502.451(a-1), and that is not authorized to travel on a public roadway because the required license plates and the registration insignia are not attached to the vehicle.

(b)-(d) Makes no changes to these subsections.

(e) Authorizes a person to obtain a permit under this section by applying, as provided by TxDMV, rather than on a form provided by TxDMV, to TxDMV.

(f) Makes no changes to this subsection.

(g) Requires that a permit receipt issued under this section be in a manner, rather than on a form, provided by TxDMV.

(h) Makes no changes to this subsection.

SECTION 170. Amends the heading to Chapter 504, Transportation Code, to read as follows:

#### CHAPTER 504. LICENSE PLATES

SECTION 171. Amends Section 504.001(a), Transportation Code, by adding Subdivision (3) to define "purchaser" and "seller."

SECTION 172. Redesignates existing Section 504.004, Transportation Code, as Section 504.0011, Transportation Code, and amends it as follows:

Sec. 504.0011. New heading: RULES. Redesignates existing Section 504.004 as Section 504.0011. Authorizes the board to adopt rules to implement and administer this chapter. Deletes existing text authorizing TxDMV to issue forms to implement and administer this chapter.

SECTION 173. Amends Section 504.002, Transportation Code, as follows:

Sec. 504.002. New heading: GENERAL PROVISIONS. Provides that unless expressly provided by this chapter or by TxDMV rule:

(1) except for license plates specified as exempt, the fee for issuance of a license plate, including replacement plates, is in addition to each other fee that is paid for at the time of the registration of the motor vehicle and is required to be deposited to the credit of the state highway fund;

(2) if the registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device is required to be aligned with the registration period, and the specialty plate fee is required to be adjusted pro rata, except that if the statutory annual fee for a specialty license plate is \$5 or less, it is prohibited from being prorated;

(3) TxDMV is the exclusive owner of the design of each license plate;

(4) if a license plate is lost, stolen, or mutilated, an application for a replacement plate is required to be accompanied by the fee prescribed by Section 502.060; and

(5) TxDMV is required to prepare the designs and specifications of license plates.

Deletes existing text providing that unless expressly provided by this chapter or by TxDMV rule: any vehicle is eligible to be issued specialty license plates, provided that TxDMV is authorized to vary the design of a license plate to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck; an application for specialty license plates is required to be submitted in the manner specified by TxDMV provided that if issuance of a specialty license plate is limited to particular persons or motor vehicles, the application is required to be accompanied by evidence satisfactory to TxDMV that the applicant or the applicant's vehicle is eligible; the fee for issuance of a specialty license plate is in



addition to each other fee that is paid for or at the time of the registration of the motor vehicle and is required to be deposited to the credit of the state highway fund; each fee described by this chapter is an annual fee, provided that TxDMV is authorized to prorate the fee for a specialty license plate fee on a monthly basis to align the license plate fee to the registration period for the motor vehicle for which the license plate was issued, and if a fee is prorated the allocation of the fee by this chapter to an account or fund is required to be prorated in proportion; TxDMV is the exclusive owner of the design of each specialty license plate; the director is authorized to refuse to issue a specialty license plate with a design or alphanumeric pattern that the director considers potentially objectionable to one or more members of the public and the director's refusal is prohibited from being overturned in the absence of an abuse of discretion; for each specialty license plate that is issued through a county tax assessor-collector and for which TxDMV is allocated a portion of a fee for administrative costs, TxDMV is required to credit 50 cents from its administrative costs to the county treasurer of the applicable county, who is required to credit the money to the general fund of the county to defray the costs to the county of administering this chapter; if a specialty license plate is lost, stolen, or mutilated, an application for a replacement plate is required to be accompanied by the fee prescribed by Section 502.184(a)(2); if the owner of a motor vehicle for which a specialty license plate is issued disposes of the vehicle or for any reason ceases to be eligible for that specialty license plate, the owner is required to return the specialty license plate to TxDMV; and a person who is issued a specialty license plate is prohibited from transferring it to another person or vehicle without first receiving approval from TxDMV.

SECTION 174. Transfers Section 504.103, Transportation Code, to Subchapter A, Chapter 504, Transportation Code, redesignates it as Section 504.005, Transportation Code, and amends it as follows:

Sec. 504.005. DESIGN AND ALPHANUMERIC PATTERN. Redesignates existing Section 504.103 as Section 504.005. (a) Creates this subsection from existing text. Provides that TxDMV has sole control over the design, typeface, color, and alphanumeric pattern for all license plates, rather than a personalized license plate.

(b) Requires TxDMV to prepare the designs and specifications of license plates and devices selected by the board to be used as a unique identifier.

(c) Requires TxDMV to design each license plate to include a design at least one-half inch wide that represents in silhouette the shape of Texas and that appears between letters and numerals. Authorizes TxDMV to omit the silhouette of Texas from specially designed license plates.

(d) Requires that each license plate, to promote highway safety, be made with a reflectorized material that provides effective and dependable brightness for the period for which the plate is issued.

SECTION 175. Amends Subchapter A, Chapter 504, Transportation Code, by adding Section 504.0051, as follows:

Sec. 504.0051. PERSONALIZED LICENSE PLATES. (a) Requires TxDMV to issue personalized license plates, including those issued in accordance with the marketing vendor as provided in Subchapter J. Prohibits TxDMV from issuing more than one set of license plates with the same alphanumeric pattern.

(b) Prohibits TxDMV from issuing a replacement set of personalized plates to the same person before the period set by rule unless the applicant for issuance of replacement plates pays the fee required by Section 504.007.

SECTION 176. Transfers Section 502.053, Transportation Code, to Subchapter A, Chapter 504, Transportation Code, redesignates it as Section 504.006, Transportation Code, and amends it as follows:

Sec. 504.006. New heading: COST OF MANUFACTURING. Redesignates existing Section 502.053 as Section 504.006. (a) Requires TxDMV to reimburse the Texas Department of Criminal Justice (TDCJ) for the cost of manufacturing license plates as the invoices for the license plates, rather than for the cost of manufacturing license plates or registration insignia as the license plates or insignia and the invoice for the license plates or insignia, are delivered to TxDMV.

(b) Requires TDCJ and TxDMV, rather than TDCJ, TxDMV, and the comptroller, when manufacturing is started, after negotiation, to set the price to be paid for each license plate, rather than each license plate or insignia. Requires that the price be determined from the cost of metal, paint, and other materials purchased, the inmate maintenance cost per shift, rather than per day, overhead expenses, miscellaneous charges, and a previously agreed upon amount, rather than approved amount, of profit for the work.

Deletes existing Subsection (c) prohibiting the annual profit received by TDCJ from all contracts for the manufacturing of license plates or related manufacturing from being less than the profit received by the Texas Department of Corrections for manufacturing license plates for use in 1974.

SECTION 177. Transfers Section 502.1841, Transportation Code, as effective September 1, 2011, to Subchapter A, Chapter 504, Transportation Code, redesignates it as Section 504.007, Transportation Code, and amends it as follows:

Sec. 504.007. REPLACEMENT LICENSE PLATES. Redesignates existing Section 502.1841 as Section 504.007. (a) Authorizes the owner of a registered motor vehicle to obtain replacement license plates for the vehicle by:

(1) certifying that the replacement plates will not be used on any other vehicle owned or operated by the person making the statement;

(2) paying a fee of \$6 plus the fee required by Section 502.356(a), rather than Section 502.1705(a), for each set of replacement license plates, unless otherwise specified by law; and

(3) returning to TxDMV each license plate in the owner's possession for which a replacement license plate is obtained.

(b)-(c) Makes no changes to these subsections.

(d) Provides that the fee required by this section applies to the issuance of license plates for a transferred used vehicle for which the registration and license plates were not transferred under Section 504.901, rather than under Subchapter I.

(e) Authorizes replacement license plates to be used in the registration year in which the plates are issued and during each succeeding year of the registration period as set by rule if the registration insignia is properly displayed on the vehicle.

(f) Provides that Subsection (e) does not apply to the issuance of specialized license plates for limited distribution, including state official license plates, exempt plates for governmental entities, and temporary registration plates.

SECTION 178. Amends Subchapter A, Chapter 504, Transportation Code, by adding Section 504.008, as follows:

Sec. 504.008. SPECIALTY LICENSE PLATES. (a) Requires TxDMV to prepare the designs and specifications of specialty license plates.

(b) Provides that any motor vehicle other than a vehicle manufactured for off-highway use only is eligible to be issued specialty license plates, provided that TxDMV is authorized to vary the design of a license plate to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck.

(c) Requires that an application for specialty license plates be submitted in the manner specified by TxDMV, provided that if issuance of a specialty license plate is limited to particular persons or motor vehicles, the application must be accompanied by evidence satisfactory to TxDMV that the applicant or the applicant's vehicle is eligible.

(d) Provides that each fee described by this chapter is an annual fee, provided that TxDMV is authorized to prorate the fee for a specialty license plate fee on a monthly basis to align the license plate fee to the registration month for the motor vehicle for which the license plate was issued, and if a fee is prorated the allocation of the fee by this chapter to an account or fund is required to be prorated in proportion.

(e) Authorizes the director or the director's designee to refuse to issue a specialty license plate with a design or alphanumeric pattern that the director or designee considers potentially objectionable to one or more members of the public and provides that the director or designee's refusal is prohibited from being overturned in the absence of an abuse of discretion.

(f) Requires TxDMV, for each specialty license plate that is issued by a county assessor-collector and for which TxDMV is allocated a portion of the fee for administrative costs, to credit 50 cents from its administrative costs to the county treasurer of the applicable county, who is required to credit the money to the general fund of the county to defray the costs to the county of administering this chapter.

(g) Requires the owner, if the owner of a motor vehicle for which a specialty license plate is issued disposes of the vehicle or for any reason ceases to be eligible for that specialty license plate, to return the specialty license plate to TxDMV.

(h) Prohibits a person who is issued a specialty license plate from transferring the plate to another person or vehicle unless TxDMV approves the transfer.

SECTION 179. Redesignates existing Section 504.003, Transportation Code, as Section 504.009, Transportation Code, and amends it as follows:

Sec. 504.009. SOUVENIR LICENSE PLATES. Redesignates existing Section 504.003 as Section 504.009. (a) Authorizes TxDMV to issue a souvenir version of any specialty license plate for any vehicle, rather than any vehicle, including a motorcycle.

(b) Makes no changes to this subdivision;

(c) Provides that if a souvenir license plate issued before November 19 2009, rather than September 1, 2009, is personalized the fee for the plate is \$40.

(c-1) Makes a conforming change.

(d) Deletes existing text prohibiting a souvenir license plate to be used on a motorcycle.

(e) Authorizes a beneficiary of a specialty license plate issued under Subchapter G or I, as designated by the applicable section of those subchapters, to purchase the specialty license plates, in minimum amounts determined by TxDMV, rather than in boxes of 25, for use or resale by the beneficiary.

SECTION 180. Amends Subchapter A, Chapter 504, Transportation Code, by adding Section 504.010, as follows:

Sec. 504.010. ISSUANCE AND PLACEMENT OF LICENSE PLATE. (a) Requires an applicant for motor vehicle registration, on payment of the prescribed fee, to be issued a license plate or set of plates.

(b) Requires TxDMV, subject to Section 504.901, to issue only one license plate or set of plates for a vehicle during the registration period set by rule.

(c) Authorizes the board to adopt rules regarding the placement of license plates for a motor vehicle, road tractor, motorcycle, trailer, or semitrailer.

SECTION 181. Amends Subchapter B, Chapter 504, Transportation Code, by adding Section 504.101, as follows:

Sec. 504.101. PERSONALIZED LICENSE PLATES. Requires TxDMV to issue personalized license plates, including those sold by the private vendor under a contract with TxDMV as provided by Section 504.851.

SECTION 182. Amends Sections 504.201(b), (d), and (g), Transportation Code, as follows:

(b) Requires TxDMV to issue specialty license plates for a motor vehicle that:

(1) has a gross vehicle weight of 18,000 pounds or less, rather than manufacturer's rated carrying capacity of two tons or less; and

(2) is regularly operated for noncommercial use by or for the transportation of a person with a permanent disability.

(d) Provides that a written statement is not required as acceptable medical proof if:

(1) the person with a disability has had a limb, hand, or foot amputated, or is required to use a wheelchair; and

(2) the applicant executes a statement attesting to the person's disability before the county assessor-collector, rather than the applicant and the county assessor-collector processing the application execute an affidavit attesting to the person's disability.

(g) Entitles an eligible person, in addition to a license plate issued under this section, to be issued a set of the license plates for each motor vehicle owned by the person that has a gross vehicle weight of 18,000 pounds or less, rather than a carrying capacity of two tons or less, and is equipped with special equipment that:

(1) is designed to allow a person who has lost the use of one or both of the person's legs to operate the vehicle; and

(2) is not standard equipment on that type of vehicle for use by a person who has use of both legs.

SECTION 183. Amends Section 504.202, Transportation Code by amending Subsections (b) and (f) and adding Subsection (i), as follows:

(b) Entitles a veteran of the United States armed forces to register, for the person's own use, motor vehicles under this section if:

(1) the person has suffered, as a result of military service at least a 50 percent service-connected disability, or a 40 percent service-connected disability because of the amputation of a lower extremity;

(2) the person receives compensation from the United States because of the disability; and

(3) the motor vehicle is owned by the person, and has a gross vehicle weight of 18,000 pounds or less, rather than a manufacturer's rated carrying capacity of two tons or less.

(f) Deletes existing text requiring TxDMV on payment of a \$1 fee, if a license plate is lost, stolen, or mutilated, to issue a set of replacement plates.

(i) Authorizes that license plate with the letters "DV" be personalized with up to four characters.

SECTION 184. Amends Section 504.203(b), Transportation Code, to require that an application for license plates under this section be accompanied by a written statement acknowledged, rather than signed, by the administrator or manager of the institution, facility, or retirement community certifying that the institution, facility, or retirement community regularly transports, as a part of the services that the institution, facility, or retirement community provides, one or more eligible persons who reside in the institution, facility, or retirement community.

SECTION 185. Amends Section 504.301, Transportation Code, as follows:

Sec. 504.301. PROVISIONS GENERALLY APPLICABLE TO MILITARY SPECIALTY LICENSE PLATES. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes TxDMV, notwithstanding any other provision of this subchapter, to design the wording on the specialty license plates to accommodate legibility and reflectivity.

SECTION 186. Amends Section 504.3011, Transportation Code, as follows:

Sec. 504.3011. DESIGN OF CERTAIN LICENSE PLATES FOR THE MILITARY. Deletes existing Subsection (a) requiring that license plates issued under Section 504.303 at a minimum bear a color depiction of the emblem of the appropriate branch of the United States armed forces. Deletes existing Subsection (b) requiring that license plates issued under Section 504.308(a) or 504.315(e), (f), or (g) at a minimum bear a color depiction of the appropriate medal. Deletes the designation of Subsection (c). Requires TxDMV to design military license plates that bear a color depiction of the emblem of the appropriate branch of the United States armed forces or a color depiction of the appropriate medal as provided by the United States Department of Defense, and include the words "Honorably Discharged" for license plates issued to former members of the United State armed forces, rather than requiring TxDMV to design license plates to which this section applies in consultation with veterans organizations.

SECTION 187. Amends Section 504.315(d), Transportation Code, to delete existing text requiring that the license plates issued for survivors of the attack on Pearl Harbor be consecutively numbered.

SECTION 188. Amends Subchapter D, Chapter 504, Transportation Code, by adding Section 504.317, as follows:

Sec. 504.317. SURVIVING SPOUSES OF DISABLED VETERANS SPECIALTY LICENSE PLATES. (a) Defines, in this section, "surviving spouse."

(b) Requires TxDMV to issue specialty license plates for surviving spouses of disabled veterans of the United States armed forces.

SECTION 189. Amends Subchapter E, Chapter 504, Transportation Code, by adding Section 504.400, as follows:

Sec. 504.400. FEES FOR CERTAIN RESTRICTED PLATES. Requires TxDMV to issue, without charge, not more than three sets of specialty license plates under this subchapter.

SECTION 190. Amends Sections 504.401(a) and (c), Transportation Code, as follows:

(a) Requires TxDMV to issue specialty license plates that include the words "State Official," rather than to issue without charge specialty license plates, to a state official. Makes a nonsubstantive change.

(c) Provides that the registration remains, rather than the license plates remain, valid until December 31 of each year.

SECTION 191. Amends Section 504.402(a), Transportation Code, as follows:

(a) Requires TxDMV to issue specialty license plates to members of congress, which are required to include the words "U.S. Congress." Deletes existing text requiring TxDMV to issue without charge specialty license plates for members of congress. Makes a nonsubstantive change.

SECTION 192. Amends Section 504.403(a), Transportation Code, to require TxDMV to issue specialty license plates, rather than to issue without charge specialty license plates, for a current or visiting state or federal judge.

SECTION 193. Amends Section 504.403(d)(2), Transportation Code, to redefine "state judge."

SECTION 194. Amends Section 504.404(a), Transportation Code, as follows:

(a) Requires TxDMV to issue specialty license plates to current federal administrative law judges that bear the words "U.S. A. L. Judge." Deletes existing text requiring TxDMV to issue without charge specialty license plates for current federal administrative law judges. Makes a nonsubstantive change.

SECTION 195. Amends Section 504.405(a), Transportation Code, as follows:

(a) Requires TxDMV to issue specialty license plates to current county judges of this state that bear the words "County Judge." Deletes existing text requiring TxDMV to issue without charge specialty license plates for current county judges. Makes a nonsubstantive change.

SECTION 196. Amends Section 504.406, Transportation Code, as follows:

Sec. 504.406. TEXAS CONSTABLES. Requires TxDMV to issue specialty license plates for Texas constables that bear the words "Texas Constable." Deletes existing text requiring TxDMV to issue without charge specialty license plates for Texas constables. Makes a nonsubstantive change.

SECTION 197. Redesignates existing Section 504.412, Transportation Code, as Section 504.4061, Transportation Code, and amends it as follows:

Sec. 504.4061. FOREIGN ORGANIZATION VEHICLES. Redesignates existing Section 504.412 as Section 504.4061. (a) Requires that the license plates include the words "Foreign Organization" and to remain valid for seven years, rather than five years.

(b) Makes no changes to this subsection.

SECTION 198. Transfers Section 504.509, Transportation Code, as effective September 1, 2011, to Subchapter E, Chapter 504, Transportation Code, and redesignates it as Section 504.415, Transportation Code, as follows:

Sec. 504.415. VEHICLES CARRYING MOBILE AMATEUR RADIO EQUIPMENT. Redesignates existing Section 504.509 as Section 504.415. Makes no further changes to this section.

SECTION 199. Amends Section 504.501(b), Transportation Code, to authorize a person eligible for classic motor vehicle license plates to instead use license plates that were issued by this state in the same year as the model year of the vehicle and are approved by TxDMV, rather than plates issued by this state in the same year as the model year of the vehicle and are approved by TxDMV if the plates are approved for the vehicle before January 1, 2011.

SECTION 200. Amends the heading to Subchapter F, Chapter 504, Transportation Code, to read as follows:

SUBCHAPTER F. SPECIALTY LICENSE PLATES WITH RESTRICTED DISTRIBUTION  
AND REGULAR LICENSE PLATE FEES

SECTION 201. Amends Sections 504.502 (g), Transportation Code, as follows:

(g) Deletes existing text providing that an owner of a vehicle registered under this subsection who violates this section commits an offense. Deletes existing text providing that an offense under this section is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.

SECTION 202. Amends Section 504.503, Transportation Code, as follows:

Sec. 504.503. New heading: MUNICIPAL, MOTOR, AND PRIVATE BUSES. Deletes existing Subsection (a) designation. Requires TxDMV to issue without charge specialty license plates for municipal buses, motor buses, and private buses. Requires that the license plates include the words "City Bus," "Motor Bus," or "Private Bus," as appropriate. Deletes existing Subsection (b) defining "private bus" in this section.

SECTION 203. Amends the heading to Section 504.506, Transportation Code, to read as follows:

Sec. 504.506. LOG LOADER VEHICLES.

SECTION 204. Transfers Sections 504.407 and 504.408, Transportation Code, to Subchapter F, Chapter 504, Transportation Code, and redesignates them as Sections 504.511 and 504.512, Transportation Code, as follows:

Sec. 504.511. PEACE OFFICERS WOUNDED OR KILLED IN LINE OF DUTY. Redesignates existing Section 504.407 as Section 504.511. Makes no further changes to this section.

Sec. 504.512. GOLD STAR MOTHER, SPOUSE, OR FAMILY MEMBER. Redesignates existing Section 504.408 as Section 504.512. Makes no further changes to this section.

SECTION 205. Transfers Section 504.409, Transportation Code, as effective September 1, 2011, and as amended by Chapters 1136 (H.B. 2553) and 1381 (S.B. 1616), Acts of the 81st

Legislature, Regular Session, 2009, to Subchapter F, Chapter 504, Transportation Code, redesignates it as Section 504.513, Transportation Code, and reenacts and amends it as follows:

Sec. 504.513. FIREFIGHTERS. Redesignates existing Section 504.409 as Section 504.513. (a) Makes no changes to this subsection.

(b) Redesignates existing Subsection (c) as Subsection (b). Makes no further changes to this subsection.

SECTION 206. Transfers Sections 504.410 and 504.411, Transportation Code, to Subchapter F, Chapter 504, Transportation Code, redesignates them as Sections 504.514 and 504.515, Transportation Code, and amends them as follows:

Sec. 504.514. EMERGENCY MEDICAL SERVICES PERSONNEL. Redesignates existing Section 504.410 as Section 504.514. (a) Requires TxDMV to issue specialty license plates for emergency medical services personnel certified by TxDMV of State Health Services, rather than the Texas Department of Health under Subchapter C, Chapter 773, Health and Safety Code.

(b)-(c) Makes no changes to these subsections.

Sec. 504.515. HONORARY CONSULS. Redesignates existing Section 504.411 as Section 504.515. Makes no further changes to this section.

SECTION 207. Amends Subchapter F, Chapter 504, Transportation Code, by adding Section 504.516, as follows:

Sec. 504.516. RENTAL TRAILER OR TRAVEL TRAILER FEE: TRAILER OR SEMITRAILER. (a) Authorizes TxDMV to issue specially designed license plates for rental trailers and travel trailers that include, as appropriate, the words "rental trailer" or "travel trailer."

(b) Defines, in this section, "rental fleet," "rental trailer," and "travel trailer."

SECTION 208. Amends Section 504.6011, Transportation Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Deletes existing text authorizing the sponsor of a specialty license plate authorized under to be issued under this subchapter before September 1, 2009, to contract with the private vendor authorized under Subchapter J for the marketing and sale of the specialty license plate.

(d) Authorizes a sponsor of a specialty license plate authorized to be issued under this subchapter before November 19, 2009, to reestablish its specialty license plate under Sections 504.601 and 504.702 and be credited its previous deposit with the department if a contract entered into by the sponsor under Subsection (a) terminates.

SECTION 209. Amends Section 504.614, Transportation Code, by amending Subsection (a) and adding Subsection (b-1), as follows:

(a) Authorizes a license plate to be issued under this section only for a professional sports team that:

(1) certifies to TxDMV that the requirements of Section 504.702 are met, rather than certifies to TxDMV that it has determined that at least 3,500 persons will apply for the plates; and

(2) Makes no changes to this subdivision.



(b-1) Authorizes a public entity that receives money under Subsection (b) to contract with the private vendor under Section 504.6011 to distribute the entity's portion of the money in a manner other than that described by Subsection (b).

SECTION 210. Amends Section 504.615, Transportation Code, by amending Subsections (a) and (e) and adding Subsection (d-1), as follows:

(a) Authorizes TxDMV to issue a license plate under this section only for a college that certifies to TxDMV that the requirements of Section 504.702 are met, rather than that it has determined that at least 1,500 persons will apply for the plates.

(d-1) Provides that if the fee is for the issuance of license plates for a college described by Subsection (e)(3), the money:

(1) is required to be deposited to the credit of the Texas Higher Education Coordinating Board; and

(2) is supplementary and is not income for purposes of reducing general revenue appropriations to that board.

(e) Defines "college" in this section.

SECTION 211. Amends Section 504.616(a), Transportation Code, as follows:

(a) Requires TxDMV to issue specialty license plates including the words "Texas Reads" that incorporate one or more submissions from middle school students in a competition conducted by TxDMV. Deletes existing text requiring TxDMV to design the license plates to incorporate one or more submissions from middle school students in a competition conducted by TxDMV. Makes a nonsubstantive change.

SECTION 212. Amends the heading to Section 504.642, Transportation Code, to read as follows:

Sec. 504.642. TEXAS COUNCIL OF CHILD WELFARE BOARDS LICENSE PLATES.

SECTION 213. Amends Section 504.642(a), Transportation Code, to require TxDMV to issue Texas Council of Child Welfare Boards, rather than Texas County Child Welfare Boards, specialty license plates.

SECTION 214. Amends Section 504.647(a), Transportation Code, to require TxDMV to issue Fight Terrorism specialty license plates that include a pentagon-shaped border surrounding the date "9-11-01" with the likeness of the World Trade Center towers forming the "11," the likeness of the United States flag, and the words "Fight Terrorism." Makes a nonsubstantive change.

SECTION 215. Transfers Section 504.413, Transportation Code, to Subchapter G, Chapter 504, Transportation Code, and redesignates it as Section 504.659, Transportation Code, as follows:

Sec. 504.659. MEMBERS OF AMERICAN LEGION. Redesignates existing Section 504.413 as Section 504.659. Makes no further changes to this section.

SECTION 216. Amends Section 504.702, Transportation Code, by amending Subsection (b) and adding Subsections (e) and (f), as follows:

(b) Requires that the request be:

(1) made in a manner prescribed, rather than on a form adopted, by TxDMV;

(2) filed before the fifth anniversary of the effective date of the law that authorizes the issuance of the specialty license plates; and

(3) accompanied by a deposit of \$8,000, rather than a deposit of \$8,000, or applications for issuance of at least 1,900 sets of the license plates plus the fees for issuance of that number of sets.

(e) Authorizes TxDMV to issue license plates under:

(1) Section 504.614 for a particular professional sports team only if \$8,000 has been deposited with TxDMV for that sports team; or

(2) Section 504.615 for a particular institution of higher education or private college or university only if \$8,000 has been deposited with TxDMV for that institution, college, or university.

(f) Requires that money deposited with TxDMV under Subsection (b)(3) or (e) be returned by TxDMV to the person who made the deposit after 800 sets of plates have been issued.

SECTION 217. Amends Sections 504.801(a), (b), (d), and (d-1), Transportation Code, as effective September 1, 2011, as follows:

(a) Requires that the redesign of an existing specialty license plate at the request of a sponsor be treated like the issuance of a new specialty license plate, rather than requires that the redesign of an existing specialty license plate at the request of a sponsor be treated like the issuance of a new specialty license plate except that TxDMV is authorized to require a nonrefundable design fee.

(b) Authorizes any nonprofit entity to submit an application to TxDMV to sponsor a new specialty license plate. Deletes existing text authorizing any person to sponsor a new specialty license plate by submitting an application to TxDMV.

(d) Provides that the fee for issuance of license plates created under this subchapter before November 19 2009, rather than September 1, 2009, is \$30 unless TxDMV sets a higher fee. Provides that this subsection does not apply to a specialty license plate marketed and sold by a private vendor at the request of the specialty license plate sponsor.

(d-1) Makes a conforming change.

SECTION 218. Amends the heading to Section 504.802, Transportation Code, to read as follows:

Sec. 504.802. **MARKETING AND SALE BY PRIVATE VENDOR OF SPECIALTY LICENSE PLATES.**

SECTION 219. Amends Section 504.802, Transportation Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Makes a conforming change.

(c) Requires TxDMV, notwithstanding any other law, from each fee received from the issuance of a specialty license plate marketed and sold by the private vendor under this section, to:

(1) Makes no changes to this subdivision;

(2) deposit the portion of the fee for the sale of the plate that the state would ordinarily receive under the contract described by Section 504.851(a) to the credit of the specialty license plate fund, if the sponsor nominated a state agency to receive the funds; the general revenue fund, if the sponsor did not nominate a

state agency to receive the funds or if there is no sponsor; or for a license plate issued under Section 504.614, the public entity that provides or provided funds for the professional sports team's facility; and

(3) Makes no changes to this subdivision.

Makes nonsubstantive changes.

(d) Authorizes a sponsor of a specialty license plate to reestablish its specialty license plate under Sections 504.601 and 504.702 and be credited its previous deposit with TxDMV if a contract entered into by the sponsor under Subsection (a) terminates.

SECTION 220. Amends Section 504.851, Transportation Code, by amending Subsections (a-2), (c), (e), (f), and (h) and adding Subsections (a-3) and (m), as follows:

(a-2) Authorizes specialty license plates authorized for marketing and sale under Subsection (a) to be personalized and requires the plates to include specialty license plates created under Subchapters G and I on or after November 19 2009, rather than September 1, 2009; and at the request of the specialty license plate sponsor, include an existing specialty license plate created under Subchapters G and I before November 19, 2009. Makes a conforming change.

(a-3) Authorizes TxDMV to contract with the private vendor for the vendor to host all or some of the specialty license plates on the vendor's website; process the purchase of specialty license plates hosted on the vendor's website and pay any additional transaction cost; and share in the personalization fee for the license plates hosted on the vendor's website.

(c) Requires TxDMV by rule to establish the fees for the issuance or renewal of souvenir license plates, specialty license plates, or souvenir or specialty license plates that are personalized that are marketed and sold by the private vendor or hosted on the private vendor's website. Prohibits the state's portion of the personalization fee from being less than \$40 for each year issued. Requires other fees be reasonable and not less than the amounts necessary to allow TxDMV to recover all reasonable costs to TxDMV associated with the evaluation of the competitive sealed proposals received by TxDMV and with the implementation and enforcement of the contract, including direct, indirect, and administrative costs. Makes a nonsubstantive change.

(e) Provides that the portion of a contract with a private vendor regarding the marketing, hosting, and sale of souvenir license plates, specialty license plates, or souvenir or specialty license plates that are personalized under Section 504.102 is payable only from amounts derived from the collection of the fee established under Subsection (c).

(f) Authorizes TxDMV to approve new design and color combinations for personalized or specialty license plates that are marketed and sold by a private vendor under a contract entered into with the private vendor.

(h) Authorizes TxDMV, subject to the limitations provided by Subsections (g) and (g-1), to disapprove a design, cancel a license plate, or require the discontinuation of a license plate design or color combination that is marketed, hosted, or sold by a private vendor under contract at any time if TxDMV determines that the disapproval, cancellation, or discontinuation is in the best interest of this state or the motoring public. Makes a nonsubstantive change.

(m) Provides that if the private vendor ceases operation:

(1) the program may be operated temporarily by TxDMV under new agreements with the license plate sponsors until another vendor is selected and begins operation; and

(2) the private vendor's share of the revenue is deposited to the credit of the general revenue fund.

SECTION 221. Amends Section 504.853, Transportation Code, as follows:

Sec. 504.853. New heading: SPECIALTY AND PERSONALIZED LICENSE PLATES ISSUED BEFORE NOVEMBER 19, 2009. (a) Makes conforming changes.

(b) Provides that unless the board by rule adopts a higher fee or the license plate is not renewed annually the fee for the issuance of a license plate issued before November 19 is the fee provided for in Section 504.601 for a specialty license plate; and \$40 for a personalized license plate. Makes conforming and nonsubstantive changes.

(c) Make a conforming change.

(d) Prohibits TxDMV from issuing a replacement set of personalized license plates to the same person before the period set by rule, rather than the sixth anniversary of the date of issuance, unless the applicant for issuance of replacement plates pays an additional fee of \$30.

(e) Provides that of each fee collected by TxDMV under Subsection (b)(2):

(1) \$1.25 shall be used by TxDMV to defray the cost of administering this section; and

(2) Makes no changes to this subdivision.

SECTION 222. Amends Sections 504.854(a) and (b), Transportation Code, as follows:

(a) Authorizes the board by rule to provide for the private vendor to:

(1) sell at auction a license to display a unique alphanumeric pattern on a license plate for a period set by board rule;

(2) reserve an unissued alphanumeric pattern from TxDMV for purposes of auctioning a license to display the pattern for a period set by board rule; and

(3) purchase from a customer an unexpired license to display an alphanumeric pattern for purposes of auction by the vendor.

Deletes existing text authorizing the private vendor to sell at auction a license to display a unique alphanumeric pattern on a license plate.

(b) Authorizes a license to display an alphanumeric pattern purchased under this section to be transferred to another person without payment of the fee provided by Section 504.855. Deletes existing text authorizing only a license to display an alphanumeric pattern purchased under this section or a license to display an alphanumeric pattern sold by the private vendor under Section 504.853 to be transferred to another person. Deletes existing text entitling the transferee to the same rights and privileges as the transferer.

SECTION 223. Amends Subchapter J, Chapter 504, Transportation Code, by adding Section 504.855, as follows:

Sec. 504.855. TRANSFERABILITY OF CERTAIN PATTERNS. Authorizes the board by rule to:

(1) authorize a person who purchases a license to display an alphanumeric pattern for a period of five years or more to transfer the license; and

- (2) establish a transfer fee to be distributed in accordance with the contract with the private vendor.

SECTION 224. Amends Chapter 504, Transportation Code, by adding Subchapter K, as follows:

#### SUBCHAPTER K. TRANSFER AND REMOVAL OF LICENSE PLATES

Sec. 504.901. TRANSFER AND REMOVAL OF LICENSE PLATES. (a) Requires a dealer, on the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under Chapter 503, to remove each license plate issued for the motor vehicle. Authorizes a person to use the license plates removed from a motor vehicle on a new motor vehicle purchased from a dealer after the person obtains TxDMV's approval of a title and registration application

(b) Authorizes a seller, on the sale or transfer of a motor vehicle to a person who does not hold a general distinguishing number issued under Chapter 503, to remove each license plate issued for the motor vehicle. Authorizes the license plates to be transferred to another vehicle titled in the seller's name if the seller obtains:

- (1) TxDMV 's approval of an application to transfer the license plates; and
- (2) a new registration insignia for the motor vehicle.

(c) Requires that a license plate removed from a motor vehicle that is not transferred to another motor vehicle be disposed of in a manner specified by TxDMV.

(d) Requires that license plates, to be eligible for transfer, be appropriate for the class of vehicle to which the plates are being transferred.

SECTION 225. Amends Chapter 504, Transportation Code, by adding Subchapter L, as follows:

#### SUBCHAPTER L. OFFENSES AND PENALTIES

Sec. 504.941. ANTIQUE VEHICLES; OFFENSE. (a) Provides that a person who violates Section 504.502 commits an offense. Provides that an offense under this section is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.

(b) Provides that at is an affirmative defense to prosecution under this section that at the time of the offense the vehicle was en route to or from a location for the purpose of routine maintenance of the vehicle.

Sec. 504.942. LOG LOADER VEHICLES; PENALTIES. Provides that a vehicle operated in violation of Section 504.506 is considered to be operated or moved while unregistered and is immediately subject to the applicable fees and penalties prescribed by this chapter.

Sec. 504.943. OPERATION OF VEHICLE WITHOUT LICENSE PLATE. (a) Provides that except as provided by Subsection (b), a person commits an offense if the person operates on a public highway, during a registration period, a motor vehicle that does not display two license plates that:

- (1) have been assigned by TxDMV for the period; and
- (2) comply with TxDMV rules regarding the placement of license plates.

(b) Provides that a person commits an offense if the person operates on a public highway during a registration period a road tractor, motorcycle, trailer, or semitrailer that does not display a license plate that:

(1) has been assigned by TxDMV for the period; and

(2) complies with TxDMV rules regarding the placement of license plates.

(c) Provides that this section does not apply to a dealer operating a vehicle as provided by law.

(d) Authorizes a court to dismiss a charge brought under Subsection (a)(1) if the defendant:

(1) remedies the defect before the defendant's first court appearance; and

(2) pays an administrative fee not to exceed \$10.

SECTION 226. Transfers Section 502.408, Transportation Code, to Subchapter L, Chapter 504, Transportation Code, as added by this Act, redesignates it as Section 504.944, Transportation Code, and amends it as follows:

Sec. 504.944. OPERATION OF VEHICLE WITH WRONG LICENSE PLATE. Redesignates existing Section 502.408 as Section 504.944. Deletes existing Subsection (a) designation. Provides that an offense under this section, rather than this subsection, is a misdemeanor punishable by a fine not to exceed \$200.

SECTION 227. Amends Subchapter L, Chapter 504, Transportation Code, as added by this Act, by adding Section 504.945, as follows:

Sec. 504.945. WRONG, FICTITIOUS, ALTERED, OR OBSCURED LICENSE PLATE. (a) Provides that a person commits an offense if the person attaches to or displays on a motor vehicle a license plate that:

(1) is issued for a different motor vehicle;

(2) is issued for the vehicle under any other motor vehicle law other than by TxDMV;

(3) is assigned for a registration period other than the registration period in effect;

(4) is fictitious;

(5) has blurring or reflective matter that significantly impairs the readability of the name of the state in which the vehicle is registered or the letters or numbers of the license plate number at any time;

(6) has an attached illuminated device or sticker, decal, emblem, or other insignia that is not authorized by law and that interferes with the readability of the letters or numbers of the license plate number or the name of the state in which the vehicle is registered; or

(7) has a coating, covering, protective substance, or other material that distorts angular visibility or detectability, alters or obscures one-half or more of the name of the state in which the vehicle is registered, or alters or obscures the letters or numbers of the license plate number or the color of the plate.

(b) Provides that except as provided by Subsection (e), an offense under Subsection (a) is a misdemeanor punishable by a fine of not more than \$200, unless it is shown at the trial of the offense that the owner knowingly altered or made illegible the letters, numbers, and other identification marks, in which case the offense is a Class B misdemeanor.

(c) Prohibits Subsection (a)(7) from being construed to apply to:

- (1) a trailer hitch installed on a vehicle in a normal or customary manner;
- (2) a transponder, as defined by Section 228.057, that is attached to a vehicle in the manner required by the issuing authority;
- (3) a wheelchair lift or wheelchair carrier that is attached to a vehicle in a normal or customary manner;
- (4) a trailer being towed by a vehicle; or
- (5) a bicycle or motorcycle rack that is attached to a vehicle in a normal or customary manner.

(d) Authorizes a court to dismiss a charge brought under Subsection (a)(3), (5), (6), or (7) if the defendant:

- (1) remedies the defect before the defendant's first court appearance; and
- (2) pays an administrative fee not to exceed \$10.

(e) Provides that an offense under Subsection (a)(4) is a Class B misdemeanor.

SECTION 228. Amends Subchapter A, Chapter 520, Transportation Code, by adding Sections 520.003 and 520.004, as follows:

Sec. 520.003. RULES; WAIVER OF FEES. Authorizes TxDMV to adopt rules to administer this chapter, including rules that waive the payment of fees if a dealer has gone out of business and the applicant can show that fees were paid to the dealer.

Sec. 520.004. DEPARTMENT RESPONSIBILITIES. Provides that TxDMV has jurisdiction over the registration and titling of, and the issuance of license plates to, motor vehicles in compliance with the applicable statutes. Provides that the board by rule:

- (1) is required to provide services that are reasonable, adequate, and efficient;
- (2) is required to establish standards for uniformity and service quality for counties and dealers licensed under Section 520.005; and
- (3) is authorized to conduct public service education campaigns related to TxDMV's functions.

SECTION 229. Transfers Section 501.137, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.005, Transportation Code, and amends it as follows:

Sec. 520.005. New heading: DUTY AND RESPONSIBILITIES OF COUNTY ASSESSOR-COLLECTOR. Redesignates existing Section 501.137 as Section 520.005.

(a) Requires each county assessor-collector to comply with Chapter 501, rather than with this chapter.

(b) Makes a conforming change.

(c) Authorizes the assessor-collector, notwithstanding the requirements of Sections 520.008 and 520.0091, to license franchised and non-franchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted under Section 520.004. Authorizes the county assessor-collector to pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.

SECTION 230. Transfers Section 502.109, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.006, Transportation Code, and amends it as follows:

Sec. 520.006 COMPENSATION OF ASSESSOR-COLLECTOR. Redesignates existing Section 502.109 as Section 520.006. (a) Requires a county assessor-collector to receive a fee of \$1.90 for each receipt issued under Chapter 502, rather than this chapter. Deletes existing text providing that if the assessor-collector is authorized to be compensated by fees, a fee received is compensation for services under this chapter. Deletes existing text requiring the assessor-collector to deduct the fee weekly from the gross collections made under this chapter.

(a-1) Authorizes a county collecting fees on behalf of a county that has been declared as a disaster area for purposes of Section 501.023 or 502.040 to retain the commission for fees collected, but requires the county to allocate the fees to the county declared as a disaster area.

(b) Requires a county assessor-collector who is compensated under this section to pay the entire expense of issuing registration receipts and license plates under Chapter 501 or 502, rather than this chapter, from the compensation allowed under this section.

SECTION 231. Transfers Section 502.111, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.007, Transportation Code, and amends it as follows:

Sec. 520.007. New heading: COUNTY BRANCH OFFICES. Redesignates existing Section 502.111 as Section 520.007. Makes no further changes to this section.

SECTION 232. Transfers Section 502.114, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.008, Transportation Code, and amends it as follows:

Sec. 520.008. FULL-SERVICE DEPUTIES. Redesignates existing Section 520.114 as Section 520.008. (a) Requires a full-service deputy appointed under Section 520.0091, rather than Section 502.112, to accept any application for registration, registration renewal, or title transfer that the county assessor-collector is authorized to accept.

(b)-(c) Makes no changes to these subsections.

SECTION 233. Transfers Section 502.113, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.009, Transportation Code, and amends it as follows:

Sec. 520.009. LIMITED-SERVICE DEPUTIES. Redesignates existing Section 502.113 as Section 520.009. (a) Authorizes a limited-service deputy appointed under Section 520.0091, rather than Section 502.112, to only accept registration renewals, rather than renewal cards, provided by TxDMV and prohibits the deputy from preparing or accepting an application for title transfer.

(b) Authorizes the county assessor-collector to pay a limited-service deputy an amount not to exceed the fee the assessor-collector could collect under Section 520.006(a), rather than Section 502.109(a), for each registration receipt issued.



Authorizes the commissioners court of the county to permit a limited-service deputy to charge and retain an additional fee not to exceed \$1 for each registration receipt issued by the deputy.

SECTION 234. Transfers Section 502.112, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, and redesignates it as Section 520.0091, Transportation Code, as follows:

Sec. 520.0091. DEPUTY ASSESSOR-COLLECTORS. Redesignates existing Section 502.112 as Section 520.0091. Makes no further changes to this section.

SECTION 235. Transfers Section 501.136, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.0092, Transportation Code, and amends it as follows:

Sec. 520.0092. ACTS BY DEPUTY COUNTY ASSESSOR-COLLECTOR. Redesignates existing Section 501.136 as Section 520.0092. Authorizes a deputy county assessor-collector, other than a limited service deputy appointed under Section 520.0091, rather than Section 502.112, to perform the duties of an assessor-collector under Chapter 501, rather than this chapter.

SECTION 236. Redesignates existing Section 520.002, Transportation Code, as Section 520.0093, Transportation Code, and amends it as follows:

Sec. 520.0093. LEASE OF ADDITIONAL COMPUTER EQUIPMENT. Redesignates existing Section 520.002 as Section 520.0093. (a) Provides that this section applies only to the lease of equipment to a county for the operation of the automated registration and titling system, rather than title system, in addition to the equipment provided by TxDMV at no cost to the county under a formula prescribed by TxDMV.

(b) Makes a conforming change.

(c) Makes no changes to this subsection.

(d) Makes a conforming change.

(e) Requires TxDMV, under the agreement, to charge, rather than to charge the county, an amount not less than the amount of the cost to TxDMV to provide the additional equipment and any related services under the lease.

SECTION 237. Amends the heading to Subchapter B, Chapter 520, Transportation Code, to read as follows:

#### SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

SECTION 238. Amends Subchapter B, Chapter 520, Transportation Code, by adding Section 520.015, as follows:

Sec. 520.015. INFORMATION CONSOLIDATION STUDY. (a) Requires TxDMV, in consultation with the Department of Public Safety, to conduct a study on the consolidation of similar information that is collected separately by each agency. Provides that the study should include recommendations that sufficiently protect the privacy of the public and the security and integrity of information provided.

(b) Requires that the study be completed not later than September 1, 2012.

SECTION 239. Transfers Section 520.036, Transportation Code, to Subchapter B, Chapter 520, Transportation Code, redesignates it as Section 520.016, Transportation Code, and amends it as follows:

Sec. 520.016. GENERAL PENALTY. Redesignates existing Section 520.036 as Section 520.016. (a)-(b) Makes no changes to these subsections.

(c) Provides that this section does not apply to a violation of Section 520.006, 520.008, 520.009, 520.0091, or 520.0092.

SECTION 240. Amends Section 520.051(5), Transportation Code, to redefine "title service record."

SECTION 241. Amends Section 548.052, Transportation Code, as follows:

Sec. 548.052. VEHICLES NOT SUBJECT TO INSPECTION. Provides that this chapter does not apply to:

- (1) a trailer, semitrailer, pole trailer, or mobile home moving under or bearing a current factory-delivery license plate or current in-transit license plate;
- (2) a vehicle moving under or bearing a paper dealer in-transit tag, machinery license, disaster license, parade license, prorated tab, one-trip permit, vehicle temporary transit permit, antique license, temporary 24-hour permit, or permit license;
- (3) a trailer, semitrailer, pole trailer, or mobile home having an actual gross weight or registered gross weight of 4,500 pounds or less;
- (4) farm machinery, road-building equipment, a farm trailer, or a vehicle required to display a slow-moving-vehicle emblem under Section 547.703;
- (5) a former military vehicle, as defined by Section 504.502, rather than Section 502.275;
- (6) a vehicle qualified for a tax exemption under Section 152.092, Tax Code; or
- (7) a vehicle for which a certificate of title has been issued but that is not required to be registered.

SECTION 242. Amends Section 681.012(a-1), Transportation Code, to authorize a peace officer to seize a disabled parking placard from a person who operates a vehicle on which a disabled parking placard is displayed if the peace officer determines by inspecting the person's driver's license or personal identification certificate that the disabled parking placard does not contain the first four digits of the driver's license number or personal identification certificate number and the initials of the person operating the vehicle, the applicant on behalf of a person being transported by the vehicle, or a person being transported by the vehicle.

SECTION 243. Amends Subchapter B, Chapter 372, Transportation Code, by adding Section 372.054, as follows:

Sec. 372.054. REPORTING FAILURE TO PAY TOLL OR ADMINISTRATIVE FEE.

(a) Authorizes a toll project entity to report the failure to pay a toll or administrative fee to a county assessor-collector or TxDMV in order to deny registration of the nonpaying vehicle as provided in Section 502.011.

(b) Defines, for purposes of this section, "toll project entity."

SECTION 244. Amends Section 681.005, Transportation Code, to delete existing text requiring each county assessor-collector to send to TxDMV a copy of each application for a disabled parking placard.

SECTION 245. Amends Section 728.002, Transportation Code, by adding Subsection (d), to provide that this section does not prohibit the quoting of a price for a motor home, tow truck, or

towable recreational vehicle at a show or exhibition by Section 2301.358 (Vehicle Show or Exhibition), Occupations Code.

SECTION 246. Amends Section 386.251(c), Health and Safety Code, to provide that the fund consists of the amount of money deposited to the credit of the fund under Section 386.056, Sections 151.0515 and 152.0215, Tax Code, and Sections 501.138, 502.358, and 548.5055, rather than Sections 501.138, 502.1675, and 548.5055, Transportation Code; and grant money recaptured under Section 386.111(d) and Chapter 391.

SECTION 247. Amends Section 2302.201(a), Occupations Code, to require a salvage vehicle dealer who acquires ownership of a salvage motor vehicle from an owner, except as provided by Section 501.10025, Transportation Code, to receive from the owner a properly assigned title.

SECTION 248. Amends Section 2302.204, Occupations Code, to provide that this chapter does not apply to a person who purchases fewer than five, rather than three, nonrepairable motor vehicles or salvage motor vehicles from a salvage vehicle dealer, an insurance company or salvage pool operator in a casual sale at auction, except that the board shall adopt rules as necessary to regulate casual sales by salvage vehicle dealers, insurance companies, or salvage pool operators and to enforce this section, and a salvage vehicle dealer, insurance company, or salvage pool operator who sells a motor vehicle in a casual sale shall comply with those rules and Subchapter E, Chapter 501, Transportation Code.

SECTION 249. Amends Subchapter H, Chapter 2302, Occupations Code, by adding Section 2302.354, as follows:

Sec. 2302.354. ADMINISTRATIVE PENALTY. (a) Authorizes TxDMV to impose an administrative penalty against a person licensed under this chapter who violates this chapter or a rule or order adopted under this chapter.

(b) Prohibits the penalty from being less than \$50 or more than \$1,000, and provides that each day a violation continues or occurs is a separate violation for the purpose of imposing a penalty. Requires that the amount of the penalty be based on:

- (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation;
- (2) the economic harm caused by the violation;
- (3) the history of previous violations;
- (4) the amount necessary to deter a future violation;
- (5) efforts to correct the violation; and
- (6) any other matter that justice requires.

(c) Authorizes the person to stay enforcement during the time the order is under judicial review if the person pays the penalty to the court clerk or files a supersedeas bond with the court in the amount of the penalty. Authorizes a person who cannot afford to pay the penalty or file the bond to stay enforcement by filing an affidavit in the manner required by the Texas Rules of Civil Procedure for a party who cannot afford to file security for costs, subject to the right of TxDMV to contest the affidavit as provided by those rules.

(d) Provides that a proceeding to impose an administrative penalty is subject to Chapter 2001 (Administrative Procedure), Government Code.

SECTION 250. Amends Section 152.001, Tax Code, by amending Subdivision (3) and adding Subdivision (20), to redefine "motor vehicle" and "define off-road vehicle."

SECTION 251. Amends Section 152.091, Tax Code, to make conforming and nonsubstantive changes.

SECTION 252. Repealers: (1) Sections 501.026 (Importer's Certificate) and 501.075 (Validity of Documents Not Notarized), Transportation Code;

(2) Sections 501.094 (Self-Insured Motor Vehicle) and 501.133 (Issuance of New Certificate of Title Because of Subsequent Sales), Transportation Code;

(3) Sections 501.134(e) (relating to cancellation of the certificate of title) and (f) (relating to prohibiting TxDMV from issuing a certified copy of a certificate of title before a certain date) and (i) (relating to sending a certified copy of the certificate of title), Transportation Code;

(4) Sections 502.0074 (Motorized Mobility Device), 502.0075 (Electric Bicycles), 502.008 (Release of Information in Vehicle Registration Records), 502.104 (Disposition of Certain Special Fees), 502.105 (Report of Fees Collected), 502.1535 (Evidence of Vehicle Emissions Inspection), 502.154 (Report by County Assessor-Collector), 502.175 (Transfer Fee), 502.177 (Minimum Registration Fee), 502.206 (Registration of Certain Law Enforcement Vehicles Under Alias), 502.271 (Texas Aerospace and Aviation License Plates), 502.2862 (Electric Personal Assistive Mobility Devices), and 502.2971 (Federal Administrative Law Judges), Transportation Code;

(5) Sections 502.403 (Operation of Vehicle Under Improper Registration) and 502.405 (Operation of Motorcycle Without Seal), Transportation Code;

(6) Section 502.407(c) (providing that an offense under this section is a misdemeanor punishable by a fine not to exceed \$200), Transportation Code;

(7) Section 502.412(c) (providing that an offense under this section is a misdemeanor punishable by a fine not to exceed \$200), Transportation Code;

(8) Sections 502.452 (Transfer of Removed Plates), 502.453 (Fees Required for Transfer of License Plate and Registration Insignia), 502.455 (Application of Subchapter; Temporary Provision), and 502.456 (Department Support), Transportation Code;

(9) Section 504.201(h) (relating to requiring TxDMV to include the international symbol of access on a specialty license plate), Transportation Code;

(10) Section 504.316(b) (relating to fees for issuance of specialty license plates for persons who have received the Legion of Merit medal), Transportation Code;

(11) Section 504.401(b) (relating to authorizing the issuance of three sets of license plates to a state official), Transportation Code;

(12) Section 504.402(b) (relating to authorizing the issuance of three sets of license plates to members of Congress), Transportation Code;

(13) Section 504.403(b) (relating to authorizing the issuance of three sets of license plates to a current or visiting state or federal judge), Transportation Code;

(14) Section 504.404(b) (relating to authorizing the issuance of three sets of license plates to current federal administrative law judges), Transportation Code;

(15) Section 504.405(b) (relating to authorizing the issuance of three sets of license plates to current county judges of this state), Transportation Code;

(16) Section 504.502(j) (relating to an affirmative defense to prosecution of an offense under this section pertaining to vehicles that are issued certain specialty license plates), Transportation Code;

(17) Section 504.506(f) (relating to circumstances under which certain vehicles are subject to applicable fees and penalties), Transportation Code;

(18) Section 504.507(c) (defining "forestry vehicle"), Transportation Code;

(19) Section 504.508(d) (defining "tow truck"), Transportation Code;

(20) Sections 504.624 (100th Football Season of Stephen F. Austin High School), 504.629 (Texas PGA Junior Golf License Plates), 504.634 (San Antonio Missions National Historical Park License Plates), 504.643 (Star Day School Library Readers are Leaders License Plates), 504.649 (Texas Juneteenth License Plates), 504.650 (Keeping Texas Strong License Plates), 504.653 (Mother-Child Survivors Educational Scholarship Fund License Plates), 504.655 (Tejano Monument License Plates), and 504.701 (Discontinuance of Certain Specialty License Plates), Transportation Code;

(21) Section 504.702(c) (relating to returning monies to certain persons who made deposits for license plates under certain circumstances), Transportation Code;

(22) Sections 520.013 (Presentation of Motor Number Receipt Required; Penalty) and 520.034 (Processing of Application; Rules), Transportation Code;

(23) the headings to Subchapters C (General Requirements Relating to Transfers of Used Motor Vehicles) and D (Transfer of Title and Registration of Used Vehicle), Chapter 520, Transportation Code; and

(24) Section 681.005(2) (relating to requiring each county assessor-collector to send to TxDMV a copy of each application for a disabled parking placard).

SECTION 253. (a) Repealer: Section 19, Chapter 1136, Acts of the 81st Legislature, Regular Session, 2009.

(b) Provides that this section takes effect August 31, 2011.

SECTION 254. Makes application of Section 501.0225, Transportation Code, as added by this Act, to a person who purchases, imports, or otherwise acquires an off-road vehicle, prospective.

SECTION 255. Provides that Sections 152.001 and 152.091, Tax Code, as amended by this Act, do not affect tax liability accruing before the effective date of this Act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 256. Makes application of Section 2302.354, Occupations Code, as added by this Act, prospective.

SECTION 257. (a) Provides that the change in law made by this Act applies only to an offense committed on or after January 1, 2012.

(b) Provides that an offense committed before January 1, 2012, is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. Provides that for purposes of this subsection, an offense was committed before January 1, 2012, if any element of the offense was committed before that date.

SECTION 258. Provides that to the extent of any conflict, this Act prevails over another Act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 259. Effective date, except as otherwise provided by this Act: January 1, 2012.