

BILL ANALYSIS

Senate Research Center
86R32630 JRR-D

C.S.H.B. 1711
By: Paddie et al. (Paxton)
Transportation
5/13/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding the significant costs incurred by the state relating to the vehicle registration process. It is noted that some recent reports estimate that the state could save time, money, and effort by reducing and eliminating various parts of this process and implementing new approaches. H.B. 1711 seeks to address one such issue by providing for the issuance of digital license plates. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 1711 amends current law relating to the issuance of digital license plates and authorizes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 1 (Sections 504.153, 504.154, and 504.155, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 504, Transportation Code, by adding Subchapter B-1, as follows:

SUBCHAPTER B-1. DIGITAL LICENSE PLATES

Sec. 504.151. DEFINITIONS. Defines "digital license plate" and "digital license plate provider" for purposes of this subchapter.

Sec. 504.152. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this subchapter or a rule adopted under this subchapter, a digital license plate issued under this subchapter is subject to the laws of this state applicable to a physical license plate.

Sec. 504.153. RULES. Requires the board of the Texas Department of Motor Vehicles (TxDMV; board) to adopt rules as necessary to implement and administer this subchapter.

Sec. 504.154. DIGITAL LICENSE PLATES AUTHORIZED; FUNCTIONALITY. (a) Requires the board by rule to allow a vehicle described by Subsection (b) to be equipped with a digital license plate that is placed on the rear of the vehicle in lieu of a physical license plate issued under this chapter (License Plates). Requires the rule to require the owner of a vehicle issued a digital license plate to obtain a physical license plate to be placed on the front of the vehicle unless the vehicle is of a class of vehicles that is not required to display two license plates, as provided by other law.

(b) Authorizes a vehicle registered under Chapter 502 (Registration of Vehicles) to be equipped with a digital license plate only if the vehicle:

(1) is part of a commercial fleet, as defined by Section 502.001 (Definitions);

(2) is owned or operated by a governmental entity; or

(3) is not a passenger vehicle.

(c) Authorizes TxDMV to contract with digital license plate providers for the issuance of digital license plates, including any services related to the issuance of digital license plates.

(d) Provides that, notwithstanding any other law, rules adopted under this subchapter:

(1) are required to authorize the display of the vehicle's registration insignia on a digital license plate issued for the vehicle in lieu of attaching the registration insignia to the inside of the vehicle's windshield as required by Section 502.059 (Issuance of Registration Insignia);

(2) are authorized to establish a fee in an amount necessary to cover any administrative costs incurred that relate to the issuance of a digital license plate and exceed the administrative costs incurred for the issuance of a physical license plate;

(3) are required to prohibit a digital license plate provider from contracting with TxDMV under Subchapter J (Marketing of Specialty Plates Through Private Vendor);

(4) are required to authorize the use of a digital license plate for electronic toll collection or to display a parking permit; and

(5) are authorized to establish procedures for displaying on a digital license plate:

(A) an emergency alert or other public safety alert issued by a governmental entity, including an alert authorized under Subchapter L (Statewide America's Missing: Broadcast Emergency Response (Amber) ALERT System For Abducted Children and Missing Persons With Intellectual Disabilities), M (Silver Alert For Missing Senior Citizens and Persons With Alzheimer's Disease), or P (Blue Alert System), Chapter 411, Government Code;

(B) vehicle manufacturer safety recall notice;

(C) static logo displays, including unique displays for fleet vehicles; or

(D) advertising approved by TxDMV.

Sec. 504.155. DIGITAL LICENSE PLATE REQUIREMENTS. (a) Requires the board by rule to set the specifications and requirements for digital license plates, including requirements for the placement of digital license plates. Requires the design of and information displayed on a digital license plate to be approved by TxDMV.

(b) Requires a digital license plate issued under this subchapter to:

(1) meet the specifications and requirements adopted under Subsection (a);

(2) include the information required to be included on a physical license plate and legibly display that information at all times and in all light conditions, provided that the license plate may display the information in a smaller typeface when the vehicle is parked;

(3) have wireless connectivity capability; and

(4) provide benefits to law enforcement that meet or exceed the benefits provided by physical license plates as of the time of enactment of this subchapter and as determined by the Department of Public Safety of the State of Texas (DPS).

(c) Authorizes DPS to test digital license plates to ensure that the digital license plates comply with the requirements of Subsection (b).

Sec. 504.156. DIGITAL LICENSE PLATE PROVIDER POWERS AND DUTIES. Provides that a digital license plate provider with whom TxDMV contracts under Section 504.154:

(1) is required to maintain an inventory of the digital license plates issued by the provider in this state;

(2) is required to make available a digital version of each specialty license plate authorized by this chapter, other than personalized license plates authorized for marketing and sale under Subchapter J, provided that:

(A) each issuance of a specialty license plate with restricted distribution, including a license plate authorized under Subchapter C (Texas Highway Patrol), D (Administrative Division), E (Capitol Complex), or F (Criminal History Record Information), is required to be approved by TxDMV; and

(B) the provider is required to remit to TxDMV in the manner prescribed by TxDMV all money:

(i) payable to TxDMV; or

(ii) required to be used or deposited in the manner prescribed by the law establishing the license plate;

(3) is authorized to contract with the private vendor under Subchapter J to make available a digital version of a personalized license plate authorized for marketing and sale under that subchapter, provided that the contract is required to conform with any applicable requirements of Subchapter J and the terms of the private vendor's contract with TxDMV;

(4) is required to promptly update the display of the registration insignia to reflect the current registration period for the vehicle and, on request of TxDMV, suspend the display of the registration insignia or indicate on the license plate that the registration insignia for the vehicle is expired;

(5) is authorized to provide any service related to the issuance of a digital license plate that is authorized by board rule, including the sale, lease, and installation of and customer service for a digital license plate; and

(6) is authorized to charge a fee, payable in installments, for the issuance of a digital license plate or any additional services provided by the provider for that license plate.

Sec. 504.157. DEFENSE TO PROSECUTION OF CERTAIN OFFENSES. Provides that it is a defense to prosecution of an offense involving the operation of a motor vehicle and relating to the placement of a license plate or the display of a registration insignia that the vehicle was operated in compliance with rules issued under this subchapter governing the

placement of a digital license plate or the display of a registration insignia on a digital license plate, as applicable.

SECTION 2. Requires the board, not later than December 31, 2019, to adopt the rules required by Subchapter B-1, Chapter 504, Transportation Code, as added by this Act, and any other rules necessary to implement and administer that subchapter.

SECTION 3. Effective date: upon passage or September 1, 2019.