

SUBJECT: Setting maximum number of temporary tags for vehicle dealer, converter

COMMITTEE: Transportation — committee substitute recommended

VOTE: 9 ayes — E. Thompson, Ashby, Bucy, Landgraf, Lozano, Martinez,  
Ortega, Perez, Rogers

0 nays

4 absent — Canales, Davis, Harris, Smithee

WITNESSES: For — (*Registered, but did not testify*: Robert Braziel, Texas Automobile  
Dealers Association; Mark Borskey, Texas Recreational Vehicle  
Association)

Against — None

On — Monique Johnston, Texas Department of Motor Vehicles;  
(*Registered, but did not testify*: Corrie Thompson, Texas Department of  
Motor Vehicles)

BACKGROUND: Some have raised concerns that the Texas Department of Motor Vehicles  
has few options to limit abuses of the temporary tag system and have  
suggested allowing the department to limit the number of tags a vehicle  
dealer or converter may lawfully obtain.

DIGEST: CSHB 4276 would require the Texas Department of Motor Vehicles  
(TxDMV) to establish the maximum number of temporary tags that a  
dealer or converted could obtain. The maximum number would have to be  
based on the dealer's or converter's anticipated need for temporary tags,  
taking into consideration:

- the dealer's or converter's time in operation, sales data, and  
expected growth;
- expected changes in the market; and
- temporary conditions that could affect sales.

At the request of a dealer or converter, TxDMV could authorize additional tags if the dealer or converter demonstrated a need resulting from business operations. TxDMV's denial of a request could be overturned if a dealer or converted showed by a preponderance of the evidence the need for additional temporary tags.

The bill would take effect September 1, 2021.