

By: Thompson of Brazoria

H.B. No. 3577

Substitute the following for H.B. No. 3577:

By: Canales

C.S.H.B. No. 3577

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance of title to a salvage pool operator for
3 certain motor vehicles.

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

5 SECTION 1. The heading to Section 501.0935, Transportation
6 Code, is amended to read as follows:

7 Sec. 501.0935. ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR;
8 INSURANCE COMPANIES.

9 SECTION 2. Subchapter E, Chapter 501, Transportation Code,
10 is amended by adding Section 501.094 to read as follows:

11 Sec. 501.094. ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR;
12 NONPROFIT ORGANIZATIONS. (a) In this section:

13 (1) "Nonprofit organization" means an organization
14 exempt from federal income taxation under Section 501(c)(3),
15 Internal Revenue Code of 1986, as amended.

16 (2) "Salvage pool operator" has the meaning assigned
17 by Section 2302.001, Occupations Code.

18 (b) This section applies only to a salvage pool operator
19 who, on request of a nonprofit organization, takes possession of a
20 motor vehicle that was donated to the nonprofit and the nonprofit:

21 (1) does not possess title to the motor vehicle; and

22 (2) does not otherwise take ownership of the motor
23 vehicle.

24 (c) A nonprofit organization described by Subsection (b)

1 shall notify the salvage pool operator of the disposition of the
2 motor vehicle and must include in the notice the name and address
3 of:

- 4 (1) the person who donated the motor vehicle;
- 5 (2) the previous owner of the motor vehicle; and
- 6 (3) any lienholder, if known.

7 (d) Before the 15th day after receiving notice under
8 Subsection (c), a salvage pool operator shall notify the owner of
9 the motor vehicle and any lienholder that:

10 (1) the owner or lienholder must remove the motor
11 vehicle from the salvage pool operator's possession at the location
12 specified in the notice to the owner and any lienholder not later
13 than the 60th day after the date the notice is mailed; and

14 (2) if the motor vehicle is not removed within the time
15 specified in the notice, the salvage pool operator will sell the
16 motor vehicle and retain the proceeds of the sale.

17 (e) A salvage pool operator shall provide subsequent notice
18 described by Subsection (d) to the owner of the motor vehicle and
19 any lienholder not later than the 30th and 45th day after receiving
20 notice under Subsection (c) if the motor vehicle was not removed
21 after the preceding notice.

22 (f) The notice required of a salvage pool operator under
23 this section must be sent by registered or certified mail, return
24 receipt requested.

25 (g) If a motor vehicle is not removed from a salvage pool
26 operator's possession before the 61st day after the date notice is
27 mailed to the motor vehicle's owner and any lienholder under

1 Subsection (d), the salvage pool operator may obtain from the
2 department:

3 (1) a salvage vehicle title for a salvage motor
4 vehicle; or

5 (2) a nonrepairable vehicle title for a nonrepairable
6 motor vehicle.

7 (h) An application for a title under Subsection (g) must:

8 (1) be submitted to the department on a form
9 prescribed by the department; and

10 (2) include evidence that the notice was mailed as
11 required by Subsections (d) and (e), as applicable, to the motor
12 vehicle owner and any lienholder.

13 (i) A title issued under this section must be issued in the
14 name of the salvage pool operator.

15 (j) The department shall issue the appropriate title to a
16 person authorized to apply for the title under this section if the
17 department determines that the application is complete and complies
18 with applicable law.

19 (k) On receipt of a title under this section for a motor
20 vehicle described by Subsection (b), the salvage pool operator may
21 sell the motor vehicle and retain the proceeds of the sale.

22 SECTION 3. This Act takes effect September 1, 2023.