

**SUBJECT:** Amending registration and inspection procedures at TxDMV

**COMMITTEE:** Transportation — committee substitute recommended

**VOTE:** 11 ayes — Pickett, Martinez, Burkett, Y. Davis, Fletcher, Harless, Israel, Murr, Paddie, Phillips, Simmons

0 nays

1 absent — McClendon

**WITNESSES:** For — (*Registered, but did not testify*: Brian Yarbrough, EAN Holdings LLC; Shanna Igo, Texas Municipal League; Les Findeisen, Texas Trucking Association)

Against — None

On — (*Registered, but did not testify*: Liz Day and Steve Dayton, Texas Commission on Environmental Quality; Chris Nordloh, Texas Department of Public Safety; Jimmy Archer, Daniel Avitia, Whitney Brewster, David Duncan, Jeremiah Kuntz, Scott McKee, and Shelly Mellott, Texas Department of Motor Vehicles; John Barton and James Bass, Texas Department of Transportation; Ronald Hufford, Texas Forestry Association)

**BACKGROUND:** HB 3097 by McClendon, enacted by the 81st Legislature in 2009, created the Texas Department of Motor Vehicles (TxDMV) as an independent state agency. Previously, it was a division of the Texas Department of Transportation (TxDOT).

HB 2202 by Pickett, enacted by the 83rd Legislature, established the Texas Department of Motor Vehicles fund. Fees from vehicle registration, license plate issuance, and other TxDMV transactions are dedicated to this fund. The fund is used to support the duties of TxDMV. Also enacted by the 83rd Legislature, HB 2305 by E. Rodriguez eliminated separate vehicle stickers for inspection and registration.

Changes at the state level, such as the creation of TxDMV and the one-sticker inspection and registration program, as well as changes to federal motor-carrier safety regulations, have created the need to update other areas of statute to reflect these changes.

**DIGEST:**

CSHB 2701 includes numerous provisions that would affect the registration of vehicles and motor carriers. It also would include conforming changes related to the establishment of the Texas Department of Motor Vehicles (TxDMV) as an independent agency in 2009, the implementation of the single-sticker registration program, and changes to federal motor carrier safety administration regulations. In addition, the bill would affect vehicle title and overweight vehicle regulations, create reporting requirements for TxDMV, and re-establish the Texas Department of Motor Vehicles fund outside of general revenue.

**Vehicle inspections.** CSHB 2701 would make it a class C misdemeanor (maximum fine of \$500) to operate a vehicle without a valid inspection. The bill would direct courts to dismiss this offense if the operator remedied the deficiency within a specified time. The court would assess an administrative fee of up to \$20 when a person remedied a charge of driving a vehicle without a valid inspection.

With regard to vehicle inspections, CSHB 2701 also would:

- require county assessors to refund overpayments for vehicle inspection fees;
- require TxDMV to include the vehicle identification number and the vehicle's compliance status with each entry for a vehicle in the department's vehicle inspection database; and
- allow the initial inspection period for commercial fleet vehicles purchased out of state to be one year or two years, at the option of the purchaser.

**Vehicle registration.** CSHB 2701 would establish a procedure by which county assessors could recover registration fees paid by credit or debit

card that were returned unpaid because the payment had been disputed. The assessor would notify a sheriff, constable, or highway patrol officer in the county after attempts to contact the person failed to result in payment collection, and the law enforcement officer would find the person who authorized the payment to demand redemption of it. If the registrant refused to pay, the law enforcement officer would remove license plates and registration stickers and return them to the assessor.

CSHB 2701 would allow TxDMV to revoke a motor carrier's registration due to violations. TxDMV could not renew vehicle or motor carrier registrations to persons with outstanding penalty fees or to persons affiliated with others who had outstanding penalty fees. Motor carriers could not renew registrations that had been expired for more than 180 days. TxDMV could refuse to renew a motor carrier registration if the carrier had an unsatisfactory rating under federal safety regulations or had been taken out of service under federal regulations.

CSHB 2701 also would repeal Transportation Code, sec 502.1585, which allows an owner to establish a single vehicle registration window for multiple vehicles.

**Vehicle titles.** The bill also would revise how vehicle-title documents were handled. When the TxDMV generated a certified copy as a replacement title, only the newest certified copy of a title would be treated as valid. Titles would need to include the legal name, city, and state of the first seller of a vehicle and each subsequent seller. CSHB 2701 also would make procedural changes to title-dispute hearings, including giving TxDMV the option of appearing in court or answering a petition.

**Overweight and oversized vehicles.** CSHB 2701 contains several provisions that would affect permitting and enforcement of overweight and oversized vehicles. For example, the bill would make it a class C misdemeanor to operate an overweight vehicle by a person not named on the permit.

CSHB 2701 would allow TxDMV to issue 24-hour overweight vehicle

permits. It also would permit TxDMV to issue annual oversized vehicle permits as long as the vehicles did not exceed 14 feet in width and 110 feet in length. CSHB 2701 would add an exception to vehicle width limitations for equipment used in the harvesting or production of timber.

The bill would institute new weight standards for permitting certain overweight concrete trucks. Permits for overweight concrete trucks could not exceed the permissible gross weight tolerance.

The bill also would allow TxDMV to assess penalties to shippers that did not present certificates of weight. The bill would require shippers to present certificates of weight and a statement that it was accurate on an operator's request. The operator would be required to present the certificate to the department when requesting certain overweight vehicle permits.

In addition, CSHB 2701 would give municipal courts the authority to hear any cases related to oversize and overweight vehicle violations, rather than restricting municipal courts' jurisdiction over these cases to offenses for which the fine did not exceed \$500.

CSHB 2701 would allow motorists to present to a peace officer electronic versions of certain documents on wireless communication devices. These would include overweight vehicle permits, as well as insurance documents.

**Reporting requirements.** CSHB 2701 would direct TxDMV to collect information and submit an annual report to the Legislature on the number of electric vehicles, hybrid vehicles, and compressed natural gas vehicles registered in the state. The bill also would reduce the frequency with which TxDMV's report on the agency's state of affairs to the governor were submitted from quarterly to annually.

**TxDMV fund.** CSHB 2701 would re-establish the Texas Department of Motor Vehicles fund as a fund outside of general revenue to support the duties of TxDMV. It would transfer from the state highway fund an

amount equal to the total amount of certain fees collected by the department.

CSHB 2701 would take effect September 1, 2015, except for certain provisions related to vehicle title documents, which would take effect January 1, 2017.

NOTES: The Legislative Budget Board estimates that CSHB 2701 would have a negative net impact of about \$251 million to general revenue through fiscal 2016-17.