

Chapter 594

S.B. No. 604

AN ACT

1  
2 relating to the continuation and functions of the Texas Department  
3 of Motor Vehicles and to the operations of certain other entities  
4 performing functions associated with the department.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 ARTICLE 1. GENERAL PROVISIONS

7 SECTION 1.01. Section 1001.005, Transportation Code, is  
8 amended to read as follows:

9 Sec. 1001.005. SUNSET PROVISION. The department is subject  
10 to Chapter 325, Government Code (Texas Sunset Act). Unless  
11 continued in existence as provided by that chapter, the department  
12 is abolished September 1, 2031 [~~2019~~].

13 SECTION 1.02. Section 1001.030, Transportation Code, is  
14 amended to read as follows:

15 Sec. 1001.030. BOARD MEMBER TRAINING [~~ON DEPARTMENT AND~~  
16 ~~CERTAIN LAWS RELATING TO DEPARTMENT~~]. (a) A [~~To be eligible to~~  
17 ~~take office as a member of the board, a~~] person who is appointed to  
18 and qualifies for office as a member of the board may not vote,  
19 deliberate, or be counted as a member in attendance at a meeting  
20 of the board until the person completes [~~must complete at least~~  
21 ~~one course of~~] a training program that complies with this  
22 section.

23 (b) The training program must provide the person with  
24 information [~~to the person~~] regarding:

1           (1) the law governing department operations [~~this~~  
2 ~~subchapter~~];

3           (2) the board's programs, functions, and rules and the  
4 budget of [~~operated by~~] the department;

5           (3) the scope of and limitations on the rulemaking  
6 authority [~~role and functions~~] of the board [~~department~~];

7           (4) the types of board rules, interpretations, and  
8 enforcement actions that may implicate federal antitrust law by  
9 limiting competition or impacting prices charged by persons engaged  
10 in a profession or business the board regulates, including any  
11 rule, interpretation, or enforcement action that:

12                   (A) regulates the scope of practice of persons in  
13 a profession or business the board regulates;

14                   (B) restricts advertising by persons in a  
15 profession or business the board regulates;

16                   (C) affects the price of goods or services  
17 provided by persons in a profession or business the board  
18 regulates; or

19                   (D) restricts participation in a profession or  
20 business the board regulates [~~rules of the department with an~~  
21 ~~emphasis on the rules that relate to disciplinary and investigatory~~  
22 ~~authority~~];

23           (5) [~~the current budget for the department,~~  
24 [~~6~~] the results of the most recent formal audit of  
25 the department;

26           (6) [~~7~~] the requirements of [~~the~~]:

27                   (A) laws relating to open meetings, public

1 information, [~~law, Chapter 551, Government Code,~~  
2 ~~(B) open records law, Chapter 552, Government~~  
3 ~~Code, and~~  
4 ~~(C)] administrative procedure [~~law~~], and  
5 disclosure of conflicts of interest; and  
6 (B) other laws applicable to members of the board  
7 in performing their duties [~~Chapter 2001, Government Code,~~  
8 ~~(8) the requirements of the conflict of interest laws~~  
9 ~~and other laws relating to public officials]; and  
10 (7) [(9)] any applicable ethics policies adopted by  
11 the department [~~board~~] or the Texas Ethics Commission.~~~~

12 (c) A person appointed to the board is entitled to  
13 reimbursement, as provided by the General Appropriations Act, for  
14 the travel expenses incurred in attending the training program,  
15 regardless of whether the attendance at the program occurs before  
16 or after [~~as provided by the General Appropriations Act and as if~~]  
17 the person qualifies for office [~~were a member of the board~~].

18 (d) The executive director shall create a training manual  
19 that includes the information required by Subsection (b). The  
20 executive director shall distribute a copy of the training manual  
21 annually to each member of the board. Each member of the board  
22 shall sign and submit to the executive director a statement  
23 acknowledging that the member received and has reviewed the  
24 training manual.

25 SECTION 1.03. Section 1001.041(a), Transportation Code, is  
26 amended to read as follows:

27 (a) Subject to the General Appropriations Act or other law,

1 the executive director shall appoint deputies, assistants, and  
2 other personnel, including a general counsel, as necessary to carry  
3 out the powers and duties of the department under this code, other  
4 applicable vehicle laws of this state, and other laws granting  
5 jurisdiction or applicable to the department.

6 SECTION 1.04. Section 1001.0411, Transportation Code, is  
7 amended by adding Subsection (c) to read as follows:

8 (c) In accordance with Section 1001.041(a), the executive  
9 director shall hire and oversee a general counsel to advise the  
10 department.

11 SECTION 1.05. Section 1001.042, Transportation Code, is  
12 amended to read as follows:

13 Sec. 1001.042. DIVISION OF RESPONSIBILITIES. The board  
14 shall develop and implement policies that clearly separate [~~define~~]  
15 the policy-making responsibilities of the board and the management  
16 [~~respective~~] responsibilities of the executive director, including  
17 the appointment of department staff, and the staff of the  
18 department.

19 SECTION 1.06. Chapter 1003, Transportation Code, is amended  
20 by adding Sections 1003.0055 and 1003.008 to read as follows:

21 Sec. 1003.0055. COMPLAINTS. (a) The department shall  
22 maintain a system to promptly and efficiently act on complaints  
23 filed with the department. The department shall maintain  
24 information about parties to and the subject matter of the  
25 complaint and a summary of the results of the review or  
26 investigation of the complaint and the disposition of the  
27 complaint.

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1        (b) The department shall make information available  
2 describing its procedures for complaint investigation and  
3 resolution.

4        (c) The department shall periodically notify the parties to  
5 the complaint of the status of the complaint until final  
6 disposition.

7        Sec. 1003.008. NEGOTIATED RULEMAKING AND ALTERNATIVE  
8 DISPUTE RESOLUTION POLICY. (a) The board shall develop and  
9 implement a policy to encourage the use of:

10            (1) negotiated rulemaking procedures under Chapter  
11 2008, Government Code, for the adoption of department rules; and

12            (2) appropriate alternative dispute resolution  
13 procedures under Chapter 2009, Government Code, to assist in the  
14 resolution of internal and external disputes under the department's  
15 jurisdiction.

16        (b) The department's procedures relating to alternative  
17 dispute resolution must conform, to the extent possible, to any  
18 model guidelines issued by the State Office of Administrative  
19 Hearings for the use of alternative dispute resolution by state  
20 agencies.

21        (c) The department shall:

22            (1) coordinate the implementation of the policy  
23 developed under Subsection (a);

24            (2) provide training as needed to implement the  
25 procedures for negotiated rulemaking or alternative dispute  
26 resolution; and

27            (3) collect data concerning the effectiveness of those

1 procedures.

2 SECTION 1.07. Chapter 1004, Transportation Code, is amended  
3 by adding Section 1004.003 to read as follows:

4 Sec. 1004.003. CONFIDENTIALITY OF INFORMATION RELATED TO  
5 INVESTIGATIONS. Information obtained during an investigation of a  
6 person regulated under Chapter 2301 or 2302, Occupations Code, or  
7 Chapter 503 or 643 of this code is confidential and not subject to  
8 disclosure under Chapter 552, Government Code, until the  
9 investigation is dismissed or finally resolved only if the  
10 disclosure of that information would interfere with or jeopardize  
11 the investigation.

12 SECTION 1.08. The following provisions are repealed:

- 13 (1) Section 2110.002(c), Government Code;
- 14 (2) Section 2301.612, Occupations Code; and
- 15 (3) Section 1001.031(a-1), Transportation Code.

16 SECTION 1.09. (a) Except as provided by Subsection (b) of  
17 this section, Section 1001.030, Transportation Code, as amended by  
18 this Act, applies to a member of the board of the Texas Department  
19 of Motor Vehicles who is appointed before, on, or after the  
20 effective date of this Act.

21 (b) A member of the board of the Texas Department of Motor  
22 Vehicles who, before the effective date of this Act, completed the  
23 training program required by Section 1001.030, Transportation  
24 Code, as that law existed before the effective date of this Act, is  
25 required to complete additional training only on subjects added by  
26 this Act to the training program as required by Section 1001.030,  
27 Transportation Code, as amended by this Act. A board member

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1 described by this subsection may not vote, deliberate, or be  
2 counted as a member in attendance at a meeting of the board held on  
3 or after December 1, 2019, until the member completes the  
4 additional training.

5 ARTICLE 2. LICENSING

6 SECTION 2.01. Section 2301.251(a), Occupations Code, is  
7 amended to read as follows:

8 (a) Unless a person holds a license issued under this  
9 chapter authorizing the activity, the person may not:

10 (1) engage in business as, serve in the capacity of, or  
11 act as a dealer, manufacturer, distributor, converter,  
12 [~~representative,~~] vehicle lessor, or vehicle lease facilitator in  
13 this state; or

14 (2) perform or offer to perform repair services on a  
15 motor vehicle under a franchise and a motor vehicle manufacturer's  
16 warranty, regardless of whether the person sells or offers to sell  
17 motor vehicles at the same location.

18 SECTION 2.02. Section 2301.258, Occupations Code, is  
19 amended to read as follows:

20 Sec. 2301.258. GENERAL REQUIREMENTS FOR APPLICATION FOR  
21 MANUFACTURER'S, DISTRIBUTOR'S, OR CONVERTER'S [~~, OR~~  
22 ~~REPRESENTATIVE'S~~] LICENSE. An application for a manufacturer's,  
23 distributor's, or converter's [~~, or representative's~~] license must  
24 be on a form prescribed by the department. The application must  
25 include information the department determines necessary to fully  
26 determine the qualifications of an applicant, including financial  
27 resources, business integrity and experience, facilities and

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1 personnel for serving franchised dealers, and other information the  
2 department determines pertinent to safeguard the public interest  
3 and welfare.

4 SECTION 2.03. Section 2301.264(a), Occupations Code, is  
5 amended to read as follows:

6 (a) The annual fees for a license issued under this chapter  
7 are:

8 (1) \$900 for a manufacturer or distributor, plus \$20  
9 for each dealer franchised by the manufacturer or distributor;

10 (2) for a franchised dealer:

11 (A) \$175, if the dealer sold fewer than 201 new  
12 motor vehicles during the preceding calendar year;

13 (B) \$275, if the dealer sold more than 200 but  
14 fewer than 401 new motor vehicles during the preceding calendar  
15 year;

16 (C) \$400, if the dealer sold more than 400 but  
17 fewer than 801 new motor vehicles during the preceding calendar  
18 year;

19 (D) \$500, if the dealer sold more than 800 but  
20 fewer than 1,201 new motor vehicles during the preceding calendar  
21 year;

22 (E) \$625, if the dealer sold more than 1,200 but  
23 fewer than 1,601 new motor vehicles during the preceding calendar  
24 year;

25 (F) \$750, if the dealer sold more than 1,600 new  
26 motor vehicles during the preceding calendar year; and

27 (G) \$100 for each location separate from the



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1 dealership at which the dealer does not offer motor vehicles for  
2 sale but performs warranty service work on vehicles the dealer is  
3 franchised and licensed to sell;

4 (3) [~~\$100 for a representative,~~

5 [~~4~~] \$375 for a converter;

6 (4) [~~5~~] for a vehicle lessor:

7 (A) \$175, if the lessor leased 200 or fewer motor  
8 vehicles during the preceding calendar year;

9 (B) \$275, if the lessor leased more than 200 but  
10 fewer than 401 motor vehicles during the preceding calendar year;

11 (C) \$400, if the lessor leased more than 400 but  
12 fewer than 801 motor vehicles during the preceding calendar year;

13 (D) \$500, if the lessor leased more than 800 but  
14 fewer than 1,201 motor vehicles during the preceding calendar year;

15 (E) \$625, if the lessor leased more than 1,200  
16 but fewer than 1,601 motor vehicles during the preceding calendar  
17 year; and

18 (F) \$750, if the lessor leased more than 1,600  
19 motor vehicles during the preceding calendar year; and

20 (5) [~~6~~] \$375 for a vehicle lease facilitator.

21 SECTION 2.04. Section 2301.304, Occupations Code, is  
22 amended to read as follows:

23 Sec. 2301.304. PROCEDURE FOR RENEWAL OF CERTAIN LICENSES.

24 The holder of a manufacturer's, distributor's, or converter's [~~or~~  
25 ~~representative's~~] license may apply for a renewal of the license by  
26 complying with the application process specified by this chapter  
27 and board rule.

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1 SECTION 2.05. Sections 2301.358(a) and (c), Occupations  
2 Code, are amended to read as follows:

3 (a) A person who holds a license issued under this chapter  
4 may not participate in a new motor vehicle show or exhibition  
5 unless[+

6 [~~1~~] the person provides the department with written  
7 notice before the date the show or exhibition opens[ ~~and~~

8 [~~2~~ ~~the department grants written approval~~].

9 (c) This section does not prohibit the sale of a towable  
10 recreational vehicle, motor home, ambulance, fire-fighting  
11 vehicle, or tow truck at a show or exhibition if:

12 (1) the [~~show or exhibition is approved by the~~  
13 department receives written notice of the show or exhibition before  
14 the date the show or exhibition opens; and

15 (2) the sale is not otherwise prohibited by law.

16 SECTION 2.06. Section 2301.709, Occupations Code, is  
17 amended by adding Subsection (d) to read as follows:

18 (d) The board shall adopt rules and policies that establish  
19 standards for reviewing a case under this subchapter. The rules and  
20 policies must:

21 (1) specify the role of division personnel in managing  
22 contested cases before the board or a person delegated power from  
23 the board under Section 2301.154, including advising on procedural  
24 matters;

25 (2) specify appropriate conduct and discussion by the  
26 board or a person delegated power from the board under Section  
27 2301.154 regarding proposals for decision issued by administrative

1 law judges;

2 (3) specify clear expectations limiting arguments and  
3 discussion under Subsection (b) to evidence in the record of the  
4 contested case hearing held by the administrative law judge;

5 (4) address ex parte communications; and

6 (5) distinguish between using industry expertise and  
7 representing or advocating for an industry when reviewing a case  
8 under this subchapter.

9 SECTION 2.07. Subchapter Q, Chapter 2301, Occupations Code,  
10 is amended by adding Section 2301.807 to read as follows:

11 Sec. 2301.807. REFUND. If, after a proceeding under this  
12 chapter and board rules, the board determines that a person is  
13 violating or has violated this chapter or a rule adopted or order  
14 issued under this chapter, the board may order the person to pay a  
15 refund to the buyer or lessee of the motor vehicle that is the  
16 subject of the proceeding.

17 SECTION 2.08. Section 2302.101, Occupations Code, is  
18 amended to read as follows:

19 Sec. 2302.101. [~~LICENSE REQUIRED FOR~~] SALVAGE VEHICLE  
20 DEALER LICENSE. (a) Unless a person holds a salvage vehicle  
21 dealer license issued under this chapter, the person may not:

- 22 (1) act as a salvage vehicle dealer or rebuilder; or
- 23 (2) store or display a motor vehicle as an agent or
- 24 escrow agent of an insurance company.

25 (b) A person who holds a salvage vehicle dealer license  
26 issued under this chapter may perform any of the activities of a  
27 salvage vehicle dealer, including:

1           (1) buying salvage motor vehicles and nonrepairable  
2 motor vehicles or selling salvage motor vehicles and nonrepairable  
3 motor vehicles that have been issued a salvage vehicle title or  
4 nonrepairable vehicle title, as appropriate;

5           (2) engaging in the business of selling nonrepairable  
6 motor vehicles or salvage motor vehicles at auction, including  
7 wholesale auction;

8           (3) offering or negotiating to sell or buy salvage  
9 motor vehicles or nonrepairable motor vehicles owned by a license  
10 holder and to be purchased or sold by another license holder;

11           (4) acting as the agent or representative of a license  
12 holder in performing an act described by Subdivision (3); and

13           (5) acquiring and repairing, rebuilding, or  
14 reconstructing for operation on a public highway more than five  
15 salvage motor vehicles in a calendar year.

16           SECTION 2.09. Section 2302.103, Occupations Code, is  
17 amended to read as follows:

18           Sec. 2302.103. APPLICATION FOR SALVAGE VEHICLE DEALER  
19 LICENSE. ~~[(a)]~~ To apply for a salvage vehicle dealer license, a  
20 person must submit to the department an application on a form  
21 prescribed by the department and the application fee.

22           ~~[(b) An applicant may apply for a salvage vehicle dealer~~  
23 ~~license with an endorsement in one or more of the following~~  
24 ~~classifications:~~

- 25           ~~[(1) new automobile dealer,~~
- 26           ~~[(2) used automobile dealer,~~
- 27           ~~[(3) salvage pool operator,~~

1           ~~[(4) salvage vehicle broker, or~~  
2           ~~[(5) salvage vehicle rebuilder.]~~

3           SECTION 2.10. Section 2302.151, Occupations Code, is  
4 amended by amending Subsection (a) and adding Subsection (c) to  
5 read as follows:

6           (a) A license issued under this chapter is valid for the  
7 period prescribed by the board ~~[expires on the first anniversary of~~  
8 ~~the date of issuance]~~.

9           (c) If the board prescribes the term of a license under this  
10 chapter for a period other than one year, the board shall prorate  
11 the applicable fee required under this chapter as necessary to  
12 reflect the term of the license.

13           SECTION 2.11. Section 2302.351(b), Occupations Code, is  
14 amended to read as follows:

15           (b) If a salvage vehicle dealer or~~[7]~~ an employee of the  
16 dealer acting in the course of employment~~[, or a salvage vehicle~~  
17 ~~agent operating under the dealer's license]~~ is convicted of more  
18 than one offense under Section 2302.353(a), the district attorney  
19 for a county in which the dealer's salvage business is located may  
20 bring an action in that county to enjoin the dealer's business  
21 operations for a period of at least one year.

22           SECTION 2.12. Subchapter H, Chapter 2302, Occupations Code,  
23 is amended by adding Section 2302.355 to read as follows:

24           Sec. 2302.355. CEASE AND DESIST ORDER. If it appears to the  
25 board that a person who is not licensed under this chapter is  
26 violating this chapter or a rule or order adopted under this  
27 chapter, the board, after notice and opportunity for a hearing, may

1 issue a cease and desist order prohibiting the person from engaging  
2 in the activity.

3 SECTION 2.13. Subchapter B, Chapter 503, Transportation  
4 Code, is amended by adding Section 503.0296 to read as follows:

5 Sec. 503.0296. INDEPENDENT MOTOR VEHICLE DEALER EDUCATION  
6 AND TRAINING REQUIREMENT. (a) The department by rule shall  
7 require that an applicant for an original or renewal general  
8 distinguishing number who proposes to be an independent motor  
9 vehicle dealer complete web-based education and training developed  
10 or approved by the department. The education and training must  
11 include information on the laws and board rules applicable to an  
12 independent motor vehicle dealer, including the consequences of  
13 violating those laws and rules.

14 (b) An applicant described by Subsection (a) who satisfies  
15 the education and training required under this section is not  
16 required to complete additional education and training under this  
17 section for the subsequent renewal of the applicant's general  
18 distinguishing number.

19 SECTION 2.14. Subchapter F, Chapter 643, Transportation  
20 Code, is amended by adding Section 643.257 to read as follows:

21 Sec. 643.257. REFUND BY MOTOR CARRIERS TRANSPORTING  
22 HOUSEHOLD GOODS. The department may order a motor carrier that  
23 violates this chapter or a rule or order adopted under this chapter  
24 to pay a refund to a consumer who paid the motor carrier to  
25 transport household goods.

26 SECTION 2.15. Sections 2301.264(c), 2302.001(6), 2302.102,  
27 and 2302.107, Occupations Code, are repealed.

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1 SECTION 2.16. (a) The changes in law made by this Act to  
2 Chapters 2301 and 2302, Occupations Code, do not affect the  
3 validity of a proceeding pending before a court or other  
4 governmental entity on the effective date of this Act.

5 (b) An offense or other violation of law committed before  
6 the effective date of this Act is governed by the law in effect when  
7 the offense or violation was committed, and the former law is  
8 continued in effect for that purpose. For purposes of this  
9 subsection, an offense or violation was committed before the  
10 effective date of this Act if any element of the offense or  
11 violation occurred before that date.

12 (c) On the effective date of this Act, a representative's  
13 license issued under Chapter 2301, Occupations Code, as that law  
14 existed immediately before the effective date of this Act, expires.

15 (d) On the effective date of this Act, a salvage vehicle  
16 agent license issued under former Section 2302.107, Occupations  
17 Code, expires.

18 (e) Section 2302.151(a), Occupations Code, as amended by  
19 this Act, applies only to a license issued or renewed on or after  
20 September 1, 2019. A license issued or renewed before that date is  
21 governed by the law in effect immediately before the effective date  
22 of this Act, and the former law is continued in effect for that  
23 purpose.

24 SECTION 2.17. As soon as practicable after the effective  
25 date of this Act, the Texas Department of Motor Vehicles shall adopt  
26 rules as required by Section 503.0296, Transportation Code, as  
27 added by this Act. A rule adopted by the department as required by

1 that section may not require a person to complete the education and  
2 training developed or approved under that section if the person, on  
3 the effective date of this Act, has held an independent motor  
4 vehicle dealer's general distinguishing number issued under  
5 Chapter 503, Transportation Code, for at least 10 years.

6 ARTICLE 3. DIGITAL LICENSE PLATES

7 SECTION 3.01. Chapter 504, Transportation Code, is amended  
8 by adding Subchapter B-1 to read as follows:

9 SUBCHAPTER B-1. DIGITAL LICENSE PLATES

10 Sec. 504.151. DEFINITIONS. In this subchapter:

11 (1) "Digital license plate" means an electronic  
12 display that is designed to:

13 (A) display the information required to be  
14 included on a physical license plate; and

15 (B) be placed on the rear of a vehicle in lieu of  
16 a physical license plate issued under this chapter.

17 (2) "Digital license plate provider" means a person  
18 engaged in the business of providing digital license plate hardware  
19 and services to vehicle owners, including the sale or lease of and  
20 issuance of digital license plates.

21 Sec. 504.152. APPLICABILITY OF OTHER LAW. Except as  
22 otherwise provided by this subchapter or a rule adopted under this  
23 subchapter, a digital license plate issued under this subchapter is  
24 subject to the laws of this state applicable to a physical license  
25 plate.

26 Sec. 504.153. RULES. The board shall adopt rules as  
27 necessary to implement and administer this subchapter.



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1       Sec. 504.154. DIGITAL LICENSE PLATES AUTHORIZED. (a) The  
2 board by rule shall allow a vehicle described by Subsection (b) to  
3 be equipped with a digital license plate that is placed on the rear  
4 of the vehicle in lieu of a physical license plate issued under this  
5 chapter. The rule must require the owner of a vehicle issued a  
6 digital license plate to obtain a physical license plate to be  
7 placed on the front of the vehicle unless the vehicle is of a class  
8 of vehicles that is not required to display two license plates, as  
9 provided by other law.

10       (b) A vehicle registered under Chapter 502 may be equipped  
11 with a digital license plate only if the vehicle:

12           (1) is part of a commercial fleet, as defined by  
13 Section 502.001;

14           (2) is owned or operated by a governmental entity; or

15           (3) is not a passenger vehicle.

16       (c) The department may contract with digital license plate  
17 providers for the issuance of digital license plates, including any  
18 services related to the issuance of digital license plates.

19       (d) Notwithstanding any other law, a rule adopted under this  
20 subchapter may:

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

25           (2) establish a fee in an amount necessary to cover any  
26 administrative costs incurred that relate to the issuance of a  
27 digital license plate and exceed the administrative costs incurred

1 for the issuance of a physical license plate; or

2 (3) prohibit a digital license plate provider from  
3 contracting with the department under Subchapter J.

4 Sec. 504.155. DIGITAL LICENSE PLATES REQUIREMENTS AND  
5 PERMISSIVE FUNCTIONALITY. (a) The board by rule shall set the  
6 specifications and requirements for digital license plates,  
7 including requirements for the placement of digital license plates.  
8 The design of and information displayed on a digital license plate  
9 must be approved by the department.

10 (b) A digital license plate issued under this subchapter  
11 must:

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

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

19 (3) have wireless connectivity capability; and

20 (4) provide benefits to law enforcement that meet or  
21 exceed the benefits provided by physical license plates as of the  
22 time of enactment of this subchapter and as determined by the  
23 Department of Public Safety.

24 (c) In adopting rules under Subsection (a), the board shall  
25 consult with the Department of Public Safety. Except as otherwise  
26 provided by this subsection and Section 2001.036, Government Code,  
27 a rule adopted under Subsection (a) takes effect on the 31st day

1 after the date on which the rule is filed in the office of the  
2 secretary of state. A rule adopted under Subsection (a) does not  
3 take effect if, not later than the 30th day after the date on which  
4 the rule is filed in the office of the secretary of state, the  
5 public safety director of the Department of Public Safety submits  
6 to the office of the secretary of state written notification  
7 invalidating the rule.

8 (d) A rule adopted under this subchapter may:

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

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

13 (A) an emergency alert or other public safety  
14 alert issued by a governmental entity, including an alert  
15 authorized under Subchapter L, M, or P, Chapter 411, Government  
16 Code;

17 (B) vehicle manufacturer safety recall notices;

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

20 (D) advertising approved by the department.

21 Sec. 504.156. DIGITAL LICENSE PLATE PROVIDER POWERS AND  
22 DUTIES. A digital license plate provider with whom the department  
23 contracts under Section 504.154:

24 (1) shall maintain an inventory of the digital license  
25 plates issued by the provider in this state;

26 (2) shall make available a digital version of each  
27 specialty license plate authorized by this chapter, other than

1 personalized license plates authorized for marketing and sale under  
2 Subchapter J, provided that:

3 (A) each issuance of a specialty license plate  
4 with restricted distribution, including a license plate authorized  
5 under Subchapter C, D, E, or F, must be approved by the department;  
6 and

7 (B) the provider shall remit to the department in  
8 the manner prescribed by the department all money:

- 9 (i) payable to the department; or
- 10 (ii) required to be used or deposited in the  
11 manner prescribed by the law establishing the license plate;

12 (3) may contract with the private vendor under  
13 Subchapter J to make available a digital version of a personalized  
14 license plate authorized for marketing and sale under that  
15 subchapter, provided that the contract shall conform with any  
16 applicable requirements of Subchapter J and the terms of the  
17 private vendor's contract with the department;

18 (4) shall, if a digital license plate displays a  
19 registration insignia as authorized by a rule adopted under Section  
20 504.154(d)(1), promptly update the display of the registration  
21 insignia to reflect the current registration period for the vehicle  
22 and, on request of the department, suspend the display of the  
23 registration insignia or indicate on the license plate that the  
24 registration insignia for the vehicle is expired;

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

1 digital license plate; and

2           (6) may charge a fee, payable in installments, for the  
3 issuance of a digital license plate or any additional services  
4 provided by the provider for that license plate.

5       Sec. 504.157. DEFENSE TO PROSECUTION OF CERTAIN OFFENSES.

6 It is a defense to prosecution of an offense involving the operation  
7 of a motor vehicle and relating to the placement of a license plate  
8 or the display of a registration insignia that the vehicle was  
9 operated in compliance with rules issued under this subchapter  
10 governing the placement of a digital license plate or the display of  
11 a registration insignia on a digital license plate, as applicable.

12           SECTION 3.02. Not later than December 31, 2020, the board of  
13 the Texas Department of Motor Vehicles shall adopt the rules  
14 required by Subchapter B-1, Chapter 504, Transportation Code, as  
15 added by this Act, and any other rules necessary to implement and  
16 administer that subchapter.

17                           ARTICLE 4. REGISTRATION AND TITLING

18           SECTION 4.01. Section 520.004, Transportation Code, is  
19 amended to read as follows:

20           Sec. 520.004. DEPARTMENT RESPONSIBILITIES. The department  
21 has jurisdiction over the registration and titling of, and the  
22 issuance of license plates to, motor vehicles in compliance with  
23 the applicable statutes. The department by rule:

24                   (1) shall provide services that are reasonable,  
25 adequate, and efficient;

26                   (2) shall establish standards for uniformity and  
27 service quality for counties and dealers licensed under Section

1 520.005; [~~and~~]

2 (3) may conduct public service education campaigns  
3 related to the department's functions; and

4 (4) shall establish a risk-based system of monitoring  
5 and preventing fraudulent activity related to vehicle registration  
6 and titling in order to efficiently allocate resources and  
7 personnel.

8 SECTION 4.02. Section 520.005, Transportation Code, is  
9 amended by adding Subsection (e) to read as follows:

10 (e) Each county assessor-collector shall make available to  
11 motor vehicle dealers the electronic system designed by the  
12 department that allows a motor vehicle dealer to submit a title and  
13 registration application online in the name of the purchaser of a  
14 motor vehicle.

15 SECTION 4.03. Subchapter A, Chapter 520, Transportation  
16 Code, is amended by adding Sections 520.0075, 520.010, and 520.011  
17 to read as follows:

18 Sec. 520.0075. CONTRACTING STANDARDS FOR TAX  
19 ASSESSOR-COLLECTOR. (a) In this section, "deputy" means a deputy  
20 classified as a full service deputy by a board rule adopted under  
21 Section 520.0071.

22 (b) Notwithstanding Section 262.023, Local Government Code,  
23 a county tax assessor-collector who awards a contract to a deputy  
24 for the performance of registration and titling services must  
25 comply with standard state contracting practices as if the county  
26 tax assessor-collector were a state agency, including requirements  
27 related to:

1           (1) purchase methods and competitive bidding under  
2 Sections 2155.062 and 2155.063, Government Code;

3           (2) determining the best value for the county under  
4 Sections 2155.074, 2155.075, and 2155.0755, Government Code;

5           (3) contracting standards and oversight under Chapter  
6 2261, Government Code; and

7           (4) contract management under Chapter 2262,  
8 Government Code.

9           (c) A contract described by Subsection (b) must:

10           (1) specify an expiration date and renewal or  
11 extension terms for the contract; and

12           (2) include performance criteria and measures  
13 necessary to evaluate the performance of the deputy under the  
14 contract.

15           (d) A county tax assessor-collector shall monitor and  
16 evaluate the performance of a deputy awarded a contract described  
17 by this section and use that information in determining whether to  
18 renew or extend the contract or award a new contract.

19           Sec. 520.010. AUDIT AND INVESTIGATION RELATED TO  
20 REGISTRATION AND TITLING SERVICES. (a) The department may:

21           (1) audit or perform a compliance review of a person  
22 performing registration or titling services;

23           (2) investigate any provision of state functions  
24 related to registration or titling; and

25           (3) access any records needed to conduct the audit,  
26 compliance review, or investigation.

27           (b) A county tax assessor-collector may:

1           (1) audit, perform a compliance review of, or  
2 investigate a person providing registration or titling services in  
3 the county in which the assessor-collector is located; and

4           (2) access any records needed to conduct the audit,  
5 compliance review, or investigation.

6           (c) The department's authority under Subsection (a) is not  
7 limited by a similar audit, compliance review, or investigation  
8 conducted by a county tax assessor-collector under Subsection (b).

9           Sec. 520.011. AUDIT OF COUNTY TAX ASSESSOR-COLLECTOR. The  
10 comptroller, in coordination with the department, may include, as  
11 part of the comptroller's regular audits of state revenue  
12 collection by county tax assessor-collector offices, the review of  
13 processes relating to a county's collection and remittance of  
14 revenue included in an audit.

15           SECTION 4.04. Chapter 520, Transportation Code, is amended  
16 by adding Subchapter C to read as follows:

17           SUBCHAPTER C. AUTOMATED REGISTRATION AND TITLING SYSTEM

18           Sec. 520.021. RULES AND POLICIES. The department may adopt  
19 rules and policies for the maintenance and use of the department's  
20 automated registration and titling system.

21           Sec. 520.022. ACCESS TO SYSTEM. The department has the sole  
22 authority to determine access to the department's automated  
23 registration and titling system.

24           Sec. 520.023. TRAINING. (a) The department shall  
25 implement a training program providing information on the:

26           (1) department's automated registration and titling  
27 system; and



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1           (2) identification of fraudulent activity related to  
2 vehicle registration and titling.

3           (b) The department shall require a person performing  
4 registration or titling services to complete the training under  
5 Subsection (a).

6           SECTION 4.05. (a) Each county tax assessor-collector who  
7 has, before the effective date of this Act, entered into a contract  
8 described by Section 520.0075, Transportation Code, as added by  
9 this Act, shall rebid the contract using the contracting standards  
10 provided under that section not later than March 31, 2020.

11           (b) In order to assist a county tax assessor-collector in  
12 the rebidding of contracts under Subsection (a) of this section,  
13 the Texas Department of Motor Vehicles shall provide guidance and  
14 recommendations on contracting practices to the county tax  
15 assessor-collector.

16           SECTION 4.06. Not later than December 1, 2019, the Texas  
17 Department of Motor Vehicles shall adopt rules to implement the  
18 training program required by Section 520.023, Transportation Code,  
19 as added by this Act.

20           SECTION 4.07. Not later than March 1, 2020, the Texas  
21 Department of Motor Vehicles shall, in coordination with county tax  
22 assessors-collectors and in accordance with Subchapter C, Chapter  
23 520, Transportation Code, as added by this Act, develop, adopt, and  
24 implement rules that create clear criteria for the suspension or  
25 denial of access to the department's automated registration and  
26 titling system if a county tax assessor-collector suspects abuse,  
27 fraud, or waste relating to the system by an employee of the

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1 assessor-collector's or a person deputized under Section 520.0071,  
2 Transportation Code.

3 SECTION 4.08. Not later than September 1, 2020, each county  
4 tax assessor-collector shall make available the electronic system  
5 to motor vehicle dealers as required by Section 520.005(e),  
6 Transportation Code, as added by this Act.

7 ARTICLE 5. MOTOR VEHICLE CRIME PREVENTION AUTHORITY

8 SECTION 5.01. Subtitle M, Title 7, Transportation Code, is  
9 amended by adding Chapter 1006, and a heading is added to that  
10 chapter to read as follows:

11 CHAPTER 1006. MOTOR VEHICLE CRIME PREVENTION AUTHORITY

12 SECTION 5.02. Chapter 1006, Transportation Code, as added  
13 by this Act, is amended by adding Subchapter A, and a heading is  
14 added to that subchapter to read as follows:

15 SUBCHAPTER A. GENERAL PROVISIONS

16 SECTION 5.03. Section 1, Article 4413(37), Revised  
17 Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B.  
18 3225), Acts of the 80th Legislature, Regular Session, 2007, is  
19 transferred to Subchapter A, Chapter 1006, Transportation Code, as  
20 added by this Act, redesignated as Section 1006.001, Transportation  
21 Code, reenacted, and amended to read as follows:

22 Sec. 1006.001 [±]. DEFINITIONS. In this chapter [article]:

23 (1) "Authority" means the Motor Vehicle Crime  
24 [~~Automobile Burglary and Theft~~] Prevention Authority.

25 (2) "Economic motor vehicle theft" means motor vehicle  
26 burglary or theft committed for financial gain.

27 (3) "Insurer" means any insurance company writing any

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1 form of motor vehicle insurance in this state, including an  
2 interinsurance or reciprocal exchange, mutual company, mutual  
3 association, or Lloyd's plan [~~"Department" means the Texas~~  
4 ~~Department of Motor Vehicles~~].

5 (4) [~~"Director" means the executive director of the~~  
6 ~~Texas Department of Transportation.~~

7 [(5)] "Motor vehicle" means a self-propelled vehicle  
8 or a vehicle, trailer, or semitrailer designed for use with a  
9 self-propelled vehicle. The term does not include a vehicle that  
10 runs exclusively on fixed rails or tracks or a piece of equipment  
11 operated solely on private property.

12 (5) "Motor vehicle burglary or theft" includes  
13 economic motor vehicle theft.

14 SECTION 5.04. Section 2, Article 4413(37), Revised  
15 Statutes, is transferred to Subchapter A, Chapter 1006,  
16 Transportation Code, as added by this Act, redesignated as Section  
17 1006.002, Transportation Code, and amended to read as follows:

18 Sec. 1006.002 [2]. ESTABLISHMENT. The Motor Vehicle Crime  
19 [~~Automobile Burglary and Theft~~] Prevention Authority is  
20 established in the department [~~Texas Department of Motor Vehicles~~].  
21 The authority is not an advisory body to the department [~~Texas~~  
22 ~~Department of Motor Vehicles~~].

23 SECTION 5.05. Chapter 1006, Transportation Code, as added  
24 by this Act, is amended by adding Subchapter B, and a heading is  
25 added to that subchapter to read as follows:

26 SUBCHAPTER B. COMPOSITION AND ADMINISTRATION

27 SECTION 5.06. Sections 3(a), (b), (c), (d), (i), (j), and

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1 (k), Article 4413(37), Revised Statutes, are transferred to  
2 Subchapter B, Chapter 1006, Transportation Code, as added by this  
3 Act, redesignated as Sections 1006.051 and 1006.052,  
4 Transportation Code, and amended to read as follows:

5 Sec. 1006.051. AUTHORITY MEMBERSHIP. (a) The authority is  
6 composed of seven members.

7 (b) The governor, with the advice and consent of the senate,  
8 shall appoint the following six members:

9 (1) two representatives of motor vehicle insurance  
10 consumers;

11 (2) two representatives of insurance companies  
12 writing motor vehicle insurance in this state; and

13 (3) two representatives of law enforcement.

14 (c) The public safety director of the Department of Public  
15 Safety or the director's designee serves ex officio as the seventh  
16 member of the authority.

17 (d) Appointments to the authority shall be made without  
18 regard to race, color, disability, sex, religion, age, or national  
19 origin of the appointees.

20 Sec. 1006.052. ELIGIBILITY RESTRICTIONS. (a) [~~(i)~~] A  
21 person is not eligible for appointment as a representative of motor  
22 vehicle insurance consumers under Section 1006.051(b)(1)  
23 [~~Subsection (b)(1) of this section~~] if the person or the person's  
24 spouse:

25 (1) is registered, certified, or licensed by an  
26 occupational regulatory agency in the field of motor vehicle  
27 insurance or law enforcement;

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1           (2) is an officer, employee, or paid consultant of a  
2 Texas trade association in the field of motor vehicle insurance or  
3 law enforcement;

4           (3) is employed by or participates in the management  
5 of a business entity or other organization receiving funds from the  
6 authority;

7           (4) owns or controls, directly or indirectly, more  
8 than a 10 percent [~~10-percent~~] interest in a business entity or  
9 other organization receiving funds from the authority; or

10           (5) uses or receives a substantial amount of tangible  
11 goods, services, or funds from the authority, other than  
12 reimbursement authorized by law for service on the board of the  
13 authority.

14           **(b)** [~~(j)~~] For purposes of Subsection (a)(2) [~~(i)(2) of this~~  
15 ~~section~~], "[a] Texas trade association" means [~~is~~] a nonprofit,  
16 cooperative, and voluntarily joined association of business or  
17 professional competitors in this state designed to assist the  
18 association's [~~its~~] members and the members' [~~its~~] industry or  
19 profession in dealing with mutual business or professional problems  
20 and in promoting the members' [~~their~~] common interest.

21           **(c)** [~~(k)~~] A person may not serve as a member of the  
22 authority [~~or act as the general counsel to the authority~~] if the  
23 person is required to register as a lobbyist under Chapter 305,  
24 Government Code, because of the person's activities for  
25 compensation on behalf of a profession related to [~~law enforcement~~  
26 ~~or~~] motor vehicle insurance or law enforcement.

27           SECTION 5.07. Section 3(e), Article 4413(37), Revised

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1 Statutes, is transferred to Subchapter B, Chapter 1006,  
2 Transportation Code, as added by this Act, redesignated as Section  
3 1006.053, Transportation Code, and amended to read as follows:

4 Sec. 1006.053. TERM OF OFFICE; VACANCY. (a) [~~(e)~~] The six  
5 members of the authority appointed by the governor serve staggered  
6 six-year terms, with the terms of two members expiring February 1 of  
7 each odd-numbered year.

8 (b) If there is a vacancy during a term, the governor shall  
9 appoint a replacement who meets the requirements of the vacant  
10 office to fill the unexpired term.

11 SECTION 5.08. Section 5(a), Article 4413(37), Revised  
12 Statutes, is transferred to Subchapter B, Chapter 1006,  
13 Transportation Code, as added by this Act, redesignated as Section  
14 1006.054, Transportation Code, and amended to read as follows:

15 Sec. 1006.054. PRESIDING OFFICER. [~~(a)~~] The governor  
16 shall designate a member of the authority as the presiding officer  
17 of the authority to serve in that capacity at the pleasure of the  
18 governor.

19 SECTION 5.09. Sections 3(f), (g), (h), and (l), Article  
20 4413(37), Revised Statutes, are transferred to Subchapter B,  
21 Chapter 1006, Transportation Code, as added by this Act,  
22 redesignated as Sections 1006.055 and 1006.056, Transportation  
23 Code, and amended to read as follows:

24 Sec. 1006.055. GROUNDS FOR REMOVAL. (a) [~~(f)~~] It is a  
25 ground for removal from the authority if a member:

26 (1) does not have at the time of appointment the  
27 qualifications required by Section 1006.051(b) [~~Subsection (b)~~] or

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1 is disqualified under Section 1006.052 [~~Subsection (i) or (k) of~~  
2 ~~this section~~];

3 (2) does not maintain during service on the authority  
4 the qualifications required by Section 1006.051(b) [~~Subsection~~  
5 ~~(b)~~] or becomes disqualified under Section 1006.052 [~~Subsection (i)~~  
6 ~~or (k) of this section~~];

7 (3) cannot, because of illness or disability,  
8 discharge the member's duties for a substantial part of the member's  
9 term [~~for which the member is appointed~~]; or

10 (4) is absent from more than half of the regularly  
11 scheduled authority meetings that the member is eligible to attend  
12 during a calendar year.

13 (b) [~~(g)~~] The validity of an action of the authority is not  
14 affected by the fact that it is taken when a ground for removal of a  
15 member of the authority exists.

16 (c) [~~(h)~~] If the executive director has knowledge that a  
17 potential ground for removal exists, the executive director shall  
18 notify the presiding officer of the authority of the potential  
19 ground. The presiding officer shall then notify the governor and  
20 the attorney general that a potential ground for removal exists. If  
21 the potential ground for removal involves the presiding officer,  
22 the executive director shall notify the next highest officer of the  
23 authority, who shall notify the governor and the attorney general  
24 that a potential ground for removal exists.

25 Sec. 1006.056. INFORMATION ON QUALIFICATIONS AND CONDUCT.

26 [~~(1)~~] The executive director or the executive director's designee  
27 shall provide to members of the authority, as often as necessary,

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1 information regarding the members' [~~their~~] qualifications for  
2 office under this chapter [~~article~~] and their responsibilities  
3 under applicable laws relating to standards of conduct for state  
4 officers.

5 SECTION 5.10. Sections 5(c), (d), and (e), Article  
6 4413(37), Revised Statutes, are transferred to Subchapter B,  
7 Chapter 1006, Transportation Code, as added by this Act,  
8 redesignated as Section 1006.057, Transportation Code, and amended  
9 to read as follows:

10 Sec. 1006.057. MEMBER TRAINING. (a) A [~~(c) To be~~  
11 ~~eligible to take office as a member of the authority, a~~] person who  
12 is appointed to and qualifies for office as a member of the  
13 authority may not vote, deliberate, or be counted as a member in  
14 attendance at a meeting of the authority until the person completes  
15 [~~must complete at least one course of~~] a training program that  
16 complies with this section [~~Subsection (d)~~].

17 (b) [~~(d)~~] The training program [~~required by Subsection (c)~~]  
18 must provide the person with information [~~to the person~~] regarding:

19 (1) the law governing authority operations [~~enabling~~  
20 ~~legislation that created the authority and its policymaking body to~~  
21 ~~which the member is appointed to serve~~];

22 (2) the programs, functions, rules, and budget of  
23 [~~operated by~~] the authority;

24 (3) the scope of and limitations on the rulemaking  
25 authority [~~role and functions~~] of the authority;

26 (4) [~~the rules of the authority and the department,~~

27 [~~(5) the current budget for the authority,~~



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1           ~~[(6)]~~ the results of the most recent formal audit of  
2 the authority;

3           (5) ~~[(7)]~~ the requirements of ~~[the]~~:

4                   (A) laws relating to open meetings, public  
5 information, ~~[law, Chapter 551, Government Code,~~

6                           ~~[(B) open records law, Chapter 552, Government~~  
7 ~~Code, and~~

8                           ~~[(C)]~~ administrative procedure ~~[law],~~ and  
9 disclosure of conflicts of interest; and

10                   (B) other laws applicable to members of the  
11 authority in performing their duties ~~[Chapter 2001, Government~~  
12 ~~Code,~~

13                   ~~[(8) the requirements of the conflict-of-interest~~  
14 ~~laws and other laws relating to public officials]; and~~

15           (6) ~~[(9)]~~ any applicable ethics policies adopted by  
16 the department or the Texas Ethics Commission.

17           (c) ~~[(e)]~~ A person appointed to the authority is entitled to  
18 reimbursement, as provided by the General Appropriations Act, for  
19 the travel expenses incurred in attending the training program,  
20 regardless of whether the attendance at the program occurs before  
21 or after ~~[required by Subsection (c) as provided by the General~~  
22 ~~Appropriations Act and as if]~~ the person qualifies for office ~~[were~~  
23 ~~a member of the authority].~~

24           (d) The executive director shall create a training manual  
25 that includes the information required by Subsection (b). The  
26 executive director shall distribute a copy of the training manual  
27 annually to each member of the authority. Each member of the

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1 authority shall sign and submit to the executive director a  
2 statement acknowledging that the member received and has reviewed  
3 the training manual.

4 SECTION 5.11. Section 4, Article 4413(37), Revised  
5 Statutes, is transferred to Subchapter B, Chapter 1006,  
6 Transportation Code, as added by this Act, redesignated as Section  
7 1006.058, Transportation Code, and amended to read as follows:

8 Sec. 1006.058 [4]. REIMBURSEMENT FOR EXPENSES. A member of  
9 the authority is not entitled to compensation for service on the  
10 authority but is entitled to reimbursement for expenses incurred in  
11 performing the member's duties at the rate provided by [~~in~~] the  
12 General Appropriations Act.

13 SECTION 5.12. Sections 6(e), (f), and (g), Article  
14 4413(37), Revised Statutes, are transferred to Subchapter B,  
15 Chapter 1006, Transportation Code, as added by this Act,  
16 redesignated as Sections 1006.059 and 1006.060, Transportation  
17 Code, and amended to read as follows:

18 Sec. 1006.059. PERSONNEL AND SERVICES. (a) [~~e~~] The  
19 authority may be provided various services only by or through the  
20 department as needed to carry out the authority's [~~its~~] purposes,  
21 powers, and duties. These services may include [~~, but are not~~  
22 ~~limited to,~~] legal services not provided by the attorney general,  
23 fiscal services, administrative services, and personnel services.  
24 [~~Except as provided by this section, the authority may enter into~~  
25 ~~contracts in its own name and on its own behalf with recipients of~~  
26 ~~grants for purposes of this article.~~]

27 (b) [~~f~~] The department shall provide personnel and

1 services to the authority as agreed by the authority and the  
2 department.

3 Sec. 1006.060. DIVISION OF RESPONSIBILITIES. [~~g~~] The  
4 authority shall, in coordination with the department, develop and  
5 implement policies that clearly separate the policymaking  
6 responsibilities of the authority and the management  
7 responsibilities of the department.

8 SECTION 5.13. Section 5(b), Article 4413(37), Revised  
9 Statutes, is transferred to Subchapter B, Chapter 1006,  
10 Transportation Code, as added by this Act, redesignated as Section  
11 1006.061, Transportation Code, and amended to read as follows:

12 Sec. 1006.061. MEETINGS. [~~b~~] The authority shall meet  
13 at the call of the presiding officer [~~chairman~~] or at the call of  
14 four members.

15 SECTION 5.14. Section 6(h), Article 4413(37), Revised  
16 Statutes, is transferred to Subchapter B, Chapter 1006,  
17 Transportation Code, as added by this Act, redesignated as Section  
18 1006.062, Transportation Code, and amended to read as follows:

19 Sec. 1006.062. PUBLIC TESTIMONY. [~~h~~] The authority  
20 shall develop and implement policies that provide the public with a  
21 reasonable opportunity to appear before the authority and to speak  
22 on any issue under the [~~its~~] jurisdiction of the authority.

23 SECTION 5.15. Subchapter B, Chapter 1006, Transportation  
24 Code, as added by this Act, is amended by adding Section 1006.063 to  
25 read as follows:

26 Sec. 1006.063. LOBBYIST PROHIBITION: GENERAL COUNSEL. A  
27 person may not act as the general counsel to the authority if the

1 person is required to register as a lobbyist under Chapter 305,  
2 Government Code, because of the person's activities for  
3 compensation on behalf of a profession related to motor vehicle  
4 insurance or law enforcement.

5 SECTION 5.16. Chapter 1006, Transportation Code, as added  
6 by this Act, is amended by adding Subchapter C, and a heading is  
7 added to that subchapter to read as follows:

8 SUBCHAPTER C. POWERS AND DUTIES

9 SECTION 5.17. Sections 6(a), (b), (c), and (d), Article  
10 4413(37), Revised Statutes, are transferred to Subchapter C,  
11 Chapter 1006, Transportation Code, as added by this Act,  
12 redesignated as Section 1006.101, Transportation Code, and amended  
13 to read as follows:

14 Sec. 1006.101. GENERAL POWERS AND DUTIES. (a) The  
15 authority shall adopt rules to implement the authority's [its]  
16 powers and duties.

17 (b) The authority may solicit and accept gifts and grants.

18 (c) The authority may only use [~~only~~] staff of the  
19 department and may delegate authority to the staff as needed.

20 (d) Not later than April 1 of each year, the authority shall  
21 report on the authority's [its] activities to the lieutenant  
22 governor and the speaker of the house of representatives.

23 SECTION 5.18. Section 7, Article 4413(37), Revised  
24 Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B.  
25 3225), Acts of the 80th Legislature, Regular Session, 2007, is  
26 transferred to Subchapter C, Chapter 1006, Transportation Code, as  
27 added by this Act, redesignated as Section 1006.102, Transportation

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1 Code, reenacted, and amended to read as follows:

2 Sec. 1006.102 [7]. PLAN OF OPERATION. (a) The authority  
3 shall develop and implement a plan of operation. The plan of  
4 operation must be updated biennially and filed with the legislature  
5 not later than [~~on or before~~] December 1 of each even-numbered year.

6 (b) The plan of operation must include:

7 (1) an assessment of the scope of the problems of motor  
8 vehicle burglary or theft and fraud-related motor vehicle crime  
9 [~~economic motor vehicle theft~~], including particular areas of the  
10 state where the problems are greatest;

11 (2) an analysis of various methods of combating the  
12 problems of motor vehicle burglary or theft and fraud-related motor  
13 vehicle crime [~~economic motor vehicle theft~~];

14 (3) a plan for providing financial support to combat  
15 motor vehicle burglary or theft and fraud-related motor vehicle  
16 crime [~~economic motor vehicle theft~~]; and

17 (4) an estimate of the funds required to implement the  
18 plan of operation.

19 SECTION 5.19. Section 12, Article 4413(37), Revised  
20 Statutes, is transferred to Subchapter C, Chapter 1006,  
21 Transportation Code, as added by this Act, redesignated as Section  
22 1006.103, Transportation Code, and amended to read as follows:

23 Sec. 1006.103 [~~12~~]. ADVISORY COMMITTEES. (a) The  
24 authority may establish advisory committees to advise the authority  
25 [~~it~~] on any matter under the jurisdiction of the authority.

26 (b) Section 2110.008, Government Code, does not apply to an  
27 advisory committee established under this section if the advisory

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1 committee is:

- 2 (1) established for a specific and immediate need; and  
3 (2) dissolved before the first anniversary of the date  
4 the committee is created.

5 (c) A member of an advisory committee may not be compensated  
6 by the authority for committee service but is entitled to  
7 reimbursement for actual and necessary expenses incurred in the  
8 performance of committee service.

9 SECTION 5.20. Chapter 1006, Transportation Code, as added  
10 by this Act, is amended by adding Subchapter D, and a heading is  
11 added to that subchapter to read as follows:

12 SUBCHAPTER D. FINANCIAL PROVISIONS

13 SECTION 5.21. Sections 6(j) and (k), Article 4413(37),  
14 Revised Statutes, are transferred to Subchapter D, Chapter 1006,  
15 Transportation Code, as added by this Act, redesignated as Section  
16 1006.151, Transportation Code, and amended to read as follows:

17 Sec. 1006.151. GRANTS. (a) Subject to the requirements of  
18 this section, the authority may enter into contracts in the  
19 authority's own name and on the authority's own behalf with  
20 recipients of grants for purposes of this chapter.

21 (b) [~~+~~] The authority shall:

22 (1) develop and periodically update [~~use~~] standard  
23 performance measures for each category of grants provided by the  
24 authority for use in assessing [~~order to assess~~] grantee success in  
25 achieving the purposes of this chapter [~~article~~]; and

26 (2) ensure that grants are used to help increase:

27 (A) the recovery rate of stolen motor vehicles;

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The

1 (B) the clearance rate of:  
 2 (i) motor vehicle burglaries and thefts;  
 3 and  
 4 (ii) fraud-related motor vehicle crimes;  
 5 and

6 (C) the number of persons arrested for motor  
 7 vehicle burglary and theft and fraud-related motor vehicle crime.

8 (c) [~~+~~] The authority shall allocate grant funds  
 9 primarily based on the number of motor vehicles stolen in, or the  
 10 motor vehicle burglary or theft rate across, and the number of  
 11 fraud-related motor vehicle crimes committed in the state rather  
 12 than based on geographic distribution.

13 (d) The authority shall, in consultation with the  
 14 department, annually update the performance measures developed  
 15 under Subsection (b).

16 SECTION 5.22. Sections 6A and 10, Article 4413(37), Revised  
 17 Statutes, are transferred to Subchapter D, Chapter 1006,  
 18 Transportation Code, as added by this Act, redesignated as Sections  
 19 1006.152 and 1006.153, Transportation Code, and amended to read as  
 20 follows:

21 Sec. 1006.152 [~~6A~~]. REFUNDS [~~POWER TO REFUND~~]. (a) The  
 22 authority may make determinations regarding the sufficiency of  
 23 payments made by an ["insurer" ~~(as defined under Section 10 of~~  
 24 ~~this article)~~] of fees collected under [~~pursuant to~~] Section  
 25 1006.153 [~~10 of this article~~].

26 (b) Pursuant to a [~~such~~] determination made under  
 27 Subsection (a), the authority may:

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1           (1) notify the comptroller that payments made by an  
2 insurer are sufficient; and

3           (2) request the comptroller to draw warrants on the  
4 funds available to the authority for the purpose of refunding money  
5 [~~monies~~] to an insurer.

6           (c) The authority shall make the determination under  
7 [~~Subsection (b) of~~] this section as follows:

8           (1) the two members of the authority who are  
9 representatives of insurance companies writing motor vehicle  
10 insurance in this state shall recuse themselves; and

11           (2) the remaining five members of the authority shall  
12 make the determination by a simple majority vote.

13           (d) Determinations made under this section shall be  
14 performed in accordance with procedures set forth in rules adopted  
15 by the authority. The question of eligibility for a refund is not a  
16 contested case under [~~within the meaning of the Administrative~~  
17 ~~Procedure Act~~ (-)Chapter 2001, Government Code(+)].

18           (e) A [~~Except as provided by Subsection (f), a~~] request for  
19 a refund made under this section must be made not later than four  
20 years after the date the payment was made to the authority under  
21 Section 1006.153 [~~10 of this article~~].

22           Sec. 1006.153 [~~10~~]. FEE IMPOSED ON INSURER. (a) In this  
23 section, [+

24           [~~(1) "Insurer" means any insurance company writing any~~  
25 ~~form of motor vehicle insurance in this state, including an~~  
26 ~~interinsurance or reciprocal exchange, mutual company, mutual~~  
27 ~~association, or Lloyd's plan.~~



1           [~~(2)~~] "motor [~~Motor~~] vehicle years of insurance" means  
2 the total number of years or portions of years during which a motor  
3 vehicle is covered by insurance.

4           (b) An insurer shall pay to the authority a fee equal to \$2  
5 multiplied by the total number of motor vehicle years of insurance  
6 for insurance policies delivered, issued for delivery, or renewed  
7 by the insurer. The fee shall be paid not later than:

8                   (1) March 1 of each year for a policy delivered,  
9 issued, [~~delivered,~~] or renewed from July 1 through December 31 of  
10 the previous calendar year; and

11                   (2) August 1 of each year for a policy delivered,  
12 issued, [~~delivered,~~] or renewed from January 1 through June 30 of  
13 that year.

14           (c) The fee imposed by this section is in addition to any  
15 other fee or tax imposed by law on an insurer.

16           (d) The authority shall notify the Texas Department [~~State~~  
17 ~~Board~~] of Insurance of any insurer that fails to pay the fee  
18 required by this section, and the Texas Department of Insurance  
19 [~~board~~] may for that reason revoke the insurer's certificate of  
20 authority.

21           (e) Fifty percent of each fee collected under Subsection (b)  
22 may be appropriated only to the authority for the purposes of this  
23 chapter [~~article~~].

24           SECTION 5.23. Section 8, Article 4413(37), Revised  
25 Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B.  
26 3225), Acts of the 80th Legislature, Regular Session, 2007, is  
27 transferred to Subchapter D, Chapter 1006, Transportation Code, as

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1 added by this Act, redesignated as Section 1006.154, Transportation  
2 Code, reenacted, and amended to read as follows:

3       Sec. 1006.154 [~~8~~]. USE OF APPROPRIATED FUNDS. (a) Money  
4 appropriated to the department for authority purposes shall be used  
5 by the authority to pay the department for administrative costs and  
6 to achieve the purposes of this chapter [~~article~~], including:

7           (1) [~~establishing and funding the motor vehicle~~  
8 ~~registration program required by Section 9 of this article,~~

9           [~~2~~] providing financial support to law enforcement  
10 agencies for economic motor vehicle theft and fraud-related motor  
11 vehicle crime enforcement teams;

12           (2) [~~3~~] providing financial support to law  
13 enforcement agencies, local prosecutors, judicial agencies, and  
14 neighborhood, community, business, and nonprofit organizations for  
15 programs designed to reduce the incidence of economic motor vehicle  
16 theft and fraud-related motor vehicle crime;

17           (3) [~~4~~] conducting educational programs designed to  
18 inform motor vehicle owners of methods of preventing motor vehicle  
19 burglary or theft and fraud-related motor vehicle crime;

20           (4) [~~5~~] providing equipment, for experimental  
21 purposes, to assist motor vehicle owners in preventing motor  
22 vehicle burglary or theft; and

23           (5) [~~6~~] establishing a uniform program to prevent  
24 stolen motor vehicles from entering Mexico.

25       (b) In any fiscal year, the amount of the administrative  
26 expenses of the authority, including salaries, travel and marketing  
27 expenses, and other overhead expenses may not exceed eight percent

1 of the total expenditures of the authority.

2 (c) The cost of personnel and services provided to the  
3 authority by the department and by the attorney general may be paid  
4 only from appropriations made for authority purposes.  
5 Appropriations made for authority purposes may not be used for any  
6 other purpose.

7 SECTION 5.24. Section 6(i), Article 4413(37), Revised  
8 Statutes, is transferred to Subchapter D, Chapter 1006,  
9 Transportation Code, as added by this Act, redesignated as Section  
10 1006.155, Transportation Code, and amended to read as follows:

11 Sec. 1006.155. ANNUAL FINANCIAL REPORT. [~~i~~] The  
12 authority shall prepare annually a complete and detailed written  
13 report accounting for all funds received and disbursed by the  
14 authority during the preceding fiscal year. The annual report must  
15 meet the reporting requirements applicable to financial reporting  
16 provided by [~~in~~] the General Appropriations Act.

17 SECTION 5.25. Section 981.073(b), Insurance Code, is  
18 amended to read as follows:

19 (b) A domestic surplus lines insurer is not subject to:

- 20 (1) Section 38.003;
- 21 (2) Chapter 462;
- 22 (3) Chapter 463;
- 23 (4) Chapter 501;
- 24 (5) Section 981.051;
- 25 (6) Section 981.101(b);
- 26 (7) Chapter 2007;
- 27 (8) Chapter 2301;

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- 1           (9) Chapter 2251; and
- 2           (10) Chapter 1006, Transportation Code [~~Article~~
- 3 ~~4413(37), Revised Statutes~~].

4           SECTION 5.26. Section 201.805(a), Transportation Code, is  
5 amended to read as follows:

6           (a) The department shall annually publish in appropriate  
7 media and on the department's Internet website in a format that  
8 allows the information to be read into a commercially available  
9 electronic database a statistical comparison of department  
10 districts and the following information, calculated on a per capita  
11 basis considering the most recent census data and listed for each  
12 county and for the state for each fiscal year:

- 13           (1) the number of square miles;
- 14           (2) the number of vehicles registered;
- 15           (3) the population;
- 16           (4) daily vehicle miles;
- 17           (5) the number of centerline miles and lane miles;
- 18           (6) construction, maintenance, and contracted routine  
19 and preventive maintenance expenditures;
- 20           (7) combined construction, maintenance, and  
21 contracted routine and preventive maintenance expenditures;
- 22           (8) the number of district and division office  
23 construction and maintenance employees;
- 24           (9) information regarding grant programs, including:
  - 25           (A) Motor Vehicle Crime [~~Automobile Theft~~]  
26 Prevention Authority grants;
  - 27           (B) Routine Airport Maintenance Program grants;

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- 1 (C) Public Transportation Grant Program grants;
- 2 (D) Medical Transportation Program grants; and
- 3 (E) aviation grants or aviation capital
- 4 improvement grants;
- 5 (10) approved State Infrastructure Bank loans;
- 6 (11) Texas Traffic Safety Program grants and
- 7 expenditures;
- 8 (12) the dollar amount of any pass-through toll
- 9 agreements;
- 10 (13) the percentage of highway construction projects
- 11 completed on time;
- 12 (14) the percentage of highway construction projects
- 13 that cost:
  - 14 (A) more than the contract amount; and
  - 15 (B) less than the contract amount; and
  - 16 (15) a description of real property acquired by the
  - 17 department through the exercise of eminent domain, including the
  - 18 acreage of the property and the location of the property.

19 SECTION 5.27. Section 1001.151(c), Transportation Code, is  
20 amended to read as follows:

21 (c) Money appropriated to the department for Motor Vehicle  
22 Crime [~~Automobile Burglary and Theft~~] Prevention Authority  
23 purposes and other revenue collected or received by the Motor  
24 Vehicle Crime [~~Automobile Burglary and Theft~~] Prevention Authority  
25 may not be deposited into the fund.

26 SECTION 5.28. The following provisions are repealed:

- 27 (1) Sections 9 and 11, Article 4413(37), Revised

1 Statutes;

2 (2) the headings to Sections 3, 5, and 6, Article  
3 4413(37), Revised Statutes; and

4 (3) the heading to Article 4413(37), Revised Statutes.

5 SECTION 5.29. (a) Except as provided by Subsection (b) of  
6 this section, Section 1006.057, Transportation Code, as  
7 transferred, redesignated, and amended by this Act, applies to a  
8 person who is appointed before, on, or after the effective date of  
9 this Act to the Automobile Burglary and Theft Prevention Authority  
10 or Motor Vehicle Crime Prevention Authority, as applicable.

11 (b) A member of the Motor Vehicle Crime Prevention Authority  
12 who, before the effective date of this Act, completed the training  
13 program required by Sections 5(c), (d), and (e), Article 4413(37),  
14 Revised Statutes, as that law existed before the effective date of  
15 this Act, is required to complete additional training only on  
16 subjects added by this Act to the training program as required by  
17 Section 1006.057, Transportation Code, as transferred,  
18 redesignated, and amended by this Act. A member described by this  
19 subsection may not vote, deliberate, or be counted as a member in  
20 attendance at a meeting of the authority held on or after December  
21 1, 2019, until the member completes the additional training.

22 SECTION 5.30. (a) On the effective date of this Act:

23 (1) the name of the Automobile Burglary and Theft  
24 Prevention Authority is changed to the Motor Vehicle Crime  
25 Prevention Authority, and all powers, duties, rights, and  
26 obligations of the Automobile Burglary and Theft Prevention  
27 Authority are the powers, duties, rights, and obligations of the

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1 Motor Vehicle Crime Prevention Authority;

2 (2) a member of the Automobile Burglary and Theft  
3 Prevention Authority is a member of the Motor Vehicle Crime  
4 Prevention Authority; and

5 (3) any appropriation for the Automobile Burglary and  
6 Theft Prevention Authority is an appropriation for the Motor  
7 Vehicle Crime Prevention Authority.

8 (b) On and after the effective date of this Act, a reference  
9 in law to the Automobile Burglary and Theft Prevention Authority is  
10 a reference to the Motor Vehicle Crime Prevention Authority.

11 (c) The Motor Vehicle Crime Prevention Authority is the  
12 authority formerly known as the Automobile Burglary and Theft  
13 Prevention Authority in all respects. All personnel, equipment,  
14 data, documents, facilities, contracts, items, other property,  
15 rules, decisions, and proceedings of or involving the Automobile  
16 Burglary and Theft Prevention Authority are unaffected by the  
17 change in the name of the authority.

18 ARTICLE 6. STUDY ON IMPOSING FEES ON ALTERNATIVELY FUELED VEHICLES

19 SECTION 6.01. DEFINITIONS. In this article:

20 (1) "Alternatively fueled vehicle" has the meaning  
21 assigned by Section 502.004, Transportation Code.

22 (2) "Conventional vehicle" means a vehicle, as defined  
23 by Section 502.001, Transportation Code, that is exclusively  
24 powered by gasoline or diesel fuel.

25 (3) "Motor fuel taxes" means the motor fuel taxes  
26 imposed under Chapter 162, Tax Code.

27 SECTION 6.02. STUDY AND REPORT. (a) Using existing funds,

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1 the Texas Department of Motor Vehicles shall organize a study on:

2 (1) the impact of the alternatively fueled vehicles  
3 industry on the state;

4 (2) the options available to the state for collecting  
5 fees from owners of alternatively fueled vehicles to replace the  
6 loss of revenue from motor fuel taxes; and

7 (3) the feasibility and desirability of establishing a  
8 fee for alternatively fueled vehicles.

9 (b) The study organized under Subsection (a) of this section  
10 shall be conducted by:

11 (1) the Texas Department of Motor Vehicles;

12 (2) the Public Utility Commission of Texas;

13 (3) the Texas Department of Transportation;

14 (4) the Department of Public Safety of the State of  
15 Texas; and

16 (5) the Texas Commission on Environmental Quality.

17 (c) The study must examine:

18 (1) the current revenue generated from motor fuel  
19 taxes imposed on a conventional vehicle and each type of  
20 alternatively fueled vehicle for each mile the vehicle is operated;

21 (2) the net revenue generated by fees and taxes paid by  
22 owners of alternatively fueled vehicles and conventional vehicles  
23 for the use of the vehicle, including motor vehicle registration  
24 fees under Chapter 502, Transportation Code, motor fuel taxes, and  
25 taxes, fees, and surcharges on the retail sale of electricity  
26 consumed by alternatively fueled vehicles;

27 (3) the methods to determine the average number of



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1 miles traveled in this state by alternatively fueled vehicles and  
2 conventional vehicles each year;

3 (4) the type and amount of fees by which other states  
4 generate revenue from alternatively fueled vehicles and  
5 conventional vehicles;

6 (5) alternative methods for determining and  
7 collecting road use fees from owners of alternatively fueled  
8 vehicles, including methods that consider the weight of and the  
9 number of miles traveled by an alternatively fueled vehicle;

10 (6) the projected revenue to the state for each method  
11 examined under Subdivision (5) of this subsection;

12 (7) the projected impact of alternatively fueled  
13 vehicles on the state highway system, including the maintenance  
14 required because of the impact;

15 (8) the projected direct environmental benefit of  
16 alternatively fueled vehicles on vehicle emissions in this state;  
17 and

18 (9) the projected impact of alternatively fueled  
19 vehicles to the state's power grids and electricity markets.

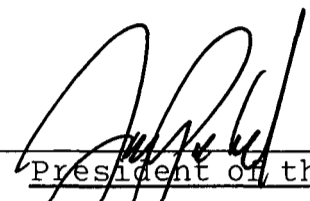
20 (d) Not later than December 1, 2020, the Texas Department of  
21 Motor Vehicles shall prepare and submit to the governor, lieutenant  
22 governor, speaker of the house of representatives, and members of  
23 the legislature a written report that includes a summary of the  
24 results of the study conducted under this section and any  
25 legislative recommendations based on the study.

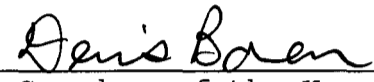
26 SECTION 6.03. EXPIRATION DATE. This article expires  
27 September 1, 2021.



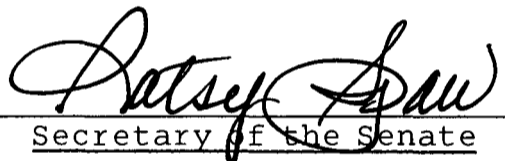
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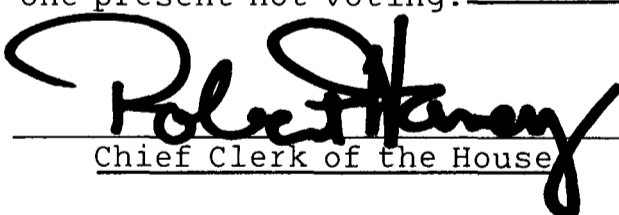
  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 604 passed the Senate on April 11, 2019, by the following vote: Yeas 31, Nays 0; May 20, 2019, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 22, 2019, House granted request of the Senate; May 26, 2019, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0. \_\_\_\_\_

  
\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 604 passed the House, with amendments, on May 17, 2019, by the following vote: Yeas 146, Nays 0, one present not voting; May 22, 2019, House granted request of the Senate for appointment of Conference Committee; May 26, 2019, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 1, one present not voting. \_\_\_\_\_


  
\_\_\_\_\_  
Chief Clerk of the House

Approved:

6-9-2019  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
6:00 pm O'CLOCK

JUN 10 2019  
  
\_\_\_\_\_  
Secretary of State