

By: Lujan

H.B. No. 1933

A BILL TO BE ENTITLED

AN ACT

relating to the process for rescinding or canceling a dealer's sale of a used motor vehicle.

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

SECTION 1. Subchapter C, Chapter 501, Transportation Code, is amended by adding Section 501.054 to read as follows:

Sec. 501.054. RESCISSION OR CANCELLATION OF USED MOTOR VEHICLE SALE. (a) The retail sale of a used motor vehicle by a dealer may be rescinded or canceled if the rescission or cancellation of the sale is acknowledged in a written rescission or cancellation agreement signed by the dealer and the buyer not later than the 30th day after the date of the sale.

(b) A dealer shall retain a rescission or cancellation agreement described by Subsection (a) with the sale records for the vehicle.

(c) If the sale of a used motor vehicle is rescinded or canceled under Subsection (a) before the dealer has submitted an application under Section 501.0234 or remitted any money to a county or the state in connection with the sale, the dealer:

(1) is not required to send any application or money to a county or the state in connection with the sale; and

(2) shall return any money that was paid to the dealer in connection with the sale to the person who paid the money to the dealer.

1 (d) If the sale of a used motor vehicle is rescinded or
2 canceled under Subsection (a) after the dealer has submitted an
3 application under Section 501.0234 or remitted money to a county or
4 the state in connection with the sale, the dealer:

5 (1) shall refund any money that was paid to the dealer
6 in connection with the sale to the person who paid the money to the
7 dealer; and

8 (2) may request a refund under Subsection (f).

9 (e) If the sale of a used motor vehicle is rescinded or
10 canceled under Subsection (a), the dealer may request a title for
11 resale purposes under Subsection (f).

12 (f) Not later than the 15th day after the date the
13 rescission or cancellation agreement described by Subsection (a) is
14 signed by all required parties, the dealer may submit to the county
15 assessor-collector to whom the application was submitted or money
16 was remitted:

17 (1) a form prescribed by the department certifying
18 that the dealer has refunded any money required under Subsection
19 (d);

20 (2) a copy of the rescission or cancellation
21 agreement;

22 (3) any certificate of title that was issued in
23 connection with the sale before the sale was rescinded or canceled
24 or a form prescribed by the department certifying that the title was
25 lost or destroyed; and

26 (4) a fee in the amount required under Section
27 501.138(a), regardless of whether the fee was paid for the

1 rescinded or canceled sale.

2 (g) Not later than the seventh day after the date the county
3 assessor-collector receives all the items described by Subsection
4 (f), the county assessor-collector shall, as applicable:

5 (1) refund to the dealer all money remitted by the
6 dealer to the county assessor-collector in connection with the
7 rescinded or canceled sale, except:

8 (A) any application fee paid under Section
9 501.138(a); and

10 (B) any registration processing and handling fee
11 paid under Section 502.1911; and

12 (2) issue a title to the dealer as described by Section
13 501.021 with:

14 (A) the dealer as the owner; and

15 (B) the odometer reading as recorded at the time
16 of the rescinded or canceled sale.

17 (h) A dealer may not offer for sale a vehicle that has been
18 subject to rescission or cancellation under this section and for
19 which a title was issued in connection with the rescinded or
20 canceled sale unless the dealer has received a title to the vehicle
21 under Subsection (g).

22 (i) The rescission or cancellation of the sale of a used
23 motor vehicle under this section does not affect the status of the
24 vehicle as having been subject to a previous retail sale.

25 SECTION 2. This Act takes effect September 1, 2023.