This pamphlet is the second part of a two part series covering the 2007 80th Regular Legislative Session law updates: Vision 21 and Criminal Penalties for counterfeiting or using unauthorized temporary tags. Additional information contained in this pamphlet includes the various Metal Dealer Plates, Temporary Permits, and Unlicensed Sales/Curbstoning.

VISION 21

Vision 21 is a total rethinking of how vehicle registration and titling is done in Texas. Vision 21 includes a 21st-century computer system that will offer customers and stakeholders more Web-based applications. The first of those applications are e-Tags, Plate-to-Owner tracking, Vehicle Transfer Notifications and Vehicle Transit Permits.

COUNTERFEIT TEMPORARY TAGS – ENHANCED CRIMINAL PENALTIES

The legislature enhanced existing statutes as of September 1st, 2007 in order to combat counterfeiting and the unauthorized distribution of buyer's and dealer's temporary tags. Transportation Code Sections 503.067 and 503.094 are the statutes that cover temporary tags and provide criminal penalties.

ILLEGAL DISPLAY

It is a Class C Misdemeanor to display an unauthorized temporary tag.

ILLEGAL PURCHASE

It is also a Class C Misdemeanor to illegally purchase a temporary cardboard tag.

ILLEGAL SALE

It is a Class A Misdemeanor to illegally sell or distribute a temporary tag or an item represented to be a temporary tag.

There are exceptions –

- (1) The dealer issuing the tag at a vehicle's legitimate sale OR
- (2) Printers or distributors who sell tag templates to licensed motor vehicle dealers

Unauthorized

PRODUCTION OR REPRODUCTION

It is a State Jail Felony to illegally produce or reproduce a temporary tag or an item presented to be a temporary tag for the purpose of illegal distribution.

ENHANCING OFFENSES

It is a State Jail Felony to illegally purchase, sell or display a temporary tag only if the person who committed the offense also criminally conspired to engage in organized criminal activity.

CRIMINAL PENALTY REFERENCE

The criminal penalty for Transportation Code Chapter 503 and the Unauthorized Reproduction, Purchase, Use, or Sale of Temporary Tags is covered under Section 503.094 of the Transportation Code. This section states that a person commits an offense if the person violates this chapter and except as otherwise provided by this section, an offense under this section is a misdemeanor punishable by a fine of not less than \$50 or more than \$5,000. However, if the trier of fact finds that the person committed the violation willfully or with conscious indifference to law, the court may treble the fine otherwise due as a penalty for the violation.

UNLICENSED MOTOR VEHICLE SALES "CURBSTONING"

Curbstoning is the unlicensed sale of motor vehicles. Unlicensed sales occur on the curbside, right-of-way or parking lots. It involves licensed dealers, unlicensed dealers, and individuals.

A person is required to be licensed if they sell five or more vehicles a year. If a person sells fewer than five, all vehicles must be registered and titled in their name. It is presumed to be unlicensed sales if they sell even one vehicle that is not registered and titled in their name.

CRIMINAL PENALTY REFERENCE FOR CURBSTONING

The offense for unlicensed sales and curbstoning is "Engaging as a Dealer without a General Distinguishing Number" under Transportation Code Section 503.021, which is a Class C Misdemeanor.

Transportation Code Sections 503.092 and 503.094 give district, county, justice, and municipal courts the ability to enforce sections of the Transportation Code. The fine amount is \$50 to \$5,000 and the court may treble the fine if the violation is willful or with conscious indifference to law. This means that the fine can be raised to \$15,000 and can be prosecuted in the city municipal court.

The Motor Vehicle Division can provide examples of existing city ordinances with curbstoning provisions that include towing and impoundment.

METAL DEALER PLATES

Metal dealer plates are purchased from the Motor Vehicle Division by a licensee. The plates expire with the expiration of the dealer's license.

When a registration check or 10-28 is conducted thru TLETS, the return will show the business name, address, General Distinguishing Number, and date of expiration.

Metal dealer plates can only be used on vehicles in the dealer's inventory and the dealer is required to keep a log of where the metal plates are used.

If metal dealer plates are used, the plate must be displayed in the rear license plate holder. The metal plates can be used for personal affairs; however, they cannot be used on laden commercial vehicles or dealer's service or work vehicles such as vehicles used for towing and transporting other vehicles; rental vehicles, dealer-owned vehicles loaned to schools, etc.

Metal plates may be used on courtesy and loaner cars if no signs are on the vehicles.

Under 502.404(d) of the Texas Transportation Code, a licensed motor vehicle dealer is exempted from the requirement of having to display two license plates. Only one dealer's plate is required on the vehicle - in the rear license plate area of a motor vehicle.

Other metal plates include in-transit plates and manufacturer plates. In-transit plates are issued to drive-away operators who transport a motor vehicle from the vehicle's point of origin to the vehicle's destination within the state.

Other examples of metal plates issued are motorcycle manufacturer plates and converter plates.

TEMPORARY PERMITS

Temporary permits are cardboard tags issued by the Vehicle Titles and Registration Division and purchased by individuals. Temporary permits can also be issued by county tax offices and the various title service agencies.

There are four types of permits issued:

• 30 Day temporary permits;

- 1 Trip permits;
- 144 hour permits;
- 72 hour permits.

Temporary permits will be in various colors and each will contain an expiration date, effective date, and the vehicle information.

- 30 Day Black and White
- 1 Trip Red
- 72 hour Red
- 144 hour Blue

These are different from the new vehicle transit permit for a private vehicle sale.

PLATE-TO-OWNER

A new law, called plate-to-owner, requires vehicle dealers to remove the license plates and registration sticker from any passenger car or truck the dealer buys or takes in trade.

The dealer is expected to offer to transfer those plates to the customer's new vehicle. By keeping the license plate number assigned to only one person, couple, or family, law enforcement and homeland security will be able to easily trace the number to the proper and authorized owner(s) assigned that license plate number.

In a private or "individual" sale, the seller has the option of removing the license plates and registration sticker from the vehicle they are selling. Sellers are strongly encouraged to take the plates off because it provides them protection, and aids law enforcement. When the plates are removed, the new buyer cannot conduct illegal activity using the license plates as a way to misidentify the vehicle seller as the perpetrator. Sellers should keep their license plates and transfer them to another vehicle they own or destroy them.

VEHICLE TRANSIT PERMIT

Those who buy a Texas vehicle without license plates must go to the DMV web site, www.txdmv.gov, to fill out and print a Vehicle Transit Permit. The 'Vehicle Transit Permit' is only good for five days. It allows the vehicle buyer to legally drive the car or truck until they can go to the county tax office to title and register the vehicle. The Vehicle Transit Permit must be carried inside the vehicle. It will not be displayed. Each permit has a unique identifying number that allows law enforcement to determine its validity. The buyer of the vehicle is allowed only ONE vehicle transit permit. The permit displays all the vehicle information, including the Vehicle Identification Number, the vehicle's make and model, and the buyer's name and address. The Vehicle Transit Permit is only necessary in private sales when the vehicle seller removes the license plates and registration sticker.

LATE TRANSFER PENALTIES

When vehicle owners keep their license plates, it helps to force buyers to re-title the vehicle they purchased into their name. For law enforcement, this will help to make sure the vehicle matches the true owner. In addition, the law assesses fines for failing to title the vehicle within the required 20 working days from the date of purchase. Buyers who fail to title the vehicle face an automatic \$25 fine, plus an additional \$25 for every month they are late. These fines are administrative and are paid at the county tax office.

VEHICLE TRANSFER NOTIFICATION

The seller should notify TxDMV within 30 days of selling a vehicle to receive protection from liability. The seller can go online at www.txdmv.gov and fill out a vehicle transfer notification, Form VTR-346. The form is submitted online and the seller should make sure to print the receipt for his or her records. There is no charge for filing the vehicle transfer notification.

When the seller files the notification within 30 days of selling the vehicle, the buyer becomes the presumed owner of the vehicle. The seller cannot be held responsible for parking tickets, fines, toll violations or other penalties that occur after the date of sale. (Transportation Code, Section 520.023)

If a private seller notifies TxDMV of the private vehicle sale, or a dealer notified TxDMV on behalf of their customer that the dealer bought or took a vehicle in trade, by submitting a vehicle transfer notification, then a note will be placed on the vehicle's registration record which will state, "vehicle transferred: date of transfer." It will not include the name of the buyer; however, upon an officer receiving the vehicle transfer notification on a TLETS registration return, the officer may request the information from TxDMV-VTR.

TRAINING AND INVESTIGATIVE ASSISTANCE

DMV Enforcement can provide additional free training in temporary tags, unlicensed sales, and motor vehicle dealer laws. DMV is contracted by the Texas Commission on Law Enforcement Officer Standards and Education to provide training courses. Courses offered by DMV Enforcement may be submitted to the Commission for credit.

For more information, please contact MVD at: (512) 416-4911.

For investigator assistance or law enforcement complaint referrals, please contact MVD at: MVD LawEnforcementTraining@txdmv.gov or (512) 416-4911.

KNOW THE LAW #6



LAW ENFORCEMENT'S GUIDE TO THE TEXAS DEALER LAWS PART II

Plates, Permits, Notifications and Criminal Penalties



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