

"Our team was able to advance several of our legislative priorities and was successful at preventing legislative efforts that would have a negative effect on the dealer community from being passed into law.

Thank you to everyone that participated in advocating for the auto industry in Texas!"

- April Ancira, TADA Board Chair

TADA REVIEW OF THE 87TH LEGISLATIVE SESSION

FRANCHISE ISSUES

| april-ancira | Legislation, as introduced, stated that the TxDMV board should give preference to manufacturers in the state. | TADA opposed both SB 1400 and HB 1865. | Neither bill received a hearing. |
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| HB 4379 (Harris) Direct Sales | Rivian's bill. Legislation, as introduced, would have allowed electric vehicle manufacturers to have dealerships if there is no competition with a franchised dealer of the same line-make. | TADA opposed HB 4379 in the House Transportation Committee. | HB 4379 was heard in House Transportation on May 11, but no further action was taken. |
| SB 1584/HB 4097 (Hughes/Dutton) Arrow Truck Sales | Legislation, as introduced, would have allowed a specific heavy-duty truck manufacturer to continue to conduct used heavy-duty truck sales at certain locations in the state beyond their current statutory deadline of Sept. 1, 2023. | TADA opposed HB 4097 in the House Transportation Committee. | HB 4097 was heard in House Transportation on April 20, but no further action was taken. |

COVID RESPONSE

| SB 6/HB 3659 (Hancock et al./Leach) Pandemic Liability Protections | Legislation will provide retroactive civil liability protections for large and small businesses, religious institutions, nonprofit entities, health care providers, first responders, and educational institutions against lawsuits arising from a declared pandemic emergency. | TADA supported SB 6 in the Senate Business and Commerce Committee. | SB 6 was signed into law by Governor Abbott on June 14 and is effective immediately. |
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| SB 372/HB 1195 | Legislation excludes forgiven PPP | TADA was supportive of this legislation. | HB 1195 was signed into law by |
| (Hancock/Geren) | loan proceeds from total revenue | | Governor Abbott on May 8 and is |
| PPP Loan Forgiveness | for Texas franchise tax purposes. | | effective immediately. |

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COVID RESPONSE

| HB 3 (Burrows/Birdwell) Governor's Executive Authority | Legislation, as introduced, would have created the Texas Pandemic Response Act by establishing a separate framework to govern state and local responses to prevent, prepare for, respond to, and recover from a pandemic disaster. | Given early issues during the pandemic, TADA supported HB 3. | House and Senate Conferees were appointed, but a conference committee report was not adopted due to disagreements about the HB 3 approach or the SB 1025 approach. |
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| SB 1025 (Birdwell) Governor's Executive Authority | Legislation, as introduced, would have specified that during a declared state of disaster, only the legislature has the authority to restrict or impair the operation of businesses. | Given early issues during the pandemic, TADA was monitoring this legislation closely. | SB 1025 passed the Senate on April 13 and was referred to House State Affairs on April 16. While no further action was taken on SB 1025, the language was substituted into HB 3, which ultimately did not pass either. See above. |

REGISTRATION AND TITLING

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| SB 876/HB 3113 (Hancock, Bettencourt, West/E. Thompson) Titling and Registration Flexibility | Legislation will provide flexibility and efficiency in titling and registering motor vehicles by allowing dealers and all Texans the option to title and register in any county willing to accept the application. | The substitute made changes to ensure that the processing and handling fee stays with the processing county. The sales tax and county road and bridge fees go to the county where the purchaser resides, without forms previously used by dealers. The substitute also allowed this flexibility to be available for all Texans, not just dealer transactions. | SB 876 was signed into law by Governor Abbott on June 14 and becomes effective March 1, 2022. |
| HB 2152 (Meyer/Nichols) Online Vehicle Registration Renewals | Legislation will allow an eligible person to renew their vehicle registration through an online registration system approved by TxDMV. | A committee substitute changed the language from a system "approved" by the department to a system "maintained" by the department. | HB 2152 was signed into law by Governor Abbott on June 3 and becomes effective Sept. 1. |
| SB 1817 (Seliger/Martinez) Motor Vehicle Titles | Legislation will require TxDMV to place a hold on processing a title application for a motor vehicle if the department receives evidence of legal action regarding ownership of or a lien on the vehicle. | SB 1817 is a TxDMV bill. | SB 1817 was signed into law by Governor Abbott on June 18 and becomes effective Sept. 1. |
| SB 1064/HB 2262 (Alvarado/Schofield) County Fleet Registration/ Inspection Requirements | Legislation will require the TxDMV to develop and implement a registration system to allow an owner of an exempt fleet to register the vehicles for an extended period of between one and eight years, but still requires inspections. | TADA was neutral on this legislation. | SB 1064 was signed into law by Governor Abbott on May 18 and becomes effective Sept. 1. |
| SB 935/HB 2940 (West/Kuempel) Titling Requirement Exceptions | Legislation, as introduced, would have created an exception to the titling requirement for certain older motor vehicles sold for parts, dismantling or scrap. | TIADA was opposed to this legislation, but TADA remained neutral. | SB 935 was sent to House Calendars on May 23, but no further action was taken. |
| HB 2933 (M. Martinez) Road and Bridge Fee Uniformity | Legislation, as introduced, would have created a uniform county road and bridge fee amount for dealer transactions. | TADA supported this legislation in the House Transportation Committee. | HB 2933 passed House Transportation on May 4 and was sent to House Calendars on May 8, but no further action was taken. |



| SB 1728 (Schwertner, Nichols, Powell/Canales) Alternatively Fueled Vehicle Fee | Legislation, as introduced, would have created road use fee amounts for alternatively fueled vehicles based upon the vehicle class. | TADA believes it is the right policy for alternatively fueled vehicles to pay some road usage fees. | SB 1728 passed the Senate on April 23 and was set on the House General Calendar on May 24, but a point of order was called and sustained on the bill. The language was added to HB 3531, but that legislation didn't pass either. |
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| SB 624/HB 1698 (Schwertner/Raney) Optional County Fee | Legislation will expand counties that can charge an additional \$10 fee if voters approve in a referendum election. | TADA monitored this legislation but remained neutral. | HB 1698 was filed without Governor Abbott's signature on June 14 and becomes effective Sept. 1. |

INSURANCE

| SB 1538/HB 3960 (Menendez, Campbell/ Lambert) OEM Parts | Legislation, as introduced, would require insurers to use OEM parts, products, and repair processes if the motor vehicle has an unexpired original manufacturer's warranty. | As amended in the Senate, legislation moved away from tying this to a warranty period and instead provided for a definitive period of 36 months. The amended language also provided for the insured to opt-in to the use of non- OEM parts within the 36 months and made it unlawful for an insurer to require that a repair person or facility use a specific percentage of non-OEM parts. | SB 1538 passed out of Senate Business and Commerce Committee 9-0 and the Senate 26-5 but never received a hearing in House Insurance. |
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| SB 1706/HB 2534 (Blanco/Clardy) Appraisal Procedure | Legislation, as introduced, would have required appraisal procedures for personal automobile insurance policies. | TADA supported this legislation in the House Transportation Committee. | HB 2534 passed out of the House on the last night to pass House bills but never received a Senate Business & Commerce hearing. |
| SB 1170/HB 1787 (Menendez/Lambert) Loaner Insurance Revision | Legislation will remove the reference to a section in code that no longer exists and provided that the coverage for a temporary substitute vehicle does not extend to a person specifically identified in a named driver exclusion. | TADA supported HB 1787 in both the House Insurance Committee and the Senate Business & Commerce Committee. | HB 1787 was signed into law by Governor Abbott on May 15 and becomes effective Sept. 1. |
| HB 1131 (Clardy) Auto Body Shops | Legislation, as introduced, would have prohibited certain insurer practices related to auto repair claims to ensure quality parts are used to make repairs in the body shops of the insured's choice. | TADA supported HB 1131 in the House Insurance Committee. | HB 1131 was heard in House Insurance on April 13, but no further action was taken. |
| HB 113 (Oliverson/Schwertner) Peer-to-Peer Car-Sharing | Legislation will require that a peer-to-peer car-sharing program ensure the owner and driver are insured when a car's use is shared peer to peer. | TADA worked with the author's office to ensure no issues impacted the coverage on a loaner vehicle. | HB 113 was signed into law by Governor Abbott on June 9 and becomes effective Sept. 1. |

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CATALYTIC CONVERTER THEFT

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| HB 4110 (Leach/Alvarado) Catalytic Converter Theft | Legislation will increase recordkeeping requirements for transactions involving catalytic converters; implement a five-day hold period before catalytic converters may be sold or disposed of by the purchasing metal recycler, and enhance criminal penalties for offenses related to catalytic converter theft. | TADA worked closely with Gulf States Toyota to ensure this legislation continued to move through the process. This led to a compromise with the metal recycling council to narrow down the applicability of harsher penalties to just those transactions dealing with catalytic converters. It also makes it clear that state jail felony would only apply to those transactions, and Class A misdemeanor would remain for offenses involving the other metals. | HB 4110 was signed into law by Governor Abbott on June 18 and becomes effective Sept. 1. |
| | TEMPORA | ARY TAGS | |
| HB 3927 (Hefner/Nichols) Temp Tag Issuance | Legislation will give TxDMV rulemaking authority to establish the maximum number of temporary tags a dealer or converter may obtain based upon specific metrics outlined to anticipate need and give TxDMV the authority to deny access to the database upon giving notice electronically and by certified mail if fraud is suspected. | The final version of this bill is a combination of HB 3927 as initially filed, SB 1816 with TADA's amended language (see below), and HB 3429 (Vroom). This bill will allow out-of-state buyers of a vehicle that will not be operated on Texas roads to be issued a temporary buyer's tag without getting a state inspection. The original HB 3927 as filed gave TxDMV the unilateral authority to deny access to the database, but TADA tightened up the language. | HB 3927 was signed into law by Governor Abbott on June 15 and becomes effective Sept. 1. |
| SB 1816 (Seliger/E. Thompson) Temp Tag Issuance | Legislation, as introduced, would have given TxDMV rulemaking authority to establish the maximum number of temporary tags that a dealer or converter may obtain based upon specific metrics outlined to anticipate need. | TADA successfully amended this legislation to ensure the department's denial of a request to obtain more tags may be overturned if a dealer or converter shows the need for more tags by a preponderance of the evidence. However, the language in the filed version states that the denial (by director/director's designee's) of a request for additional tags may not be overturned in the absence of an abuse of discretion. | House and Senate Conferees were appointed, but a conference committee report was not adopted due to disagreements about the inclusion of digital license plates (HB 1105) and alternatively fueled vehicle fees (SB 1728). |
| HB 4219 (Raymond) Temp Tag Regulation | Legislation, as introduced, would have given TxDMV the authority to suspend a dealer's license if the director determines that a licensee has fraudulently distributed the buyer's temp tags. | TADA opposed HB 4219. | HB 4219 was heard in House Transportation on April 27, but no further action was taken. |

OPERATION OF VEHICLES

| combustion engine. |
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| SB 206/HB 1281 (Schwertner/Wilson) Operation of Certain Vehicles | Legislation will allow the operation of neighborhood golf carts in residential subdivisions for which a county or municipality has approved one or more plats as well as on all or part of certain highways located in the unincorporated area of the county to coastal counties. | TADA monitored this legislation but remained neutral. | HB 1281 was signed into law by Governor Abbott on June 15 and becomes effective immediately. HB 1281 also includes the language described below in HB 1181. |
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| HB 1181/SB 1383 (Middleton/Creighton) Operation of Certain Vehicles | Legislation, as introduced, would have extended the authority that allows the operation of a golf cart or an unregistered off- highway vehicle on all or part of certain highways located in the unincorporated area of the county to coastal counties. | TADA monitored this legislation but remained neutral. | SB 1383 never received a hearing in Senate Transportation, and HB 1181 was removed from the last local calendar in the Senate. However, the language was successfully added to HB 1281. |

TxDMV

| HB 3514 (Canales/Seliger) TxDMV Functions | HB 3514 will clarify and update references, procedures and practices of the TxDMV. | HB 3514 is a TxDMV bill. | HB 3514 was signed into law by Governor Abbott on June 4 and becomes effective Sept. 1. |
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| HB 3531 (Martinez/Seliger) Motor Vehicle Titles, Registration and License Plates | Legislation, as introduced, would have required TxDMV to place a hold on processing a title application for a motor vehicle if the department receives evidence of a legal action regarding ownership of or a lien on the vehicle, and allowed Disabled Veteran license plates to include one emblem or design from another military specialty license plate. | HB 3531 is a TxDMV bill. | HB 3531 passed the House on May 14, but the Senate added the alternatively fueled electric vehicle fee language on the bill, which wasn't germane and killed the bill. |
| HB 3533 (Martinez/Seliger) Surety Bond | Legislation will increase the independent dealer bond to \$50,000 and requires a notice requirement to post bond information and procedure to recover against the bond and publish on the agency's website. | HB 3533 is a TxDMV bill. TADA monitored to ensure franchised dealers remained exempt under the bill. | HB 3533 was signed into law by Governor Abbott on June 14 and becomes effective Sept. 1. |

VEHICLE INSPECTIONS

| SB 1713 (Hall) Elimination of Safety Inspections | Legislation, as introduced, would have repealed the regular mandatory requirement for state vehicle inspections. | As in previous sessions, TADA was closely monitoring this legislation. | SB 1713 never received a hearing in Senate Committee. |
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| SB 1543/HB 3429 (Huffman/Harris) Vroom | Legislation, as introduced, would have allowed out-of-state buyers of a vehicle that will not be operated on Texas roads to be issued a temporary buyer's tag without having to get a state inspection. | TADA remained neutral on this legislation. | HB 3429 passed the House on April 20 and was referred in the Senate on May 4, but neither HB 3429 nor SB 1543 received a hearing in Senate Transportation. However, the language was added as an amendment to HB 3927, which becomes effective Sept. 1. |

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WORK FROM HOME

| HB 3510 (Lambert/Menendez) | Legislation will continue the work from home flexibility allowed by the Office of Consumer | TADA worked with OCCC to limit the application of conditions to certain employees. | HB 3510 was signed into law by Governor Abbott on June 14 and becomes effective Sept. 1. |
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| Work from Remote Locations | Credit Commissioner during the pandemic by establishing conditions under which an applicable license holder may allow an employee to work from a remote location. | | |

FINANCIAL PRODUCT ISSUES

| HB 735/SB 1080 (Minjarez/Campbell) Service Contracts | Legislation will revise the definition of "depreciation benefit optional member program" under the Service Contract Regulatory Act by removing references to vehicle installment sale financing, and by specifying instead that such programs are for any vehicle, regardless of whether the vehicle is purchased for cash, financed or leased. | TADA remained neutral on this legislation. | HB 735 was signed into law by Governor Abbott on May 15 and becomes effective Sept. 1. |
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| SB 1504/HB 4277 (Hughes/ E. Thompson) Debt Cancellation | Legislation, as introduced, would have provided for a process for refunds if a debt cancellation agreement is terminated. | TADA monitored this legislation. | HB 4277, approved by the House Pensions, Investments and Financial Services Committee on April 30, was placed on the House General State Calendar on May 12 but was not heard before the midnight deadline to hear House bills. |

CREDIT CARD TRANSACTIONS

| SB 153/HB 3573 (Perry/Sanford) Data Processing Service | Legislation will clarify existing tax practices by excluding merchant credit and debit card processing services from being considered as taxable data processing services. | TADA was supportive of this effort. | SB 153 was signed into law by Governor Abbott on June 14 and becomes effective Oct. 1. |
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| HB 3941 (Guillen) Credit Card Surcharge | The legislation, as introduced, would have repealed the prohibition on a seller imposing a surcharge on a buyer who uses a credit card. | TADA supported HB 3941 in the House Business and Industry Committee. | HB 3941 passed out of the House on the last night to pass house bills (May 14) but never received a hearing in the Senate Business & Commerce Committee. |



PRIVACY

| SB 15/HB 3471 (Nichols et al./P. King) Texas Consumer Privacy Act | Legislation will revise the Motor Vehicle Records Disclosure Act to specify the authorized use and disclosure of personal information obtained in connection with a motor vehicle record. | The legislation as filed would have restricted everyone's access to this information. Still, understanding that the goal was to prevent bad actors from accessing and selling consumers' personal data, TADA worked with other stakeholders and successfully ensured that legitimate users would be able to retain access to this information. | SB 15 was signed into law by Governor Abbott on June 18 and is effective immediately. |
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| SB 16 (Nelson et al.) Personal Data Dissemination Prohibition | Legislation, as introduced, would have prohibited a state agency from disseminating an individual's personal data without the individual's written consent. | TADA was opposed to SB 16. | SB 16 was never heard in Senate Committee. |
| HB 2099 (Schaefer) Personal Data Disclosure | Legislation, as introduced, would have restricted who can obtain personal information associated with a motor vehicle record. | TADA was opposed to HB 2099 in the House Transportation Committee. | HB 2099 was heard in House Transportation on April 6, but no further action was taken. |
| HB 2173 (Krause) Disclosure of Personal Information | Legislation, as introduced, would have prohibited TxDMV from adopting and charging fees for the disclosure of personal information but would not have denied the disclosure of such information. | TADA remained neutral on this legislation. | HB 2173 was heard in House Transportation on March 30, but no further action was taken. |

COMMERCIAL TRUCKING LITIGATION REFORM

| SB 17/HB 19 (Taylor/Leach) Commercial Trucking Litigation Reform | Legislation will balance commercial vehicle collision litigation by clarifying the rules for how to litigate commercial vehicle lawsuits. This will ensure juries have the facts necessary to award fair compensation to Texans injured by a defendant's negligence while ensuring the litigation playing field is level for all players. | TADA was supportive of HB 19 in the House Judiciary and Civil Jurisprudence Committee. | HB 19 was signed into law by Governor Abbott on June 16 and becomes effective Sept. 1. |
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| SB 207/HB 1617 (Schwertner/Bonnen) Commercial Trucking Litigation Reform (medical expenses) | Legislation, as introduced, was intended to ensure that the recovery of medical or health care expense incurred is limited to the amount paid or incurred by or on behalf of the claimant. | TADA supported this effort. | During the legislative process, the Texas Supreme Court announced its decision to fix the concerns addressed in SB 207. The authors of the legislation opted to no longer pursue passage of the bill. |

TEXAS EMISSIONS REDUCTION PROGRAM (TERP)

| HB 4472 (Landgraf/Birdwell) TERP Fund | Legislation will expand projects eligible for funding under TERP and specifies that at least 35% of TERP revenues shall be transferred to the State Highway Fund for us by TxDOT on projects that reduce congestion and improve air quality. | TADA monitors legislation related to TERP very closely for any potential changes to the electric vehicle incentive program. | HB 4472 was signed into law by Governor Abbott on June 18 and becomes effective Sept. 1. |
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| HB 2577 (Kuempel) Light-Duty Motor Vehicle Eligibility | Legislation, as introduced, would have included electric motorcycles in the electric vehicle \$2,500 incentive program and required that recipients of the \$2,500 incentive give \$750 back to the Comptroller for the state highway fund. | HB 1649 was amended on the House floor to remove the \$750 for the state highway fund and lowered the incentive amount to \$1,250. | HB 2577 passed out of the House on May 6 but was never referred to Senate committee. |

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TEXAS EMISSIONS REDUCTION PROGRAM (TERP)

| HB 2361 (Landgraf/Birdwell) New Technology | Legislation will move money allocations to the new technology implementation grant program from the clean fleet programs, | TADA monitored this legislation throughout the process but remained neutral. | HB 2361 was signed into law by Governor Abbott on June 15 and becomes effective Sept. 1. |
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| Implementation Grant Program | focusing on using the new money to reduce flaring emissions. | | |

ELECTRIFICATION/ELECTRIC VEHICLE CHARGING STATIONS

| HB 2221 (Canales) Electrification | Legislation, as introduced, would have established a framework for the electrification of transportation in Texas. | TADA successfully removed language that would have made the electric vehicle incentive program seller-based versus the current buyer-based structure. | HB 2221 was sent to House Calendars on April 29, but no further action was taken. |
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| SB 839 (Schwertner/Huberty) EV Charging Stations | Legislation, as introduced, would have given TDLR the authority over the regulation of electric vehicle supply equipment. | TADA and Group 1 Automotive worked to ensure a floor amendment would be offered to specify that businesses providing free charging for their customers and employees would be exempt from coverage under this bill. | SB 839 was placed on the House General State Calendar on May 25 but was not heard before the midnight deadline to hear Senate bills. |

LICENSE PLATES

| SB 490/HB 1105 (Paxton/Paddie) Digital License Plate | Legislation, as introduced, would have allowed digital license plates on passenger vehicles. | TADA remained neutral on this legislation. | HB 1105 passed the House on April 15 and was referred to in the Senate on April 19, but neither HB 1105 nor SB 490 received a hearing in Senate Transportation. The digital license plate language was later added to SB 1816 as an amendment, but SB 1816 didn't pass. |
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| HB 1199 (Metcalf) One License Plate | Legislation, as introduced, would have required TxDMV to issue one license plate, rather than a set of two plates, for a passenger car or light-duty truck. | TADA supported HB 1199 in House Transportation. | HB 1199 was heard in the House Transportation on March 23, but no further action was taken. |
| HB 502 (Wu) One License Plate | Legislation, as introduced, would have authorized a motor vehicle to display only a rear license plate if the applicant for the vehicle's registration pays an annual fee of \$50. | TADA monitored this legislation but remained neutral. | HB 502 was referred to House Transportation on March 1, but no further action was taken. |
| SB 2012 (L. Taylor) One License Plate | Legislation, as introduced, would have provided an exemption to the two-license plate requirement for vehicles lacking a dedicated area on the front bumper because a manufacturer failed to provide a location on the vehicle for placement of a front license plate. | TADA monitored this legislation but remained neutral. | SB 2012 passed the Senate on April 29 and was referred to House Transportation on May 4, but no further action was taken. |