

## **BILL ANALYSIS**

Senate Research Center

H.B. 1790  
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State Affairs  
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Engrossed

### **DIGEST**

During the 74th Legislature, much of the law governing the regulation and licensing of motor vehicle dealers and the titling and registration of motor vehicles was recodified into the Transportation Code from V.T.C.S. Chapter 503 provides the mechanisms applicable to dealer licensing. H.B. 1790 makes technical changes, both substantive and nonsubstantive, to Transportation Code provisions relating to the regulation of new and used motor vehicle dealers.

### **PURPOSE**

As proposed, H.B. 1790 makes technical changes, both substantive and nonsubstantive, to Transportation Code provisions relating to the regulation of new and used motor vehicle dealers.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 503.026, Transportation Code, as follows:

Sec. 503.026. REQUIREMENT FOR EACH TYPE OF DEALER VEHICLE. Requires a person to obtain a dealer general distinguishing number for each type of vehicle the person intends to sell. Deletes a provision requiring the person to issue metal dealer's license plates under Subchapter C. Makes a nonsubstantive change.

SECTION 2. Amends Section 503.029(c), Transportation Code, to require a renewal application to be submitted before the date the general distinguishing number expires, rather than by January 15.

SECTION 3. Amends Section 503.035, Transportation Code, as follows:

Sec. 503.035. New heading: ISSUANCE AND RENEWAL OF DRIVE-A-WAY IN-TRANSIT LICENSE. Requires the Texas Department of Transportation (department) to issue an annual drive-a-way in-transit license and in-transit license plates. Deletes the requirement for the license plates to have the applicant's general distinguishing number.

SECTION 4. Amends Section 503.038(a), Transportation Code, to authorize the department to cancel a dealer's general distinguishing number, if the dealer meets certain requirements, including falsifying or forging a title document, including an affidavit making application for a certified copy of a title. Deletes a provision authorizing the department to cancel a dealer's general distinguishing number if the dealer files a false or forged title document. Provides that a dealer's general distinguishing number may be canceled if the dealer has failed to demonstrate compliance with Sections 23.12, 23.121, and 23.122, Tax Code. Makes conforming changes.

SECTION 5. Amends Chapter 503C, Transportation Code, by adding Section 503.0615, as follows:

Sec. 503.0615. PERSONALIZED PRESTIGE DEALER'S LICENSE PLATES. Requires the department to establish and issue personalized prestige dealer's license plates. Prohibits the department from issuing identically lettered or numbered dealer's plates to more than one

dealer. Requires the department to establish procedures for continuous application for and issuance of personalized prestige dealer's license plates. Requires a dealer to make a new application and pay a new fee for each registration period for which the dealer seeks to obtain personalized prestige dealer's license plates. Provides that a dealer who obtains personalized prestige dealer's license plates has first priority on those plates for each subsequent registration period for which the dealer applies. Provides that the annual fee for personalized prestige dealer's license plates is \$40, in addition to any fee otherwise prescribed by this chapter. Sets forth the authorization for the department to issue personalized prestige dealer's license plates. Sets forth a \$50 fee in addition to the fees required by Subsection (c) for a new set of personalized prestige dealer's license plates. Requires the department to issue a registration insignia on application and payment of the required fee for a registration period following the issuance of the plates. Sets forth requirements for the deposit fees collected by the department under this section.

SECTION 6. Amends Section 503.062(d), Transportation Code, to prohibit the department from issuing a dealer temporary cardboard tag or contract for the issuance of a dealer temporary cardboard tag. Makes a conforming change.

SECTION 7. Amends Section 503.063(e), Transportation Code, to prohibit the department from issuing a buyer's tag or contract for the issuance of a buyer's tag. Makes a conforming change.

SECTION 8. Amends Section 503.066(c), Transportation Code, to require an application to be submitted before the date the plate expires, rather than by January 15.

SECTION 9. Amends Section 503.093(a), Transportation Code, to authorize the department or any interested person to bring an action to enforce a provision of Subchapter B. Deletes a provision authorizing the department to bring an action to enforce a provision of Subchapter B relating to a dealer or a person engaging in the business of conducting a wholesale motor vehicle auction.

SECTION 10. Amends Section 6.01(a), Article 4413(36), V.T.C.S., to authorize the Texas Motor Vehicle Commission (commission) to levy a civil penalty, after making certain determinations, including the determination that Section 503.038(a), Transportation Code, has been violated. Requires all civil penalties recovered under this Act to be deposited in the state treasury to the credit of the state highway fund, notwithstanding a law to the contrary. Deletes a requirement that civil penalties recovered under this Act be deposited, including without limitation the provisions of Section 403.094(h), Government Code.

SECTION 11. (a) Provides that this Act makes substantive changes and conforms to Section 503.038(a), Transportation Code, and to Section 3, Chapter 430, Acts of the 74th Legislature, Regular Session, 1995.

(b) Repealer: Section 3, Chapter 430, Acts of the 74th Legislature, Regular Session, 1995 (Cancellation).

(c) Provides that this Act prevails over another Act of the 75th Legislature, Regular Session, 1997, relating to nonsubstantive additions and corrections in enacted codes.

SECTION 12. Effective date: September 1, 1997.

SECTION 13. Emergency clause.