

BILL ANALYSIS

Senate Research Center
80R15365 MSE-F

H.B. 2651
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Transportation & Homeland Security
5/12/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law provides that licenses issued by the Texas Department of Transportation (TxDOT) to new and independent motor vehicle dealers, new motor vehicle manufacturers, distributors, converters, their representatives, lessors, and lease facilitators expire one year after the date of issuance. The time required to process applications for such licenses has increased due to the increase in statutory requirements enacted in recent years, resulting in a backlog of dealer applications.

H.B. 2651 removes the annual renewal requirement for a dealer license and authorizes TxDOT to prescribe the period for which dealer licenses are valid.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Motor Vehicle Board of the Texas Department of Transportation is transferred to the Texas Motor Vehicle Commission and modified in SECTION 4 (Section 2301.301, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2301.257(b), Occupations Code, to require a dealer, if a material change occurs in the information included in an application for a dealer's license, to notify the executive director of the Texas Motor Vehicle Commission (director), rather than the Motor Vehicle Board of the Texas Department of Transportation (board), of the change within a reasonable time, rather than within a reasonable time but not later than the next annual renewal. Makes a conforming change.

SECTION 2. Amends Section 2301.264, Occupations Code, by amending Subsection (a) and adding Subsections (e) and (f), as follows:

(a) Deletes existing text providing for a fee of \$25 for an amendment to a license and \$50 for a duplicate license from the list of annual fees for a license under this chapter. Makes conforming changes.

(e) Provides that the fee for an amendment to a license under this chapter is \$25.

(f) Provides that the fee for a duplicate license under this chapter is \$50.

SECTION 3. Amends the heading to Section 2301.301, Occupations Code, to read as follows:

Sec. 2301.301. LICENSE TERM AND RENEWAL.

SECTION 4. Amends Section 2301.301, Occupations Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Provides that licenses, rather than a license, issued under this chapter are valid for the period prescribed by the Texas Motor Vehicle Commission (commission), rather than expire on the first anniversary of the date the license is issued.

(b) Authorizes the director, rather than the board, to issue a license for a term of less than the period prescribed under Subsection (a), rather than one year, to coordinate the

expiration dates of licenses held by a person that is required to obtain more than one license to perform activities under this chapter.

(c) Authorizes the commission, rather than the board, by rule to implement a system under which licenses expire on various dates during the year. Requires the fee for a license, if the license is issued or renewed for a term that is less than the period set under Subsection (a), rather than for a year in which a license expiration date is changed, to be prorated so that the license holder pays only that portion of the fee that is allocable to the number of months during which the license is valid. Provides that the entire license renewal fee is payable on renewal of the license on the new expiration date.

(e) Requires the commission, if the commission prescribes the term of a license under this chapter for a period other than one year, to prorate the applicable annual fee required under this chapter as necessary to reflect the term of the license.

SECTION 5. Amends Section 2301.303, Occupations Code, to require a dealer to renew the dealer's license on an application, rather than annually, prescribed by the director, rather than the board. Makes a conforming change.

SECTION 6. Amends Sections 503.007(a), (b), and (c), Transportation Code, to provide that the fee for an original general distinguishing number is \$500 for the first year and \$200 for each subsequent year for which the number is valid. Provides that the fee for the renewal of a general distinguishing number is \$200 a year and the registration fee for a drive-a-way in-transit license is \$50 a year.

SECTION 7. Amends Sections 503.008(a), (b), and (c), Transportation Code, to provide that the listed fees relating to certain license plates are annual.

SECTION 8 Amends Subchapter A, Chapter 503, Transportation Code, by adding Sections 503.010, 503.011, and 503.012, as follows;

Sec. 503.010. TERM OF GENERAL DISTINGUISHING NUMBER, LICENSE, OR LICENSE PLATE. Provides that each general distinguishing number, license, or license plate issued under this chapter is valid for the period prescribed by the commission.

Sec. 503.011. PRORATING FEES. Requires the commission, if the commission prescribes the term of a general distinguishing number, license, or license plate under this chapter for a period other than one year, to prorate the applicable annual fee required under this chapter as necessary to reflect the term of the number, license, or license plate.

Sec. 503.012. COLLECTED MONEY. Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to money received by the Texas Department of Transportation (TxDOT) and deposited to the credit of the state highway fund in accordance with this chapter.

SECTION 9. Amends Sections 503.032(a) and (c), Transportation Code, to update references to one year to refer to the term of the general distinguishing number.

SECTION 10. Amends Section 503.035, Transportation Code, to require TxDOT to issue to an applicant on the filing of the application and the payment of the fee a drive-a-way in-transit license and in-transit license, rather than an annual drive-a-way in-transit license and in-transit license.

SECTION 11. Amends Section 503.0618(c), Transportation Code, to provide that the fee for a metal converter's license plate is \$20 a year.

SECTION 12. Amends Section 503.066(d), Transportation Code, to provide that a metal license plate issued under this chapter expires on the same date as the expiration of the license, rather than the dealer license, under, rather than to, which it is issued.

SECTION 13. Makes application of the changes in law made by this Act to the issuance and renewal of a license under Chapter 2301, Occupations Code, and a license, general distinguishing number, or license plate under Chapter 503, Transportation Code, prospective.

SECTION 14. Effective date: September 1, 2007.