

- SUBJECT:** Allowing extended registration of certain fleets of motor vehicles
- COMMITTEE:** Transportation — committee substitute recommended
- VOTE:** 7 ayes — Pickett, Callegari, Y. Davis, Harper-Brown, McClendon, Merritt, W. Smith
- 0 nays
- 4 absent — Phillips, Dunnam, Guillen, T. Smith
- WITNESSES:** For — Leslie Ward, AT&T Texas; (*Registered, but did not testify:* Kathy Barber, Texas Retailers Association; Jack Baxley, Texo; June Deadrick, Center Point Energy; Brad Denton, Texas Telephone Association; Les Findeisen, Texas Motor Transportation Association; Jon Fisher, Associated Builders and Contractors of Texas; Richard Lawson, Verizon; Kelly McBeth, Martin Midstream – Kilgore, TX; Carol McGarah, H-E-B; Rebecca Moss, Texas Association of Manufacturers; Ed Serna, Time Warner Cable and Texas Cable Association; Corbin Van Arsdale, Association of General Contractors – Texas Building Branch)
- Against — None
- On — Ed Serna, Texas Department of Transportation
- BACKGROUND:** Transportation Code, ch. 502.001 governs the registration of motor vehicles in Texas and requires the owner of a vehicle to apply for registration for each year in which the vehicle is to be used on a public highway. The code requires TxDOT to develop and implement a system of registration so that an owner of a fleet of vehicles can consolidate the vehicles' registrations as an alternative to registering each separately. Current law requires fleet registrations to be renewed annually, which can be burdensome for companies — such as AT&T, with 12,000 vehicles — that own large fleets.
- The estimated maximum duration of time that most license plates maintain their reflectivity is eight years.

DIGEST: CSHB 3433 would require TxDOT to develop and implement a system to allow the owner of a fleet of vehicles to register the vehicles for an extended period of one to eight years. The fleet owner would select the number of years to register the vehicles and would have to pay in advance for all years and vehicles at the time of registration. A system of extended registration would have to allow the owner of a fleet to register all vehicles in the county of the owner's residence or principal place of business or in the county in which the vehicles were operated most regularly.

An owner registering a fleet for an extended period would have to pay an additional fee of \$10 per vehicle. A fleet owner also would pay a one-time fee of \$8 for a license plate that included the name or logo of the business that owned the vehicle. TxDOT would issue a registration insignia for validating a license plate valid for the duration of the registration. By September 1, 2010, TxDOT would have to adopt rules to implement the extended registration option that would include rules for suspending from participation a party that did not comply with the rules the agency adopted.

The bill would define a fleet of vehicles as a group of at least 25 motor vehicles owned by a corporation or other business entity and used for the entity's business purposes or those of an affiliate.

The bill would take effect September 1, 2009.

NOTES: The Legislative Budget Board (LBB) estimates the bill would have no fiscal impact on general revenue funds for fiscal 2010-11. The LBB estimates the bill would have a positive impact on the State Highway Fund (Fund 6) and counties, each of which get a portion of vehicle registration fees, in fiscal 2010-11, with a decrease in expected revenue in subsequent years. The fiscal note does not provide an estimate of the net long-term impact of the bill on Fund 6 or county revenue from vehicle registrations.