

BILL ANALYSIS

Senate Research Center
85R5345 JXC-D

S.B. 1621
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Transportation
4/24/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, counties are expected to maintain much of the on-the-ground infrastructure for vehicle registrations issued by the Texas Department of Motor Vehicles (TxDMV). Counties typically allow individuals to register at tax offices and also contract out to auto title service companies and grocery stores to provide additional locations. However, TxDMV's recent rulemaking regarding online vehicle registration and renewal has introduced confusion into these existing arrangements.

S.B. 1621 will reduce this confusion by updating statute to reflect the roles of both the counties and TxDMV in the process. S.B. 1621 specifically authorizes TxDMV to create an electronic registration renewal system, and clarifies throughout the Transportation Code that both the county and TxDMV have a role in printing and distributing registration stickers—as has been the reality on the ground for years.

S.B. 1621 would also offer some protection to counties against unfunded mandates or overzealous rulemaking by TxDMV. Counties would be guaranteed a portion of the service charge (\$1.50) for mail-in applications submitted to the county, which is used for the costs of handling and postage. Furthermore, counties could not be prevented from partnering with title service companies to provide additional locations for registration and renewal. Together these changes would balance the interests of the counties and the state while still allowing online registration and title service locations to the benefit of everyday Texans.

As proposed, S.B. 1621 amends current law relating to Texas Department of Motor Vehicles and county tax assessor-collector vehicle titling and registration duties and fees associated with those duties.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Department of Transportation is modified in SECTION 6 (Section 502.059, Transportation Code) of this bill.

Rulemaking authority previously granted to the board of the Texas Department of Motor Vehicles is modified in SECTION 10 (Section 502.1911, Transportation Code) and SECTION 16 (Section 520.0071, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.040, Transportation Code, by adding Subsection (e) to authorize a county assessor-collector to, with the approval of the commissioners court of a county, contract with a private entity to enable an applicant for registration to use an electronic off-premises location.

SECTION 2. Amends Section 502.042, Transportation Code, to prohibit the Texas Department of Transportation (TxDOT) or a county assessor-collector from registering or renewing the registration of a motor vehicle for which a title is required under Chapter 501 (Certificate of Title Act) unless the owner obtains a title for the vehicle or presents satisfactory evidence that a title was previously issued to the owner by TxDOT or another jurisdiction.

SECTION 3. Amends Sections 502.044(d) and (e), Transportation Code, as follows:

(d) Requires TxDOT or a county assessor-collector to issue a registration receipt and registration insignia that are valid until the expiration of the designated period.

(e) Makes a conforming change.

SECTION 4. Amends Subchapter B, Chapter 502, Transportation Code, by adding Section 502.0441, as follows:

Sec. 502.0441. REGISTRATION RENEWAL THROUGH ELECTRONIC SYSTEM.

(a) Authorizes TxDOT to designate an electronic system for registration renewal applications.

(b) Requires each county assessor-collector, if TxDOT designates an electronic system, to use the system to receive registration renewal applications for vehicles that are not required by this chapter to be registered directly by TxDOT, to review and process the applications, and to mail to an applicant for renewed registration in the assessor-collector's county the registration receipt or insignia issued to the applicant.

SECTION 5. Amends Section 502.048, Transportation Code, as follows:

Sec. 502.048. REFUSAL TO REGISTER UNSAFE VEHICLE. Authorizes TxDOT or a county assessor-collector to refuse to register a motor vehicle and TxDOT to cancel, suspend, or revoke a registration if TxDOT determines that a motor vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway.

SECTION 6. Amends Sections 502.059(b), (c), and (d), Transportation Code, as follows:

(b) Requires TxDOT or the county assessor-collector that receives the application, on application and payment of the prescribed fee for a renewal of the registration of a vehicle through the period set by rule, to issue a registration insignia for the validation of the license plate or plates to be attached as provided by Subsection (c).

(c) Requires the owner of a vehicle that does not have a windshield to indicate on the registration or renewal application that the vehicle does not have a windshield, and requires TxDOT or the county assessor-collector that receives the application to issue a distinctive device for attachment to the rear license plate of the vehicle.

(d) Authorizes TxDOT by rule to adopt an automated registration process that a county assessor-collector is authorized to adopt for the assessor-collector's county, including the automated on-site production of registration insignia and automated on-premises and off-premises self-service registration.

SECTION 7. Amends Section 502.094(a), Transportation Code, to authorize TxDOT or a county assessor-collector to issue a temporary registration permit in lieu of registration for certain commercial motor vehicles, trailers, semitrailers, or motor buses.

SECTION 8. Amends Sections 502.095(a) and (d), Transportation Code, as follows:

(a) Authorizes TxDOT or a county assessor-collector to issue a temporary permit in lieu of registration for a vehicle subject to registration in this State that is not authorized to travel on a public highway because of the lack of registration in this State or the lack of reciprocity with the state or country in which the vehicle is registered.

(d) Authorizes a single registration receipt to be issued to apply to all of the periods for which the vehicle is registered.

SECTION 9. Amends Section 502.146(a), Transportation Code, to require TxDOT or a county assessor-collector to issue specialty license plates to a vehicle described by Subsection (b) or (c).

SECTION 10. Amends Section 502.1911, Transportation Code, by amending Subsections (b) and (c) and adding Subsection (d), as follows:

(b) Requires the board of Texas Department of Motor Vehicles (board) by rule to set the fee in an amount that includes the fee established under Section 502.356(a) (relating to requiring the board to adopt a fee not less than 50 cents and not more than \$1) and is sufficient to cover the expenses associated with collecting registration fees by TxDOT, a county tax assessor-collector, a private entity with which a county tax assessor-collector contracts under Section 502.040(e), rather than 502.197 (Registration by Mail or Electronic Means; Service Change), or a deputy assessor-collector that is deputized in accordance with board rule under Section 520.0071 (Deputies).

(c) Authorizes the county tax assessor-collector, a private entity with which a county tax assessor-collector contracts under Section 502.040(e), rather than 502.197, or a deputy assessor-collector to retain a portion of the fee, rather than a portion of the fee collected under Subsection (b), as provided by board rule.

(d) Requires that the rules adopted under this section allow a county tax assessor-collector to retain a service charge of at least \$1.50 for each application submitted by mail. Requires that the retained service charge be used to pay the costs of handling and postage to mail the registration receipt and insignia to the applicant.

SECTION 11. Amends Sections 502.195(b) and (c), Transportation Code, as follows:

(b) Requires TxDOT or the county assessor-collector who collects the excessive fee to refund an overcharge on presentation to TxDOT or assessor-collector of satisfactory evidence of the overcharge not later than the first anniversary of the date the excessive registration fee was paid.

(c) Requires that a refund be paid from the fund in which TxDOT's or the county's share of registration fees is deposited, as applicable.

SECTION 12. Amends Section 502.434(e), Transportation Code, to require TxDOT to design and prescribe, and TxDOT or a county assessor-collector to furnish, a sticker, plate, or other means of indicating the additional weight and the registration period for each vehicle registered under this section.

SECTION 13. Amends Section 502.451(a), Transportation Code, as follows:

(a) Requires TxDOT or a county assessor-collector, before license plates are issued or delivered to the owner of a vehicle that is exempt by law from payment of registration fees, to approve the application for registration. Prohibits TxDOT or assessor-collector from approving an application if there is the appearance that the vehicle was transferred to the owner or purported owner for the sole purpose of evading the payment of registration fees or in bad faith, or the vehicle is not being used in accordance with the exemption requirements.

SECTION 14. Amends Section 502.471(b), Transportation Code, to delete text providing that this section does not apply to a violation of Section 502.197.

SECTION 15. Amends Sections 502.473(a), (b), and (d), Transportation Code, as follows:

(a) Provides that a person commits an offense if the person operates on a public highway during a registration period a motor vehicle that does not properly display the registration insignia issued by TxDOT or a county assessor-collector that establishes that the license plates have been validated for the period.

(b) and (d) Makes conforming changes.

SECTION 16. Amends Section 520.0071, Transportation Code, by amending subsection (a) and adding Subsection (c), as follows:

(a) Requires the board by rule to prescribe the fees that may be charged or retained by deputies, except as provided by Subsection (c).

(c) Authorizes a county assessor-collector that deputizes an individual or business under this section to authorize the deputy to charge or retain a fee in addition to fees authorized under Chapter 501 or 502 (Registration of Vehicles) in an amount determined by the assessor-collector.

SECTION 17. Amends Sections 348.005 and 356.006, Finance Code, to delete existing text relating to rules adopted under Section 520.0071, Transportation Code.

SECTION 18. Repealers: Section 502.197 and 520.005(d) (relating to requiring each county assessor-collector to process a registration renewal through an online system), Transportation Code.

SECTION 19. Effective date: September 1, 2017.