

By: Martinez

H.B. No. 3531

A BILL TO BE ENTITLED

AN ACT

relating to motor vehicle titles, registration, and license plates.

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

SECTION 1. The heading to Subchapter B, Chapter 501, Transportation Code, is amended to read as follows:

SUBCHAPTER B. [~~CERTIFICATE OF~~] TITLE REQUIREMENTS

SECTION 2. Section 501.0234(b), Transportation Code, is amended to read as follows:

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the title has been surrendered in exchange for:

(A) a salvage vehicle title [~~or salvage record of title~~] issued under this chapter;

(B) a nonrepairable vehicle title [~~or nonrepairable vehicle record of title~~] issued under this chapter or a certificate of authority issued under Subchapter D, Chapter 683;

or

(C) an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B);

(3) with a gross weight in excess of 11,000 pounds; or

(4) purchased by a commercial fleet buyer who:

(A) is a deputy authorized by rules adopted under

1 Section 520.0071;

2 (B) utilizes the dealer title application
3 process developed to provide a method to submit title transactions
4 to the county in which the commercial fleet buyer is a deputy; and

5 (C) has authority to accept an application for
6 registration and application for title transfer that the county
7 assessor-collector may accept.

8 SECTION 3. Section 501.0276, Transportation Code, is
9 amended to read as follows:

10 Sec. 501.0276. DENIAL OF TITLE RECEIPT OR [~~7~~] TITLE [~~7~~ OR
11 ~~RECORD OF TITLE~~] FOR FAILURE TO PROVIDE PROOF OF EMISSIONS
12 TESTING. A county assessor-collector may not issue a title receipt
13 and the department may not issue a [~~certificate of~~] title for a
14 vehicle subject to Section 548.3011 unless proof that the vehicle
15 has passed a vehicle emissions test as required by that section, in
16 a manner authorized by that section, is presented to the county
17 assessor-collector with the application for a title.

18 SECTION 4. Section 501.0301(b), Transportation Code, is
19 amended to read as follows:

20 (b) A county assessor-collector may not issue a title
21 receipt and the department may not issue a [~~certificate of~~] title
22 for an off-highway vehicle purchased from a retailer located
23 outside this state and designated by the manufacturer as a model
24 year that is not more than one year before the year in which the
25 application for title is made unless the applicant for the title
26 delivers to the assessor-collector or the department, as
27 applicable, satisfactory evidence showing that the applicant:

1 (1) has paid to the comptroller the applicable use tax
2 imposed on the vehicle under Subchapter D, Chapter 151, Tax Code; or

3 (2) is not required to pay any taxes described by
4 Subdivision (1).

5 SECTION 5. The heading to Section 501.038, Transportation
6 Code, is amended to read as follows:

7 Sec. 501.038. [~~CERTIFICATE OF~~] TITLE FOR CUSTOM VEHICLE OR
8 STREET ROD.

9 SECTION 6. Section 501.038(b), Transportation Code, is
10 amended to read as follows:

11 (b) Notwithstanding any other provision of this chapter, if
12 the department issues a [~~certificate of~~] title for a custom vehicle
13 or street rod, the model year and make of the vehicle must be listed
14 on the [~~certificate of~~] title and must be the model year and make
15 that the body of the vehicle resembles. The [~~certificate of~~] title
16 must also include the word "replica."

17 SECTION 7. The heading to Subchapter C, Chapter 501,
18 Transportation Code, is amended to read as follows:

19 SUBCHAPTER C. REFUSAL TO ISSUE, REVOCATION, SUSPENSION, OR
20 ALTERATION OF TITLE [~~CERTIFICATE~~]

21 SECTION 8. Section 501.051, Transportation Code, is amended
22 by adding Subsection (d) to read as follows:

23 (d) The department shall place a hold on processing a title
24 application for a motor vehicle if the department receives a
25 request for a hold accompanied by evidence of a lawsuit regarding
26 ownership of or a lien interest in the motor vehicle. The hold
27 shall continue until the lawsuit is concluded or the party

1 requesting the hold requests the hold be removed.

2 SECTION 9. Section 501.052, Transportation Code, is amended
3 by amending Subsection (e) and adding Subsection (f) to read as
4 follows:

5 (e) An applicant aggrieved by the determination under
6 Subsection (d) may appeal only to the county or district court of
7 the county of the applicant's residence. An applicant must file an
8 appeal not later than the fifth day after receipt [~~the date~~] of the
9 assessor-collector's determination. The judge shall try the
10 appeal in the manner of other civil cases. All rights and
11 immunities granted in the trial of a civil case are available to the
12 interested parties. If the department's action is not sustained,
13 the department shall promptly issue a title for the vehicle.

14 (f) A person may not apply for a hearing under this section
15 if the department's decision under Section 501.051 is related to a
16 title for a salvage motor vehicle or a nonrepairable motor vehicle,
17 as defined by Section 501.091.

18 SECTION 10. Section 501.053, Transportation Code, is
19 amended by adding Subsection (f) to read as follows:

20 (f) A person may not obtain a title under this section for a
21 salvage motor vehicle or a nonrepairable motor vehicle, as defined
22 by Section 501.091.

23 SECTION 11. Section 501.074(a), Transportation Code, is
24 amended to read as follows:

25 (a) The department shall issue a new title for a motor
26 vehicle registered in this state for which the ownership is
27 transferred by operation of law or other involuntary divestiture of

1 ownership after receiving:

2 (1) a certified copy of an order appointing a
3 temporary administrator or of the probate proceedings;

4 (2) letters testamentary or letters of
5 administration;

6 (3) if administration of an estate is not necessary,
7 an affidavit showing that administration is not necessary,
8 identifying all heirs, and including a statement by the heirs of the
9 name in which the title [~~certificate~~] shall be issued;

10 (4) a court order; or

11 (5) the bill of sale from an officer making a judicial
12 sale.

13 SECTION 12. Section 501.091, Transportation Code, is
14 amended by adding Subdivision (1-a) and amending Subdivisions (10)
15 and (16) to read as follows:

16 (1-a) "Auction sales receipt" means a document
17 certifying the sale of a motor vehicle at auction by a law
18 enforcement agency or public sale for a lien foreclosure.

19 (10) "Nonrepairable vehicle title" means a
20 nonrepairable record of title or printed document issued by the
21 department that evidences ownership of a nonrepairable motor
22 vehicle.

23 (16) "Salvage vehicle title" means a salvage record of
24 title or printed document issued by the department that evidences
25 ownership of a salvage motor vehicle.

26 SECTION 13. The heading to Section 501.09111,
27 Transportation Code, is amended to read as follows:

1 Sec. 501.09111. RIGHTS AND LIMITATIONS OF NONREPAIRABLE
2 VEHICLE TITLE OR [~~, NONREPAIRABLE RECORD OF TITLE,~~] SALVAGE VEHICLE
3 TITLE [~~, OR SALVAGE RECORD OF TITLE~~].

4 SECTION 14. Section 501.09111(b), Transportation Code, is
5 amended to read as follows:

6 (b) A person who holds a nonrepairable vehicle [~~certificate~~
7 ~~of~~] title issued prior to September 1, 2003, is entitled to the
8 same rights listed in Subsection (a) and may repair, rebuild, or
9 reconstruct the motor vehicle.

10 SECTION 15. Sections 501.09112(b), (d), (e), and (f),
11 Transportation Code, are amended to read as follows:

12 (b) A nonrepairable vehicle title must clearly indicate
13 that the motor vehicle:

14 (1) may not be:

15 (A) issued a [~~regular~~] title;

16 (B) registered in this state; or

17 (C) repaired, rebuilt, or reconstructed; and

18 (2) may be used only as a source for used parts or
19 scrap metal.

20 (d) A salvage vehicle title [~~or a salvage record of title~~]
21 for a vehicle that is a salvage motor vehicle because of damage
22 caused exclusively by flood must bear a notation that the
23 department considers appropriate. If the title for a motor vehicle
24 reflects the notation required by this subsection, the owner may
25 sell, transfer, or release the motor vehicle only as provided by
26 this subchapter.

27 (e) An electronic application for a nonrepairable vehicle

1 title or [~~, nonrepairable record of title,~~] salvage vehicle title
2 [~~, or salvage record of title~~] must clearly advise the applicant of
3 the same provisions required on a printed title.

4 (f) A nonrepairable vehicle title or [~~, nonrepairable~~
5 ~~record of title,~~] salvage vehicle title [~~, or salvage record of~~
6 ~~title~~] in the department's electronic database must include
7 appropriate remarks so that the vehicle record clearly shows the
8 status of the vehicle.

9 SECTION 16. The heading to Section [501.0925](#), Transportation
10 Code, is amended to read as follows:

11 Sec. 501.0925. INSURANCE COMPANY NOT REQUIRED TO SURRENDER
12 EVIDENCE OF OWNERSHIP [~~CERTIFICATES OF TITLE~~] IN CERTAIN
13 SITUATIONS.

14 SECTION 17. Sections [501.0925](#)(a), (b), (c), (d), and (f),
15 Transportation Code, are amended to read as follows:

16 (a) An insurance company that acquires, through payment of a
17 claim, ownership or possession of a motor vehicle covered by a
18 [~~certificate of~~] title or a manufacturer's certificate of origin
19 that the company is unable to obtain may obtain from the department
20 not earlier than the 30th day after the date of payment of the
21 claim:

22 (1) a salvage vehicle title for a salvage motor
23 vehicle;

24 (2) a nonrepairable vehicle title for a nonrepairable
25 motor vehicle; or

26 (3) a [~~regular certificate of~~] title for a motor
27 vehicle other than a salvage motor vehicle or a nonrepairable motor

1 vehicle.

2 (b) An application for a title under Subsection (a) must be
3 ~~[submitted to the department]~~ on a form prescribed by the
4 department and include:

5 (1) a statement that the insurance company has
6 provided at least two written notices attempting to obtain the
7 evidence of ownership ~~[certificate of title]~~ for the motor vehicle;
8 and

9 (2) evidence acceptable to the department that the
10 insurance company has made payment of a claim involving the motor
11 vehicle.

12 (c) An insurance company that acquires, through payment of a
13 claim, ownership or possession of a motor vehicle covered by a
14 ~~[certificate of]~~ title or a manufacturer's certificate of origin
15 for which the company is unable to obtain proper assignment of the
16 title or manufacturer's certificate of origin ~~[certificate]~~ may
17 obtain from the department not earlier than the 30th day after the
18 date of payment of the claim:

19 (1) a salvage vehicle title for a salvage motor
20 vehicle;

21 (2) a nonrepairable vehicle title for a nonrepairable
22 motor vehicle; or

23 (3) a ~~[regular certificate of]~~ title for a motor
24 vehicle other than a salvage motor vehicle or a nonrepairable motor
25 vehicle.

26 (d) An application for a title under Subsection (c) must be
27 ~~[submitted to the department]~~ on a form prescribed by the

1 department and include:

2 (1) a statement that the insurance company has
3 provided at least two written notices attempting to obtain a proper
4 assignment of the evidence of ownership [~~certificate of title~~]; and

5 (2) the evidence of ownership [~~certificate of title~~].

6 (f) An insurance company that acquires, through payment of a
7 claim, ownership or possession of a motor vehicle, salvage motor
8 vehicle, or nonrepairable motor vehicle covered by an out-of-state
9 title or out-of-state ownership document may obtain from the
10 department a title, salvage vehicle title, or nonrepairable vehicle
11 title, as appropriate, if:

12 (1) the motor vehicle was damaged, stolen, or
13 recovered in this state;

14 (2) the motor vehicle owner from whom the company
15 acquired ownership resides in this state; or

16 (3) otherwise allowed by department rule.

17 SECTION 18. Sections 501.097(a) and (c-1), Transportation
18 Code, are amended to read as follows:

19 (a) An application for a nonrepairable vehicle title or [~~7~~
20 ~~nonrepairable record of title~~], salvage vehicle title [~~7~~ ~~or salvage~~
21 ~~record of title~~] must:

22 (1) be made in a manner prescribed by the department
23 and accompanied by a \$8 application fee;

24 (2) include, in addition to any other information
25 required by the department:

26 (A) the name and current address of the owner;

27 and

1 (B) a description of the motor vehicle, including
2 the make, style of body, model year, and vehicle identification
3 number; and

4 (3) include the name and address of:

5 (A) any currently recorded lienholder, if the
6 motor vehicle is a nonrepairable motor vehicle; or

7 (B) any currently recorded lienholder or a new
8 lienholder, if the motor vehicle is a salvage motor vehicle.

9 (c-1) The department's titling system must include a remark
10 that clearly identifies the vehicle as a salvage motor vehicle or
11 nonrepairable motor vehicle.

12 SECTION 19. The heading to Section 501.100, Transportation
13 Code, is amended to read as follows:

14 Sec. 501.100. APPLICATION FOR [~~REGULAR CERTIFICATE OF~~]
15 TITLE FOR SALVAGE VEHICLE.

16 SECTION 20. Sections 501.100(a) and (f), Transportation
17 Code, are amended to read as follows:

18 (a) The owner of a motor vehicle for which a nonrepairable
19 vehicle title issued prior to September 1, 2003, [~~or~~] for which a
20 salvage vehicle title [~~or salvage record of title~~] has been issued,
21 or for which a comparable out-of-state ownership document for a
22 salvage motor vehicle has been issued may apply for a title under
23 Section 501.023 after the motor vehicle has been repaired, rebuilt,
24 or reconstructed and, in addition to any other requirement of law,
25 only if the application:

26 (1) describes each major component part used to
27 repair, rebuild, or reconstruct the motor vehicle;

1 (2) states the name of each person from whom the parts
2 used in repairing, rebuilding, or reconstructing [~~assembling~~] the
3 vehicle were obtained; and

4 (3) shows the identification number required by
5 federal law to be affixed to or inscribed on the part.

6 (f) The department may not issue a [~~regular~~] title for a
7 motor vehicle based on a:

8 (1) nonrepairable vehicle title issued on or after
9 September 1, 2003, or comparable out-of-state ownership document or
10 record, or evidence of a notation described by Section
11 501.09113(a)(2) on an out-of-state ownership document or record in
12 the National Motor Vehicle Title Information System;

13 (2) receipt issued under Section 501.1003(b); or

14 (3) certificate of authority issued under Chapter 683.

15 SECTION 21. Sections 501.1001(b), (c), and (d),
16 Transportation Code, are amended to read as follows:

17 (b) For a salvage motor vehicle, the insurance company shall
18 apply for a salvage vehicle title [~~or salvage record of~~
19 ~~title~~]. For a nonrepairable motor vehicle, the insurance company
20 shall apply for a nonrepairable vehicle title [~~or nonrepairable~~
21 ~~record of title~~].

22 (c) An insurance company or other person who acquires
23 ownership of a motor vehicle other than a nonrepairable motor
24 vehicle or salvage motor vehicle may voluntarily and on proper
25 application obtain a salvage vehicle title or [~~salvage record of~~
26 ~~title,~~] nonrepairable vehicle title [~~or nonrepairable record of~~
27 ~~title~~] for the vehicle.

1 (d) This subsection applies only to a motor vehicle in this
2 state that is a self-insured motor vehicle and that is damaged to
3 the extent it becomes a nonrepairable motor vehicle or salvage
4 motor vehicle. The owner of a motor vehicle to which this
5 subsection applies shall submit to the department before the 31st
6 business day after the date of the damage, in a manner prescribed by
7 the department, a statement that the motor vehicle was self-insured
8 and damaged. When the owner submits a report, the owner shall
9 surrender the ownership document and apply for a nonrepairable
10 vehicle title or [~~, nonrepairable record of title,~~] salvage vehicle
11 title [~~, or salvage record of title~~].

12 SECTION 22. Section 501.1002(b), Transportation Code, is
13 amended to read as follows:

14 (b) The owner of a salvage motor vehicle or nonrepairable
15 motor vehicle may not transfer ownership of the motor vehicle by
16 sale or otherwise unless the department has issued a salvage
17 vehicle title or [~~, salvage record of title,~~] nonrepairable vehicle
18 title [~~, or nonrepairable record of title~~] for the motor vehicle or
19 a comparable ownership document has been issued by another state or
20 jurisdiction for the motor vehicle in the name of the owner.

21 SECTION 23. Section 501.1003, Transportation Code, is
22 amended to read as follows:

23 Sec. 501.1003. SALVAGE VEHICLE DEALER RESPONSIBILITIES.

24 (a) If a salvage vehicle dealer acquires ownership of a
25 nonrepairable motor vehicle or salvage motor vehicle for the
26 purpose of dismantling, scrapping, or destroying the motor vehicle,
27 the dealer shall, before the 31st day after the date the dealer

1 acquires the motor vehicle, submit to the department a report
2 stating that the motor vehicle will be dismantled, scrapped, or
3 destroyed. The dealer shall:

4 (1) make the report in a manner prescribed by the
5 department; and

6 (2) submit with the report a properly assigned
7 manufacturer's certificate of origin, [~~regular certificate of~~
8 title, nonrepairable vehicle title, salvage vehicle title, auction
9 sales receipt, or comparable out-of-state ownership document for
10 the motor vehicle.

11 (b) After receiving the report and title, manufacturer's
12 certificate of origin, auction sales receipt, or document, the
13 department shall issue the salvage vehicle dealer a receipt for the
14 manufacturer's certificate of origin, [~~regular certificate of~~
15 title, nonrepairable vehicle title, salvage vehicle title, auction
16 sales receipt, or comparable out-of-state ownership document.

17 (c) The department shall adopt rules to notify the salvage
18 vehicle dealer if the vehicle was not issued a printed title, but
19 has a record of title in the department's titling system.

20 SECTION 24. Section 501.107(b), Transportation Code, is
21 amended to read as follows:

22 (b) A metal recycler shall submit to the department the
23 properly assigned manufacturer's certificate of origin, [~~regular~~
24 ~~certificate of~~] title, nonrepairable vehicle title, salvage
25 vehicle title, or comparable out-of-state ownership document that
26 the person receives in conjunction with the purchase of a motor
27 vehicle not later than the 60th day after the date the metal

1 recycler receives the title or out-of-state ownership document.

2 SECTION 25. Section 501.109(c), Transportation Code, is
3 amended to read as follows:

4 (c) A person commits an offense if the person knowingly
5 fails or refuses to surrender a [~~regular certificate of~~] title
6 after the person:

7 (1) receives a notice from an insurance company that
8 the motor vehicle is a nonrepairable motor vehicle or salvage motor
9 vehicle; or

10 (2) knows the vehicle has become a nonrepairable motor
11 vehicle or salvage motor vehicle under Section 501.1001.

12 SECTION 26. Section 501.110(b), Transportation Code, is
13 amended to read as follows:

14 (b) The department, an agent, officer, or employee of the
15 department, or another person enforcing this subchapter is not
16 liable to a person damaged or injured by an act or omission relating
17 to the issuance or revocation of a title, nonrepairable vehicle
18 title, or [~~nonrepairable record of title,~~] salvage vehicle title [~~7~~
19 ~~or salvage record of title~~] under this subchapter.

20 SECTION 27. Section 501.152(a), Transportation Code, is
21 amended to read as follows:

22 (a) Except as provided by this section, a person commits an
23 offense if the person:

24 (1) sells, offers to sell, or offers as security for an
25 obligation a motor vehicle registered in this state; and

26 (2) does not possess or have electronic access to the
27 title receipt or [~~certificate of~~] title for the vehicle.

1 SECTION 28. Section 502.094, Transportation Code, is
2 amended by adding Subsection (i) to read as follows:

3 (i) A permit issued under this section must be carried in
4 the vehicle, or, if the vehicle is a trailer or semitrailer, in the
5 motor vehicle pulling the trailer or semitrailer, at all times
6 during the period in which the permit is valid, including when the
7 vehicle is being operated.

8 SECTION 29. Section 502.095(f), Transportation Code, is
9 amended to read as follows:

10 (f) A registration receipt shall be carried in the vehicle
11 at all times during the period in which it is valid. The permit
12 ~~[temporary tag]~~ must contain all pertinent information required by
13 this section and must be attached to the vehicle in the license
14 plate display area located at the rear of the vehicle, so that the
15 entire permit is visible and legible at all times, including when
16 the vehicle is being operated. If the vehicle does not have a
17 license plate display area at the rear of the vehicle, the permit
18 ~~[displayed in the rear window of the vehicle so that the tag is~~
19 ~~clearly visible and legible when viewed from the rear of the~~
20 ~~vehicle. If the vehicle does not have a rear window, the temporary~~
21 ~~tag]~~ must be attached to ~~[on or carried in]~~ the vehicle to allow
22 ready inspection. The registration receipt must be carried, in a
23 manner prescribed by the department, in the vehicle at all times
24 during the period in which it is valid.

25 SECTION 30. Sections 502.401(c) and (d), Transportation
26 Code, are amended to read as follows:

27 (c) A fee imposed under this section may be collected for

1 vehicles with a registration expiration month in the year in which
2 the fee takes effect [~~take effect only on January 1 of a year~~]. The
3 county must [~~adopt the order and~~] notify the department of the
4 adoption of the order not later than the 120th day before the date
5 [~~September 1 of the year preceding the year in which~~] the fee takes
6 effect.

7 (d) A fee imposed under this section may be removed. The
8 removal may take effect only for vehicles with a registration
9 expiration month in the year in which the removal takes effect [~~on~~
10 ~~January 1 of a year~~]. A county may remove the fee only by:

- 11 (1) rescinding the order imposing the fee; and
12 (2) notifying the department not later than the 120th
13 day before the date [~~September 1 of the year preceding the year in~~
14 ~~which~~] the removal takes effect.

15 SECTION 31. Section 502.474, Transportation Code, is
16 amended to read as follows:

17 Sec. 502.474. OPERATION OF ONE-TRIP PERMIT VEHICLE. A
18 person commits an offense if the person operates a vehicle for which
19 a one-trip permit is required without the registration receipt and
20 properly displayed permit [~~temporary tag~~].

21 SECTION 32. Section 504.202(e-1), Transportation Code, is
22 amended to read as follows:

23 (e-1) Other than license plates issued under Subsection
24 (h), license plates issued under this section may include, on
25 request, [+]

- 26 [~~(1) the emblem of the veteran's branch of service, or~~
27 [~~(2)~~] one emblem or design from another license plate

1 to which the person is entitled under Subchapter D [~~Section~~
2 ~~504.308, 504.309, 504.310(b), 504.311, 504.312, 504.313, 504.3135,~~
3 ~~504.314, 504.315, 504.316, 504.3161, 504.318, 504.319, 504.320,~~
4 ~~504.323, as added by Chapter 1085 (H.B. 3567), Acts of the 85th~~
5 ~~Legislature, Regular Session, 2017, or 504.325]~~.

6 SECTION 33. Section 504.3015(a), Transportation Code, is
7 amended to read as follows:

8 (a) A person applying for a set of license plates under this
9 subchapter shall pay the registration fee required under Chapter
10 502 and the applicable special plate fee required under this
11 section, except that one set of license plates shall be issued
12 without the payment of the registration fee under:

- 13 (1) Section 504.308;
14 (2) Section 504.310(b);
15 (3) Section 504.315, other than Subsections (c) and
16 (q) of that section; [~~and~~]
17 (4) Section 504.316; and
18 (5) Section 504.319.

19 SECTION 34. Section 504.943(b), Transportation Code, is
20 amended to read as follows:

21 (b) A person commits an offense if the person operates on a
22 public highway during a registration period a road tractor, truck
23 tractor, motorcycle, trailer, or semitrailer that does not display
24 a license plate that:

- 25 (1) has been assigned by the department for the
26 period; and
27 (2) complies with department rules regarding the

1 placement of license plates.

2 SECTION 35. Sections 504.654, 504.660, and 504.664,
3 Transportation Code, are repealed.

4 SECTION 36. To the extent of any conflict, this Act prevails
5 over another Act of the 87th Legislature, Regular Session, 2021,
6 relating to nonsubstantive additions to and corrections in enacted
7 codes.

8 SECTION 37. This Act takes effect September 1, 2021.