

BILL ANALYSIS

Senate Research Center
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S.B. 1816
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Motor Vehicles (TxDMV) seeks to curtail the abuse of fraudulent temporary tags issued by automobile dealers. S.B. 1816 establishes a maximum number of temporary tags that a dealer may obtain from the agency based off quantifiable metrics. These include a dealer's time in operation, sales data, expected growth, and market conditions.

Another role that TxDMV performs is the issuance of temporary permits and tags for vehicles within the State of Texas. S.B. 1816 requires that 72- or 144-hour permits that TxDMV issues must be carried inside the vehicle. S.B. 1816 also amends the Transportation Code to require that for one-trip or 30-day trip permits, the permit be located in the rear license plate display area.

As proposed, S.B. 1816 amends current law relating to certain temporary vehicle permits and tags.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 4 (Section 503.0632, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.094, Transportation Code, by adding Subsection (i), to require that a permit issued under Section 502.094 (72- or 144-Hour Permits) be carried in the vehicle, or, if the vehicle is a trailer or semitrailer, in the motor vehicle pulling the trailer or semitrailer, at all times during the period in which the permit is valid, including when the vehicle is being operated.

SECTION 2. Amends Section 502.095(f), Transportation Code, as follows:

(f) Requires that the permit, rather than the temporary tag, contain all pertinent information required by Section 502.095 (One-Trip or 30-Day Trip Permits) and be attached to the vehicle in the license plate display area located at the rear of the vehicle, so that the entire permit is visible and legible at all times, including when the vehicle is being operated. Requires that the permit, if the vehicle does not have a license plate display area at the rear of the vehicle, be attached to the vehicle, rather than attached on or carried in the vehicle, to allow ready inspection. Requires that the registration receipt be carried, in a manner prescribed by the Texas Department of Motor Vehicles (TxDMV), in the vehicle at all times during the period in which it is valid.

Deletes existing text requiring that a temporary tag be displayed in the rear window of the vehicle so that the tag is clearly visible and legible when viewed from the rear of the vehicle.

SECTION 3. Amends Section 502.474, Transportation Code, to make a conforming change.

SECTION 4. Amends Subchapter C, Chapter 503, Transportation Code, by adding Section 503.0632, as follows:

Sec. 503.0632. MAXIMUM NUMBER OF TEMPORARY TAGS. (a) Authorizes TxDMV by rule to establish the maximum number of temporary tags that a dealer or converter may obtain under Section 503.062 (Dealer's Temporary Tags), 503.0625 (Converter's Temporary Tags), 503.0626 (Dealer's and Converter's Temporary Tag Database), 503.063 (Buyer's Temporary Tags), or 503.0631 (Buyer's Temporary Tag Database).

(b) Requires that the maximum number of temporary tags that TxDMV determines a dealer or converter is authorized to obtain under this section be based on the dealer's or converter's anticipated need for temporary tags, taking into consideration:

(1) the dealer's or converter's time in operation, sales data, and expected growth;

(2) expected changes in the dealer's or converter's market; and

(3) temporary conditions that may affect sales by the dealer or converter.

(c) Authorizes the director of the Texas Department of Transportation (director) or the director's designee, at the request of a dealer or converter before exceeding the maximum number of temporary tags established under this section, to authorize additional temporary tags of any type for the dealer or converter if the dealer or converter demonstrates a need for additional temporary tags resulting from business operations, including anticipated need.

(d) Prohibits the director's or director's designee's denial of a request under Subsection (c) from being overturned in the absence of an abuse of discretion.

SECTION 5. Effective date: September 1, 2021.