

SUBJECT: Revising provisions related to certain temporary vehicle permits and tags

COMMITTEE: Transportation — favorable, without amendment

VOTE: 12 ayes — Canales, E. Thompson, Ashby, Bucy, Harris, Landgraf,
Lozano, Martinez, Ortega, Perez, Rogers, Smithee

0 nays

1 absent — Davis

SENATE VOTE: On final passage, April 23 — 31-0, on Local and Uncontested Calendar

WITNESSES: None

BACKGROUND: Under current law, the Texas Department of Motor Vehicles (TxDMV) has limited options to curtail abuses of the eTAG system and is prohibited by statute from denying a licensed automobile dealer from accessing the eTAG system. Concerns have been raised about some automobile dealerships using the electronic temporary tag (eTAG) system to issue fraudulent buyer's tags. Some have called for revising provisions relating to the issuance by TxDMV of certain temporary permits and tags for vehicles in Texas.

DIGEST: SB 1816 would authorize the Texas Department of Motor Vehicles (TxDMV) to establish by rule the maximum number of temporary tags that a dealer or converter could obtain under applicable statutory provisions. TxDMV would have to determine the maximum number of temporary tags a dealer or converter could obtain 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 dealer's or converter's markets; and
- temporary conditions that could affect sales by the dealer or converter.

At the request of a dealer or converter, TxDMV could authorize additional temporary tags of any type for the dealer or converter if they demonstrated a need for additional temporary tags resulting from business operations, including anticipated need. Denial by TxDMV for additional temporary tags could be overturned if a dealer or converter showed by a preponderance of the evidence the need for additional temporary tags.

Other provisions. The bill would amend the Transportation Code to require a 72-hour or 144-hour temporary vehicle registration permit issued by TxDMV to be carried in the vehicle, or, if the vehicle was a trailer or semitrailer, in the vehicle pulling the trailer or semitrailer, at all times during the period in which the permit was valid, including when the vehicle was being operated.

The bill also would change the display requirements for a one-trip or 30-day trip permit from a requirement that the temporary tag be visibly and legibly displayed in the vehicle's rear window or attached to the vehicle to allow for ready inspection if the vehicle did not have a rear window, to a requirement for the permit to be attached to the vehicle in the license plate display area located at the rear of the vehicle, so that the entire permit was visible and legible at all times, including when the vehicle was being operated.

The management of the databases for dealer's and converter's temporary tags and for vehicle buyer's temporary tags would be transferred from the TxDMV's vehicle titles and registration division to TxDMV.

The bill would take effect September 1, 2021.