

BILL ANALYSIS

Senate Research Center
82R28019 E

C.S.H.B. 2017
By: McClendon et al. (Williams)
Transportation & Homeland Security
5/16/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the 81st Legislature, the Texas Department of Motor Vehicles (TxDMV) was created in order to separate the administrative management of permitting and registration of vehicles and trucks from the infrastructure development functions in the Texas Department of Transportation (TxDOT). Generally, the purpose of separating the functions of TxDMV and TxDOT was to increase the efficiency and effectiveness of both agencies in the service of Texas' transportation needs.

During its two-year existence, TxDMV has identified several areas of improvement that can be addressed through organizational and functional changes to the agency. Thus, C.S.H.B. 2017 is a "clean-up bill" designed to implement an array of changes needed to update the governance, organization, duties, and functions of the current structure of TxDMV.

C.S.H.B. 2017 amends current law relating to the organization, governance, duties, and functions of the Texas Department of Motor Vehicles.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles (board; TxDMV) in SECTION 3 (Section 2301.154, Occupations Code), SECTION 23 (Section 501.173, Transportation Code), SECTION 35 (Sections 1001.008, 1001.009, and 1001.010, Transportation Code), SECTION 40 (Section 1001.102, Transportation Code), and SECTION 41 (Section 1003.005, Transportation Code) of this bill.

Rulemaking authority is expressly granted to TxDMV in SECTION 24 (Section 502.002, Transportation Code), SECTION 25 (Section 502.151, Transportation Code), SECTION 30 (Sections 520.003 and 520.004, Transportation Code), and SECTION 35 (Section 1001.007, Transportation Code) of this bill.

Rulemaking authority previously granted to the Texas Motor Vehicle Commission is transferred to the board in SECTION 10 (Section 2301.301, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2301.002, Occupations Code, by adding Subdivisions (1-a) and (14-a) to define "ambulance manufacturer" and "fire-fighting vehicle manufacturer," and by amending Subdivisions (11), (16), (23), and (32) to redefine "distributor," "franchised dealer," "motor vehicle," and "towable recreational vehicle."

SECTION 2. Amends Section 2301.153(a), Occupations Code, to provide that the board of the Texas Department of Motor Vehicles (board; TxDMV), notwithstanding any other provision of law, has all powers necessary, incidental, or convenient to perform a power or duty expressly granted under this chapter, including the power to enter an order requiring a person to perform or refrain from certain actions, including requiring a person to repurchase property under Section 2301.465 (Payment to Franchised Dealer Following Termination of Franchise) and pay costs and expenses of a party in connection with an order entered under that section.

SECTION 3. Amends Section 2301.154, Occupations Code, as follows:

Sec. 2301.154. DELEGATION OF POWERS. (a) Creates this subsection from existing text. Makes no further changes.

(b) Authorizes the board by rule to delegate any power relating to a contested case hearing, other than the power to issue a final order, to:

- (1) one or more of the board's members;
- (2) the executive director of TxDMV (executive director);
- (3) the director of the Motor Vehicle Division of TxDMV (director); or
- (4) one or more of TxDMV's employees.

(c) Authorizes the board by rule to delegate the authority to issue a final order in a contested case hearing to:

- (1) one or more of the board's members;
- (2) the executive director; or
- (3) the director of a division within TxDMV designated by the board or the executive director to carry out the requirements of this chapter.

(d) Authorizes the board by rule to delegate any power relating to a complaint investigation to any person employed by TxDMV.

SECTION 4. Amends Section 2301.252(b), Occupations Code, as follows:

(b) Provides that, for purposes of this section:

- (1) the make of a conversion, rather than the make of a conversion, ambulance, or fire-fighting vehicle, is that of the chassis manufacturer;
- (2) the make of a motor home is that of the motor home manufacturer;
- (3) the make of an ambulance is that of the ambulance manufacturer; and
- (4) the make of a fire-fighting vehicle is that of the fire-fighting vehicle manufacturer.

SECTION 5. Amends Sections 2301.257(a), (b), and (c), Occupations Code, as follows:

(a) Replaces references to the board with TxDMV.

(b) Replaces references to the director with TxDMV.

(c) Requires a franchised dealer to apply for a separate license under this section for each separate and distinct dealership showroom as determined by TxDMV, rather than the board.

SECTION 6. Amends Section 2301.258, Occupations Code, to replace references to the board with TxDMV.

SECTION 7. Amends Section 2301.261(a), Occupations Code, to replace references to the board with TxDMV.

SECTION 8. Amends Section 2301.262(a), Occupations Code, to replace references to the board with TxDMV.

SECTION 9. Amends Sections 2301.264(c) and (d), Occupations Code, to replace references to the board with TxDMV.

SECTION 10. Amends Sections 2301.301(a), (b), (c), and (e), Occupations Code, as follows:

(a) Replaces a reference to the Texas Motor Vehicle Commission (commission) with the board.

(b) Authorizes the board, rather than the director, to issue a license for a term of less than the period prescribed under Subsection (a) 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 board, rather than the commission, by rule to implement a system under which licenses expire on various dates during the year. Requires that the fee for a license, for a year in which the license expiration date is changed, rather than if a license is issued or renewed for a term that is less than the period set under Subsection (a), 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.

(e) Replaces references to the commission with the board.

SECTION 11. Amends Section 2301.302, Occupations Code, as follows:

Sec. 2301.302. NOTICE OF LICENSE EXPIRATION. Requires TxDMV, rather than the board, to notify each person licensed under this chapter of the date of license expiration and the amount of the fee required for license renewal. Requires that the notice be sent, rather than mailed, at least 30 days before the date of license expiration.

SECTION 12. Amends Section 2301.351, Occupations Code, as follows:

Sec. 2301.351. GENERAL PROHIBITION. Prohibits a dealer from:

(1) violating a board rule;

(2) aiding or abetting a person who violates this chapter, Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates), Transportation Code, or a rule adopted under those chapters; or

(3) using false, deceptive, or misleading advertising relating to the sale or lease of motor vehicles.

SECTION 13. Amends Sections 2301.358(a) and (c), Occupations Code, to replace references to the board with TxDMV.

SECTION 14. Amends Section 2301.401(a), Occupations Code, to replace a reference to the board with TxDMV.

SECTION 15. Amends Section 2301.454(a), Occupations Code, to replace a reference to the board with TxDMV.

SECTION 16. Amends Section 2301.476(c), Occupations Code, as follows:

(c) Prohibits a manufacturer or distributor, except as provided by this section, from directly or indirectly:

(1) owning an interest in a franchised or nonfranchised dealer or dealership;

(2) operating or controlling a franchised or nonfranchised dealer or dealership; or

(3) acting in the capacity of a franchised or nonfranchised dealer.

SECTION 17. Amends Section 2301.601(2), Occupations Code, to redefine "owner."

SECTION 18. Amends Sections 2301.611(a) and (c), Occupations Code, to replace references to the board with TxDMV.

SECTION 19. Amends Section 2301.613(a), Occupations Code, to replace references to the board with TxDMV.

SECTION 20. Amends Section 2301.711, Occupations Code, as follows:

Sec. 2301.711. ORDERS AND DECISIONS. Deletes existing Subsection (a) designation. Requires that an order or decision of the board:

- (1) include a separate finding of fact with respect to each specific issue the board is required by law to consider in reaching a decision;
- (2) set forth additional findings of fact and conclusions of law on which the order or decision is based;
- (3) give the reasons for the particular actions taken;
- (4) be signed by the presiding officer or assistant presiding officer for the board;
- (5) be attested to by the director; and
- (6) have the seal affixed to it.

Deletes existing Subsection (b) designation. Deletes existing text requiring that the order or decision except as provided by Subchapter M (Warranties: Rights of Vehicle Owners), be signed by the presiding officer or assistant presiding officer for the board, be attested to by the director, and have the seal affixed to it. Makes nonsubstantive changes.

SECTION 21. Amends Section 2301.803(c), Occupations Code, to authorize a person affected by a statutory stay imposed by this chapter to request a hearing, rather than initiate a proceeding before the board, to modify, vacate, or clarify the extent and application of the statutory stay.

SECTION 22. Amends Section 501.023, Transportation Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Requires the owner of a motor vehicle to present identification and apply for a title, rather than a certificate of title, as prescribed by TxDOT, unless otherwise exempted by law. Requires the owner, to obtain a title, to apply:

- (1) to the county assessor-collector in the county in which the owner is domiciled, or the motor vehicle is purchased or encumbered; or, rather than and,
- (2) if the county in which the owner resides has been declared by the governor as a disaster area, to the county assessor-collector in one of the closest unaffected counties to a county that asks for assistance and continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster, and is inoperable for a protracted period of time, rather than on a form prescribed by TxDOT.

(b) Requires the assessor-collector to send the application to TxDOT or enter it into TxDOT's titling system within 72 hours after receipt of the application, rather than to TxDOT not later than 24 hours after receiving the application.

(c) Authorizes the owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.054 that is applying for a title, rather than certificate of title, for purposes of registration to only apply directly to TxDOT. Requires an applicant for registration under this subsection, notwithstanding Section 501.138(a) (relating to certain fees to be paid to the county assessor-collector), to pay the fee, rather than to pay TxDOT the fee, imposed by that section. Requires that the fee be distributed, rather than requires TxDOT to send the fee, to the appropriate county assessor-collector in the manner provided by Section 501.138, rather than for distribution in the manner provided by Section 501.138 (Collection and Disposition of Fees). Deletes existing text requiring the owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.054 that is applying for a certificate of title for the purposes of registration only to be made directly to TxDOT.

(e) Requires that applications submitted to TxDOT electronically request the purchaser's choice of county as stated in Subsection (a) as the recipient of all taxes, fees, and other revenue collected as a result of the transaction.

SECTION 23. Amends Chapter 501, Transportation Code, by adding Subchapter I, as follows:

SUBCHAPTER I. ELECTRONIC TITLING SYSTEM

Sec. 501.171. APPLICATION OF SUBCHAPTER. Provides that this subchapter applies only if TxDOT implements a titling system under Section 501.173.

Sec. 501.172. DEFINITIONS. Defines, in this subchapter, "document," "electronic," "electronic document," "electronic signature," and "paper document."

Sec. 501.173. ELECTRONIC TITLING SYSTEM. (a) Authorizes the board by rule to implement an electronic titling system.

(b) Provides that a record of title maintained electronically by TxDOT in the titling system is the official record of vehicle ownership unless the owner requests that TxDOT issue a printed title.

Sec. 501.174. VALIDITY OF ELECTRONIC DOCUMENTS. (a) Provides that if this chapter requires that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is met by an electronic document that complies with this subchapter.

(b) Provides that if a law requires that a document be signed, the requirement is satisfied by an electronic signature.

(c) Provides that a requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. Provides that a physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

Sec. 501.175. RECORDING OF DOCUMENTS. (a) Authorizes TxDOT, under the titling system, to:

(1) receive, index, store, archive, and transmit electronic documents;

(2) provide for access to, and for search and retrieval of, documents and information by electronic means; and

(3) convert into electronic form paper documents that it accepts for the titling of a motor vehicle, and information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented.

(b) Requires TxDOT to continue to accept paper documents after the titling system is implemented.

Sec. 501.176. PAYMENT OF FEES BY ELECTRONIC FUNDS TRANSFER OR CREDIT CARD. (a) Authorizes TxDOT to accept payment by electronic funds transfer, credit card, or debit card of any title or registration fee that TxDOT is required or authorized to collect under this chapter.

(b) Authorizes TxDOT to collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card. Requires that the amount of the fee be reasonably related to the expense incurred by TxDOT in processing the payment by electronic funds transfer, credit card, or debit card and may not be more than five percent of the amount of the fee being paid.

(c) Authorizes TxDOT, in addition to the fee authorized by Subsection (b), to collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to the amount of any transaction fee charged to TxDOT by a vendor providing services in connection with payments made by electronic funds transfer, credit card, or debit card. Provides that the limitation prescribed by Subsection (b) on the amount of a fee does not apply to a fee collected under this subsection.

Sec. 501.177. SERVICE CHARGE. Authorizes TxDOT, if, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, to collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. Requires that the amount of the service charge be reasonably related to the expense incurred by TxDOT in collecting the original amount.

Sec. 501.178. DISPOSITION OF FEES. Requires that all fees collected under this subchapter be deposited to the credit of the state highway fund.

Sec. 501.179. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. Provides that this subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

SECTION 24. Amends Section 502.002, Transportation Code, as follows:

Sec. 502.002. REGISTRATION REQUIRED; GENERAL RULE. (a) Requires the owner of a motor vehicle, trailer, or semitrailer, not more than 30 days after purchasing a vehicle or becoming a resident of this state, to apply for the registration of the vehicle for:

- (1) each registration year in which the vehicle is used or to be used on a public highway; and
- (2) if the vehicle is unregistered for a registration year that has begun and that applies to the vehicle and if the vehicle is used or to be used on a public highway, the remaining portion of that registration year.

(b) Requires that the application be accompanied by personal identification as determined by TxDOT rule and made in a manner prescribed by TxDOT, rather than requires that the application be made to TxDOT:

(1) through the county assessor-collector of the county in which the owner resides; or

(2) if the county in which the owner resides has been declared by the governor as a disaster area, through the county assessor-collector of a county that is one of the closest unaffected counties to a county that asks for assistance and:

(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and

(B) is inoperable for a protracted period of time.

(c)-(d) Makes no changes to these subsections.

SECTION 25. Amends Section 502.151, Transportation Code, as follows:

Sec. 502.151. APPLICATION FOR REGISTRATION. (a) Requires that an application for vehicle registration be made in a manner prescribed and include the information required by TxDOT by rule, and contain a full description of the vehicle as required by TxDOT rule, rather than be made on a form furnished by TxDOT, contain the full name and address of the owner of the vehicle, contain a brief description of the vehicle, contain any other information required by TxDOT, and be signed by the owner.

(b) Redesignates existing Subsection (c) as Subsection (b). Requires TxDOT to deny the registration of a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant:

(1) has a business operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration or whose privilege to operate has been suspended, including the applicant entity, a relative, a family member, a corporate officer, or a shareholder;

(2) has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for safety-related reasons;

(3) is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or

(4) fails to deliver to the county assessor-collector proof of the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered.

Deletes existing text of Subsection (b) requiring the description of the vehicle, for a new motor vehicle, to include the vehicle's trade name; year model; style and type of body; weight, if the vehicle is a passenger car; net carrying capacity and gross weight, if the vehicle is a commercial motor vehicle; vehicle identification number; and date of sale by the manufacturer or dealer to the applicant. Deletes existing text requiring an applicant for registration of a commercial motor vehicle, truck-tractor, trailer, or semitrailer to deliver to the county assessor-collector an affidavit showing the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered. Deletes existing text requiring the assessor-collector to keep the affidavit on file.

(c) Redesignates existing Subsection (d) as Subsection (c). Provides that this section allows issuance for registration purposes only but does not authorize TxDOT to issue a title.

(d) Authorizes TxDOT to require an applicant for registration to provide current personal identification as determined by TxDOT rule. Authorizes any identification number required by TxDOT under this subsection to be entered into TxDOT's electronic titling system but may not be printed on the title. Deletes existing Subsection (e) requiring the county assessor-collector, if an owner or claimed owner has lost or misplaced the registration receipt or transfer receipt for the vehicle, to register the vehicle on the person's furnishing to the assessor-collector satisfactory evidence, by affidavit or otherwise, that the person owns the vehicle. Deletes existing Subsection (f) requiring a county assessor-collector to date each registration receipt issued for a vehicle with the date on which the application for registration is made.

SECTION 26. Amends Section 503.011, Transportation code, to replace references to the commission with the board.

SECTION 27. Amends Section 503.027(a), Transportation Code, as follows:

(a) Requires a dealer, if the dealer consigns for sale more than five vehicles in a calendar year from a location other than the location for which the dealer holds a general distinguishing number, to also hold a general distinguishing number for the consignment location unless the consignment location is a wholesale motor vehicle auction, rather than requiring that a location to which a person consigns the vehicles, if the person consigns for sale more than five vehicles in a calendar year from a location other than the location for which the person holds a wholesale motor vehicle auction general distinguishing number or a dealer general distinguishing number, to have a general distinguishing number for that location.

SECTION 28. Amends Section 503.033(g), Transportation Code, to provide that this section does not apply to the a person licensed as a franchised motor vehicle dealer by TxDMV, rather than TxDMV's Motor Vehicle Board.

SECTION 29. Amends Section 503.039, Transportation Code, as follows:

Sec. 503.039. PUBLIC MOTOR VEHICLE AUCTIONS. (a) Creates this subsection from existing text. Prohibits a motor vehicle from being the subject of a subsequent sale at a public auction, rather than at an auction, by a holder of a dealer's general distinguishing number unless equitable or legal title has passed to the selling dealer, rather than the holder of a dealer's general distinguishing number, before the transfer of title to the subsequent buyer.

(b) Creates this subsection from existing text. Requires the holder of a dealer's general distinguishing number who sells a motor vehicle at a public auction to transfer the certificate of title for that vehicle to the buyer before the 21st day after the date of the sale.

SECTION 30. Amends Subchapter A, Chapter 520, Transportation Code, by adding Sections 520.003 and 520.004, as follows:

Sec. 520.003. RULES; WAIVER OF FEES. Authorizes TxDOT to adopt rules to administer this chapter, including rules that waive the payment of fees if a dealer has gone out of business and the applicant can show that fees were paid to the dealer.

Sec. 520.004. DEPARTMENT RESPONSIBILITIES. Provides that TxDOT has jurisdiction over the registration and titling of, and the issuance of license plates to, motor vehicles in compliance with the applicable statutes. Provides that TxDOT by rule:

- (1) is required to provide services that are reasonable, adequate, and efficient;
- (2) is required to establish standards for uniformity and service quality for counties and dealers licensed under Section 520.005; and
- (3) is authorized to conduct public service education campaigns related to TxDOT's functions.

SECTION 31. Transfers Section 501.137, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.005, Transportation Code, and amends it as follows:

Sec. 520.005. New heading: DUTY AND RESPONSIBILITIES OF COUNTY ASSESSOR-COLLECTOR. Redesignates existing Section 501.137 as Section 520.005.

(a) Requires each county assessor-collector to comply with Chapter 501, rather than with this chapter.

(b) Makes a conforming change.

(c) Authorizes the assessor-collector to license franchised and nonfranchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted under Section 520.004. Authorizes the county assessor-collector to pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.

SECTION 32. Transfers Section 502.109, Transportation Code, to Subchapter A, Chapter 520, Transportation Code, redesignates it as Section 520.006, Transportation Code, and amends it as follows:

Sec. 520.006. COMPENSATION OF ASSESSOR-COLLECTOR. Redesignates existing Section 502.109 as Section 520.006. (a) Requires a county assessor-collector to receive a fee of \$1.90 for each receipt issued under Chapter 502, rather than under this chapter. Deletes existing text providing that if the assessor-collector is authorized to be compensated by fees, a fee received is compensation for services under this chapter. Deletes existing text requiring the assessor-collector to deduct the fee weekly from the gross collections made under this chapter.

(a-1) Provides that a county assessor-collector collecting fees on behalf of a county that has been declared as a disaster area for purposes of Section 501.023 or 502.002 is authorized to retain the commission for fees collected, but is required to allocate the fees to the county declared as a disaster area.

(b) Requires a county assessor-collector who is compensated under this section to pay the entire expense of issuing registration receipts and license plates under Chapter 501 or 502, rather than under this chapter, from the compensation allowed under this section.

SECTION 33. Amends Section 1001.001, Transportation Code, by adding Subdivision (3) to define "executive director."

SECTION 34. Amends Section 1001.004, Transportation Code, as follows:

Sec. 1001.004. DIVISIONS. Requires the executive director, rather than the board, to reorganize TxDMV into divisions to accomplish TxDMV's functions and the duties assigned to TxDMV. Deletes existing text relating to divisions for administration, motor carriers, motor vehicle board, and vehicle titles and registration.

SECTION 35. Amends Subchapter A, Chapter 1001, Transportation Code, by adding Sections 1001.007, 1001.008, 1001.009, 1001.010, and 1001.011, as follows:

Sec. 1001.007. PROTECTION AND USE OF INTELLECTUAL PROPERTY AND PUBLICATIONS. (a) Authorizes TxDMV to:

(1) apply for, register, secure, hold, and protect under the laws of the United States, any state, or any nation a patent, copyright, mark, or other evidence of protection or exclusivity issued in or for an idea, publication, or other original innovation fixed in a tangible medium, including a literary work, a logo, a service mark, a study, a map or planning document, a graphic design, a manual, automated systems software, an audiovisual work, or a sound recording;

(2) enter into an exclusive or nonexclusive license agreement with a third party for the receipt of a fee, royalty, or other thing of monetary or nonmonetary value for the benefit of TxDMV;

(3) waive or reduce the amount of a fee, royalty, or other thing of monetary or nonmonetary value to be assessed if TxDMV determines that the waiver will further the goals and missions of TxDMV, and result in a net benefit to the state; and

(4) adopt and enforce rules necessary to implement this section.

(b) Requires that money collected by TxDMV under this section be deposited to the credit of the state highway fund for use by TxDMV in supporting TxDMV's operations and the administration of TxDMV's functions.

Sec. 1001.008. DONATIONS AND CONTRIBUTIONS. (a) Authorizes the board, except as provided by Subsection (b), for the purpose of carrying out its functions and duties, to accept a donation or contribution in any form, including real or personal property, money, materials, or services.

(b) Prohibits the board from accepting a donation or contribution from an entity or association of entities that it regulates.

(c) Authorizes the board by rule to delegate acceptance of donations or contributions under \$500, or not otherwise required to be acknowledged in an open meeting, to the executive director.

Sec. 1001.009. COLLECTION OF FEES FOR DEPARTMENT GOODS AND SERVICES. (a) Authorizes the board to adopt rules regarding the method of collection of a fee for any goods sold or services provided by TxDMV or for the administration of any TxDMV program.

(b) Provides that goods sold and services provided under Subsection (a) include TxDMV publications and the issuance of licenses, permits, and registrations.

(c) Authorizes the rules adopted under Subsection (a) to:

(1) authorize the use of electronic funds transfer or a valid debit or credit card issued by a financial institution chartered by a state, the United States, or a nationally recognized credit organization approved by TxDMV; and

(2) require the payment of a discount or service charge for a credit card payment in addition to the fee.

(d) Requires that revenue generated from the collection of discount or service charges under Subsection (c) be deposited to the credit of the state highway fund

for use by TxDMV in supporting TxDMV's operations and the administration of TxDMV's functions.

Sec. 1001.010. **AUTHORITY TO CONTRACT.** (a) Authorizes TxDMV to enter into an interlocal contract with one or more local governments in accordance with Chapter 791 (Interlocal Cooperation Contracts), Government Code.

(b) Requires the board by rule to adopt policies and procedures consistent with applicable state procurement practices for soliciting and awarding a contract under this section.

Sec. 1001.011. **EDUCATIONAL CAMPAIGNS AND TRAINING.** Authorizes TxDMV to conduct public service educational campaigns related to its functions.

SECTION 36. Amends Subchapter B, Chapter 1001, Transportation Code, by adding Section 1001.0221, as follows:

Sec. 1001.0221. **BOARD; DUTIES.** (a) Requires the board to oversee and coordinate the development of TxDMV and to ensure that all components of the motor vehicle industry function as a system.

(b) Requires the board to carry out its policy-making functions in a manner that protects the interests of the public and industry, maintains a safe and sound motor vehicle industry, and increases the economic prosperity of the state.

SECTION 37. Amends Section 1001.023, Transportation Code, as follows:

Sec. 1001.023. **CHAIR AND VICE CHAIR; DUTIES.** (a) Provides that the chair serves at the pleasure of the governor. Provides that the vice chair, rather than a chair or vice chair, serves at the pleasure of the board.

(b) Requires the chair to perform certain actions, including appointing a member of the board to act in the absence of the chair and vice chair, rather than in the chair's absence.

SECTION 38. Amends Section 1001.031, Transportation Code, by amending Subsection (a) and adding Subsections (a-1) and (f), as follows:

(a) Authorizes, rather than requires, the board to establish advisory committees to make recommendations to the board or the executive director, rather than to establish separate committees for the motor carrier, motor vehicles, and vehicle titles and registration divisions, to make recommendations to the board or the executive director on the operation of the applicable division.

(a-1) Provides that Section 2110.002, Government Code, does not apply to an advisory committee established under this section.

(f) Requires that the meetings of an advisory committee be made accessible to the public in person or through electronic means.

SECTION 39. Amends Subchapter C, Chapter 1001, Transportation Code, by adding Section 1001.0411, as follows:

Sec. 1001.0411. **EXECUTIVE DIRECTOR; DUTIES.** (a) Requires the board to appoint an executive director to serve at the pleasure of the board. Requires the executive director to perform all duties assigned by the board.

(b) Authorizes the executive director to delegate duties or responsibilities as the executive director considers appropriate, provided the delegation does not conflict with applicable law or a resolution of the board.

SECTION 40. Amends Chapter 1001, Transportation Code, by adding Subchapter D, as follows:

SUBCHAPTER D. ELECTRONIC ISSUANCE OF LICENSES

Sec. 1001.101. DEFINITIONS. Defines "digital signature" and "license" in this subchapter.

Sec. 1001.102. APPLICATION FOR AND ISSUANCE OF LICENSE. Authorizes the board by rule to provide for the filing of a license application and the issuance of a license by electronic means.

Sec. 1001.103. DIGITAL SIGNATURE. (a) Provides that a license application received by TxDMV is considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the license in accordance with Subsection (b).

(b) Authorizes TxDMV to only accept a digital signature used to authenticate a license application under procedures that:

(1) comply with any applicable rules of another state agency having jurisdiction over TxDMV use or acceptance of a digital signature; and

(2) provide for consideration of factors that may affect a digital signature's reliability, including whether a digital signature is unique to the person using it, capable of independent verification, under the sole control of the person using it, and transmitted in a manner that makes it infeasible to change the data in the communication or digital signature without invalidating the digital signature.

SECTION 41. Amends Chapter 1003, Transportation Code, by adding Section 1003.005, as follows:

Sec. 1003.005. DELEGATION OF POWER. (a) Authorizes the board by rule to delegate any power relating to a contested case hearing, other than the power to issue a final order, to:

- (1) one or more of the board's members;
- (2) the executive director;
- (3) the director of a division of TxDMV; or
- (4) one or more of TxDMV's employees.

(b) Authorizes the board by rule to delegate the authority to issue a final order in a contested case hearing to:

- (1) one or more of the board's members;
- (2) the executive director; or
- (3) the director of a division within TxDMV designated by the board or the executive director to carry out the requirements of this chapter.

(c) Authorizes the board by rule to delegate any power relating to a complaint investigation to any person employed by TxDMV.

SECTION 42. Amends Section 264.502(b), Family Code, to require the members of the child fatality review team committee who serve under Subsections (a)(1) (relating to a person appointed by and representing the state registrar of vital statistics), (2) (relating to a person appointed by and representing the commissioner of TxDOT of Family and Protective Services), (3) (relating to a person appointed by and representing the Title V director of TxDOT of State Health Services) to select certain additional committee members, including a representative of the Texas Department of Transportation, rather than TxDMV.

SECTION 43. Amends Section 2110.002, Government Code, by adding Subsection (c) to provide that this section does not apply to an advisory committee established by TxDMV.

SECTION 44. (a) Repealers: (1) Section 2054.270 (Motor Vehicle Registrations), Government Code;

(2) Sections 2301.105 (Career Ladder Program; Performance Evaluations), 2301.106 (Equal Opportunity Policy; Report), and 2301.206 (Public Participation), Occupations Code;

(3) Sections 503.033(c) (relating to certain acceptable surety obligations), 1001.031(c) (relating to representing motor vehicle manufacturers and the recreational vehicle industry) and (d) (relating to representing the motor transportation industry), and 1004.003 (Public Representation on Advisory Body), Transportation Code; and

(4) Sections 504.403 (State and Federal Judges), 504.404 (Federal Administrative Law Judges), and 504.406 (Texas Constables), Transportation Code.

(b) Repealer: Section 6.03(c) (relating to preference to certain employees when filling certain positions), Chapter 933 (H.B. 3097), Acts of the 81st Legislature, Regular Session, 2009.

SECTION 45. Effective date: September 1, 2011.