

SUBJECT: Requiring vehicles to be registered in the county of the owner's residence.

COMMITTEE: Transportation — committee substitute recommended

VOTE: 5 ayes — Krusee, Hamric, Casteel, Hill, West

0 nays

4 absent — Phillips, Callegari, Deshotel, Flores

WITNESSES: For — Don R. Alfred, Self and Oldham County; Cynthia Artho, Oldham County; Phil Cates, Oldham county

Against — None

BACKGROUND: Under current law, vehicle owners must apply for vehicle registration and certificate of title in order to operate a motor vehicle on a public road. Transportation Code, sec. 502.002 requires that an owner apply to register a vehicle through the county assessor-collector each year or if the vehicle is unregistered. Similarly, Transportation Code, sec. 501.023, requires that an owner apply for a certificate of title through the county assessor-collector in either:

- the county in which the owner resides;
- the county in which the vehicle is purchased; or
- the county in which the lending institution is located.

A vehicle dealer must apply, in the name of the purchaser of the vehicle, for the registration of the vehicle and a certificate of title for the vehicle. The dealer has to file each document necessary to transfer the title or to register the vehicle.

DIGEST: CSHB 988 would require a seller who applied in the name of the purchaser for vehicle registration or a certificate of title to apply in the county where the vehicle's purchaser resided, unless the purchaser requested in writing that the seller apply in a different county.

The bill would take effect on September 1, 2005.

**SUPPORTERS
SAY:**

CSHB 988 would generate much needed revenue in counties outside urban areas and provide tax relief to residents of these counties. Counties are entitled to receive 97 percent of the registration or titling fee, 5 percent of the vehicle sales tax, and a \$5 fee on the vehicle's title for each vehicle registered or titled in a county. On the purchase of a \$20,000 car, for example, a county could gain approximately \$140 in additional revenue. This significantly would benefit counties that operate on smaller budgets and result in tax relief for county residents.

Taxpayers should have the right to spend their automobile tax money in the county in which they reside without being intimidated by car dealers. Representatives at car dealerships in big cities routinely deny customers the right to register their new vehicles in their home counties. Despite the \$50 fee that purchasers pay to cover the costs of vehicle titling and registration, consumers report that dealers routinely ignore their requests by registering the vehicle in the dealer's county. CSHB 988 would prevent car dealers from infringing upon an individual's right to contribute tax dollars to his or her home county.

Protecting the right of purchasers to register new vehicles in their counties of residence would make the process more convenient for many consumers. It would allow car buyers to ensure that their registration was handled by their counties of residence and would allow some to avoid trips of hundreds of miles to register a car in the county where the dealership was located. Also, small counties are capable of providing quicker and more personalized service to their residents than are large counties. CSHB 988 would allow customers to take advantage of these conveniences if they so chose.

**OPPONENTS
SAY:**

Customers should not have to provide a written request simply to register their vehicle in the county where the dealership is located. It often is more convenient for both the owner and the dealership to have a new vehicle registered in the county in which it was purchased. Processing vehicle registrations in a centralized location has proved efficient for auto dealers that seek to obtain vehicle titles in a timely manner for their customers. If a consumer decides not to register a vehicle in the county of purchase, the law already permits the customer to register the vehicle in his or her county of residence.

NOTES:

The committee substitute differs from the original bill in that would require the purchaser to submit a written request to have the vehicle registered in a county other than the purchaser's home county.