

BILL ANALYSIS

Senate Research Center

H.B. 1711
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Transportation
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding the significant costs incurred by the state relating to the vehicle registration process. It is noted that some recent reports estimate that the state could save time, money, and effort by reducing and eliminating various parts of this process and implementing new approaches. H.B. 1711 seeks to address one such issue by providing for the issuance of digital license plates.

H.B. 1711 amends current law relating to the issuance of digital license plates and authorizes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 1 (Sections 504.153, 504.154, and 504.155, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 504, Transportation Code, by adding Subchapter B-1, as follows:

SUBCHAPTER B-1. DIGITAL LICENSE PLATES

Sec. 504.151. DEFINITIONS. Defines "digital license plate" and "digital license plate provider" for purposes of this subchapter.

Sec. 504.152. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this subchapter or a rule adopted under this subchapter, a digital license plate issued under this subchapter is subject to the laws of this state applicable to a physical license plate.

Sec. 504.153. RULES. Requires the board of the Texas Department of Motor Vehicles (TxDMV; board) to adopt rules as necessary to implement and administer this subchapter.

Sec. 504.154. DIGITAL LICENSE PLATES AUTHORIZED. Requires the board by rule to allow a vehicle registered under Chapter 502 (Registration of Vehicles) to be equipped with a digital license plate that is placed on the rear of the vehicle in lieu of a physical license plate issued under this chapter (License Plates). Requires the rule to require the owner of a vehicle issued a digital license plate to obtain a physical license plate to be placed on the front of the vehicle unless the vehicle is of a class of vehicles that is not required to display two license plates, as provided by other law.

(b) Authorizes TxDMV to contract with digital license plate providers for the issuance of digital license plates, including any services related to the issuance of digital license plates.

(c) Authorizes a rule adopted under this subchapter, notwithstanding any other law, to:

(1) authorize the display of the vehicle's registration insignia on a digital license plate issued for the vehicle in lieu of attaching the registration insignia to the inside of the vehicle's windshield as required by Section 502.059 (Issuance of Registration Insignia);

(2) establish a fee in an amount necessary to cover any administrative costs incurred that relate to the issuance of a digital license plate and exceed the administrative costs incurred for the issuance of a physical license plate; or

(3) prohibit a digital license plate provider from contracting with the department under Subchapter J (Marketing of Specialty Plates Through Private Vendor).

Sec. 504.155. DIGITAL LICENSE PLATES REQUIREMENTS AND PERMISSIVE FUNCTIONALITY. (a) Requires the board by rule to set the specifications and requirements for digital license plates, including requirements for the placement of digital license plates. Requires the design of and information displayed on a digital license plate to be approved by TxDMV.

(b) Requires a digital license plate issued under this subchapter to:

(1) meet the specifications and requirements adopted under Subsection (a);

(2) include the information required to be included on a physical license plate and legibly display that information at all times and in all light conditions, provided that the license plate may display the information in a smaller typeface when the vehicle is parked; and

(3) have wireless connectivity capability.

(c) Requires the board, in adopting rules under Subsection (a), to consult with the Texas Department of Public Safety (DPS). Provides that, except as otherwise provided by this subsection and Section 2001.036 (Effective Date of Rules; Effect of Filing With Secretary of State), Government Code, a rule adopted under Subsection (a) takes effect on the 31st day after the date on which the rule is filed in the Office of the Secretary of State. Provides that a rule adopted under Subsection (a) does not take effect if, not later than the 30th day after the date on which the rule is filed in the Office of the Secretary of State, the public safety director of DPS submits to the Office of the Secretary of State written notification invalidating the rule.

(d) Authorizes a rule adopted under this subchapter to:

(1) authorize the use of a digital license plate for electronic toll collection or to display a parking permit; or

(2) establish procedures for displaying on a digital license plate:

(A) an emergency alert or other public safety alert issued by a governmental entity, including an alert authorized under Subchapter L (Statewide America's Missing: Broadcast Emergency Response (Amber) ALERT System For Abducted Children and Missing Persons With Intellectual Disabilities), M (Silver Alert For Missing Senior Citizens and Persons With Alzheimer's Disease), or P (Blue Alert System), Chapter 411, Government Code;

(B) vehicle manufacturer safety recall notices;

(C) static logo displays, including unique displays for fleet vehicles; or

(D) advertising approved by TxDMV.

Sec. 504.156. DIGITAL LICENSE PLATE PROVIDERS POWERS AND DUTIES. Provides that a digital license plate provider with whom TxDMV contracts under Section 504.154:

(1) is required to maintain an inventory of the digital license plates issued by the provider in this state;

(2) is required to make available a digital version of each specialty license plate authorized by this chapter, other than personalized license plates authorized for marketing and sale under Subchapter J, provided that:

(A) each issuance of a specialty license plate with restricted distribution, including a license plate authorized under Subchapter C (Texas Highway Patrol), D (Administrative Division), E (Capitol Complex), or F (Criminal History Record Information), is required to be approved by TxDMV; and

(B) the provider is required to remit to TxDMV in the manner prescribed by TxDMV all money:

(i) payable to TxDMV; or

(ii) required to be used or deposited in the manner prescribed by the law establishing the license plate;

(3) is authorized to contract with the private vendor under Subchapter J to make available a digital version of a personalized license plate authorized for marketing and sale under that subchapter, provided that the contract is required to conform with any applicable requirements of Subchapter J and the terms of the private vendor's contract with TxDMV;

(4) is required to, if a digital license plate displays a registration insignia as authorized by a rule adopted under Section 504.154(c)(1), promptly update the display of the registration insignia to reflect the current registration period for the vehicle and, on request of TxDMV, suspend the display of the registration insignia or indicate on the license plate that the registration insignia for the vehicle is expired;

(5) is authorized to provide any service related to the issuance of a digital license plate that is authorized by board rule, including the sale, lease, and installation of and customer service for a digital license plate; and

(6) is authorized to charge a fee, payable in installments, for the issuance of a digital license plate or any additional services provided by the provider for that license plate.

Sec. 504.157. DEFENSE TO PROSECUTION OF CERTAIN OFFENSES. Provides that it is a defense to prosecution of an offense involving the operation of a motor vehicle and relating to the placement of a license plate or the display of a registration insignia that the vehicle was operated in compliance with rules issued under this subchapter governing the placement of a digital license plate or the display of a registration insignia on a digital license plate, as applicable.

SECTION 2. Requires the board, not later than December 31, 2019, to adopt the rules required by Subchapter B-1, Chapter 504, Transportation Code, as added by this Act, and any other rules necessary to implement and administer that subchapter.

SECTION 3. Effective date: upon passage or September 1, 2019.