

Amend CSHB 3588, by adding the following article to the bill, appropriately numbered, and renumbering existing articles accordingly:

ARTICLE _____. NONREPAIRABLE AND SALVAGE VEHICLES;

SALVAGE VEHICLE DEALERS

SECTION _____.01. Section 501.0234(b), Transportation Code, is amended to read as follows:

(b) This section does not apply to a 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 certificate of title has been surrendered in exchange for:

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

(B) a nonrepairable [~~motor~~] vehicle [~~certificate of~~] title issued under this chapter;

(C) a certificate of authority issued under Subchapter D, Chapter 683; or

(D) an ownership document issued by another state that is comparable to a document described by Paragraphs (A)-(C); or

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

SECTION _____.02. Subchapter E, Chapter 501, Transportation Code, is amended to read as follows:

SUBCHAPTER E. NONREPAIRABLE AND SALVAGE [~~MOTOR~~] VEHICLES

Sec. 501.091 [~~501.0911~~]. DEFINITIONS. [~~(a)~~] In this subchapter:

(1) [~~"Actual cash value" means the market value of a motor vehicle as determined:~~

[~~(A) from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or~~

[~~(B) if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied by the company in a uniform manner.~~

[~~(2) "Automobile recycler" means a person in the~~

~~business of dealing in salvage motor vehicles for the purpose of dismantling the vehicles to sell used parts or a person otherwise engaged in the business of acquiring, selling, or dealing in salvage parts for reuse or resale as parts. The term includes a dealer in used motor vehicle parts.~~

~~[(3)] "Casual sale" means the sale by a salvage vehicle dealer or an insurance company ~~[at auction]~~ of not more than five ~~[one]~~ nonrepairable vehicles ~~[motor vehicle]~~ or ~~[late model]~~ salvage vehicles ~~[motor vehicle]~~ to the same person during any 12-month period ~~[a calendar year]~~. The term does not include:~~

(A) a sale at auction to a salvage vehicle dealer; or

(B) the sale of an export-only vehicle to a person who is not a resident of the United States.

(2) "Damage" means sudden damage to a motor vehicle caused by the vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the vehicle.

(3) "Export-only vehicle" means a motor vehicle described by Section 501.099.

(4) "Insurance company" means:

(A) a person authorized to write automobile insurance in this state; or

(B) an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

(5) "Late model motor vehicle" means a motor vehicle with the same model year as the current calendar year or one of the seven ~~[five]~~ calendar years preceding that calendar year.

~~(6) ["Late model salvage motor vehicle" or "salvage motor vehicle" means a late model motor vehicle, other than a late model vehicle that is a nonrepairable motor vehicle, that is damaged to the extent that the total estimated cost of repairs, other than repairs related to hail damage but including parts and labor, is equal to or greater than an amount equal to 75 percent of the actual cash value of the vehicle in its predamaged condition.~~

~~[(7)] "Major component part" means one of the~~

following parts of a motor vehicle:

- (A) the engine;
- (B) the transmission;
- (C) the frame;
- (D) a [~~the right or left front~~] fender;
- (E) the hood;
- (F) a door allowing entrance to or egress from the passenger compartment of the vehicle;
- (G) a [~~the front or rear~~] bumper;
- (H) a [~~the right or left~~] quarter panel;
- (I) a [~~the~~] deck lid, tailgate, or hatchback;
- (J) the cargo box of a one-ton or smaller truck, including a pickup truck;
- (K) the cab of a truck; [~~or~~]
- (L) the body of a passenger vehicle; or
- (M) the roof or floor pan of a passenger vehicle, if separate from the body of the vehicle.

(7) "Metal recycler" means a person who:

(A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(8) "Motor vehicle" has the meaning assigned by Section 541.201.

(9) [~~(8)~~] "Nonrepairable [~~motor~~] vehicle" means a late model motor vehicle that:

(A) is damaged [~~or missing a major component part~~] to the extent that the total estimated cost of repairs, other than repairs related to hail damage but [~~to rebuild or reconstruct the vehicle,~~] including parts and labor [~~other than the costs of materials and labor for repainting the vehicle and excluding sales taxes on the total cost of the repairs, and excluding the cost of repairs to repair hail damage~~], is equal to or greater than an amount equal to 95 percent of the actual cash value of the vehicle in its predamaged condition; or

(B) is damaged and came into this state under an out-of-state nonrepairable vehicle certificate of title or similar out-of-state ownership document that states on its face "dismantle only," "parts only," "junked," "scrapped," or a similar notation.

(10) [~~(9)~~] "Nonrepairable [~~motor~~] vehicle [~~certificate of~~] title" means a document issued by the department that evidences ownership of a nonrepairable [~~motor~~] vehicle.

~~[(10) "Older model motor vehicle" means a motor vehicle that was manufactured in a model year before the sixth preceding model year, including the current model year.]~~

~~(11) ["Other negotiable evidence of ownership" means a document other than a Texas certificate of title or a salvage certificate of title that relates to a motor vehicle that the department considers sufficient to support issuance of a Texas certificate of title for the vehicle.]~~

~~[(12)] "Out-of-state buyer" means a person licensed under Section 2302.1075, Occupations Code [~~in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles or nonrepairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction~~].~~

(12) "Out-of-state ownership document" means a negotiable document issued by another state or jurisdiction that the department considers sufficient to prove ownership of a nonrepairable vehicle or salvage vehicle and to support the

issuance of a comparable Texas certificate of title for the vehicle. The term does not include a title issued by the department, including a regular certificate of title, a nonrepairable vehicle title, a salvage vehicle title, or another ownership document issued by the department.

(13) "Public highway" has the meaning assigned by Section 502.001.

(14) [~~(13)~~] "Rebuilder" means a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway [highways], three [five] or more [late model] salvage [motor] vehicles in any 12-month period.

(15) "Salvage vehicle":

(A) means a motor vehicle that:

(i) is damaged to the extent that the cost of repair exceeds the fair market value of the vehicle immediately before the damage;

(ii) is damaged to the extent that the cost of the repair plus the salvage value of the vehicle in its damaged condition is approximately equal to or exceeds the fair market value of the vehicle in repaired or restored condition; or

(iii) is damaged and that comes into this state under an out-of-state salvage motor vehicle certificate of title or similar out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation; and

(B) does not include an out-of-state vehicle with a "rebuilt," "salvage," or similar notation, a nonrepairable motor vehicle, or a motor vehicle for which an insurance company has paid a total loss claim for:

(i) the cost of repairing hail damage; or

(ii) theft, unless the vehicle was damaged during the theft and before recovery to the extent described by Paragraph (A)(i) or (ii).

(16) [~~(14)~~] "Salvage [motor] vehicle [certificate of] title" means a [any] document issued by the department that evidences ownership of a salvage [motor] vehicle.

(17) [~~(15)~~] "Salvage vehicle dealer" means a person

engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable vehicles, salvage vehicles, or used parts and required to hold a license issued by the department that allows the person to deal in nonrepairable or salvage vehicles or used parts. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage vehicles in the same 12-month period. The term includes a person engaged in the business of:

(A) a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in that business;

(B) dealing in nonrepairable vehicles or salvage vehicles, regardless of whether the person deals in used parts; or

(C) dealing in used parts regardless of whether the person deals in nonrepairable vehicles or salvage vehicles [~~has the meaning assigned by Section 1.01, Article 6687-1a, Revised Statutes~~].

(18) "Self-insured fleet vehicle" means a motor vehicle for which the department has issued a regular certificate of title, is self-insured by the owner, and is owned and operated by a business or governmental entity, without regard to the number of vehicles in the fleet. The term does not include a vehicle that is operated by an individual for private transportation and is self-insured by the owner or insured by an insurance company.

(19) "Used part" means a part that is salvaged, dismantled, or removed from a motor vehicle for resale as is or as repaired. The term includes a major component part but does not include a rebuildable or rebuilt core, including an engine, block, crankshaft, transmission, or other core part that is acquired, possessed, or transferred in the ordinary course of business.

~~[(b) For purposes of this subchapter:~~

~~[(1) the estimated cost of repair parts shall be determined by using a manual of repair costs or other instrument that is generally recognized and commonly used in the motor vehicle insurance industry to determine those costs or an estimate of the actual cost of the repair parts; and~~

~~[(2) the estimated labor costs shall be computed by using the hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.]~~

Sec. 501.092 [~~501.0912~~]. INSURANCE COMPANY TO SURRENDER CERTIFICATES OF TITLE TO CERTAIN [~~LATE MODEL~~] SALVAGE [~~MOTOR~~] VEHICLES OR NONREPAIRABLE VEHICLES. (a) An insurance company that is licensed to conduct business in this state and that acquires, through payment of a total loss claim, ownership or possession of a [~~late model~~] salvage [~~motor~~] vehicle or nonrepairable vehicle covered by a certificate of title issued by this state [~~through payment of a claim~~] shall surrender a properly assigned certificate of title to the department, on a form prescribed by the department, except that not earlier than the 46th day after the date of payment of the claim the insurance company may surrender a certificate of title, on a form prescribed by the department, and receive a salvage certificate of title or a nonrepairable certificate of title without obtaining a properly assigned certificate of title if the insurance company:

(1) has obtained the release of all liens on the vehicle;

(2) is unable to locate one or more owners of the vehicle; and

(3) has provided notice to the last known address in the department's records to each owner that has not been located:

(A) by registered or certified mail, return receipt requested; or

(B) if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent.

(b) For a salvage vehicle [~~described by Section 501.0911(6) but not by Section 501.0911(8)~~], the insurance company shall apply for a salvage [~~motor~~] vehicle certificate of title. For a nonrepairable vehicle [~~described by Section 501.0911(8)~~], the insurance company shall apply for a nonrepairable [~~motor~~] vehicle certificate of title.

(c) An insurance company may not sell a [~~late model salvage~~

~~motor~~] vehicle to which this section applies unless the department has issued a salvage ~~[motor]~~ vehicle certificate of title or a nonrepairable ~~[motor]~~ vehicle certificate of title for the vehicle or a comparable ownership document has been issued by another state or jurisdiction for the vehicle.

(d) An insurance company may sell a ~~[late model salvage motor]~~ vehicle to which this section applies, or assign a salvage ~~[motor]~~ vehicle certificate of title or a nonrepairable ~~[motor]~~ vehicle certificate of title for the vehicle, only to a salvage vehicle dealer, an out-of-state buyer, a buyer in a casual sale at auction, or a metal recycler ~~[person described by Subsection (g), Article 6687-2b, Revised Statutes]~~. If the vehicle is not a ~~[late model]~~ salvage ~~[motor]~~ vehicle or a nonrepairable ~~[motor]~~ vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage ~~[motor]~~ vehicle certificate of title or a nonrepairable ~~[motor]~~ vehicle certificate of title for the vehicle.

Sec. 501.093 ~~[501.0915]~~. INSURANCE COMPANY ~~[TO SUBMIT]~~ REPORT ON CERTAIN VEHICLES ~~[TO DEPARTMENT]~~. (a) If an insurance company pays ~~[after payment of]~~ a total loss claim on a ~~[late model salvage motor vehicle or a]~~ nonrepairable vehicle or salvage ~~[motor]~~ vehicle and the ~~[an]~~ insurance company does not acquire ownership of the vehicle, the insurance company shall submit to the department, before the 31st day after the date of the payment of the claim, on the form prescribed by the department, a report stating that the insurance company:

(1) ~~[the insurance company]~~ has paid a total loss claim on the vehicle; and

(2) ~~[the insurance company]~~ has not acquired ownership of the vehicle.

(b) The owner of a ~~[late model salvage motor]~~ vehicle to which this section applies may not transfer ownership of the vehicle ~~[by sale or otherwise unless the department has issued a salvage motor vehicle certificate of title or a nonrepairable motor vehicle certificate of title for the vehicle or a comparable ownership document has been issued by another state or jurisdiction for the vehicle]~~.

(c) Subsection (b) does not apply if:

(1) the department has issued a nonrepairable vehicle title or salvage vehicle title for the vehicle; or

(2) another state or jurisdiction has issued a comparable out-of-state ownership document for the vehicle.

Sec. 501.094. SELF-INSURED FLEET VEHICLE. (a) This section applies only to a vehicle in this state that is:

(1) a self-insured fleet vehicle;

(2) damaged to the extent it becomes a nonrepairable or salvage vehicle; and

(3) removed from normal fleet operation by the fleet owner.

(b) The fleet owner of a vehicle to which this section applies shall submit to the department before the 31st day after the date of the damage, on the form prescribed by the department, a report stating that the vehicle was self-insured, damaged, and was removed from normal fleet operation.

(c) When the fleet owner submits a report under Subsection (b), the fleet owner shall:

(1) surrender the regular certificate of title for the vehicle; and

(2) apply for a nonrepairable vehicle title or salvage vehicle title under this subchapter.

(d) The fleet owner of a vehicle to which this section applies may sell, transfer, or release the vehicle only to:

(1) a business or governmental entity described by Section 501.095(a); or

(2) a buyer at a casual sale.

(e) Subsection (d) does not apply if:

(1) the department has issued a nonrepairable vehicle title or salvage vehicle title for the vehicle; or

(2) another state or jurisdiction has issued a comparable out-of-state ownership document for the vehicle.

(f) A fleet owner shall make a reasonable effort to obtain a nonrepairable vehicle title or salvage vehicle title to a vehicle to which this section applies before selling, transferring, or releasing the vehicle.

(g) If a fleet owner sells, transfers, or releases a nonrepairable vehicle or salvage vehicle to a buyer at a casual sale without first obtaining a title under Subsection (c), the fleet owner shall:

(1) apply for a nonrepairable vehicle title or salvage vehicle title on behalf of the person who acquires the vehicle;

(2) obtain from that person a signed notice under Subsection (h);

(3) submit to the department, on the form prescribed by the department, a report stating that the fleet owner has:

(A) determined the vehicle to be a nonrepairable vehicle or salvage vehicle; and

(B) sold, transferred, or released the vehicle to another person before obtaining a nonrepairable vehicle title or salvage vehicle title; and

(4) submit to the department with the report required by Subdivision (3), a \$15 application fee, accompanied by the regular certificate of title stamped on its face "FLEET DAMAGED" in capital letters that:

(A) are red;

(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(C) do not prevent any other words on the title from being read or copied.

(h) If a fleet owner sells, transfers, or releases a nonrepairable vehicle or salvage vehicle to a buyer at a casual sale without first obtaining a nonrepairable vehicle title or salvage vehicle title, the owner shall obtain the signature of the person acquiring the vehicle on a printed notice of each substantial limitation on the vehicle under this subchapter, including that:

(1) the vehicle may not be operated on a public highway or sold without first surrendering the regular certificate of title;

(2) a nonrepairable vehicle may not be repaired, rebuilt, reconstructed, issued a regular certificate of title, or registered under Chapter 502; and

(3) in a 12-month period, the same person may not

repair, rebuild, or reconstruct more than two salvage vehicles:

(A) after a casual sale; and

(B) without obtaining a license as a salvage vehicle dealer.

(i) The department shall send the nonrepairable vehicle title or salvage vehicle title to the address of the person who acquired the vehicle shown on the title application.

Sec. 501.095 [~~501.0916~~]. SALE, TRANSFER, OR RELEASE OF NONREPAIRABLE VEHICLE OR [LATE MODEL] SALVAGE [OR NONREPAIRABLE MOTOR] VEHICLE. (a) If the department has not issued a nonrepairable vehicle title or salvage vehicle title for the vehicle and an out-of-state ownership document for the vehicle has not been issued by another state or jurisdiction, a business or governmental entity described by Subdivisions (1)-(3) [A person] may [not] sell, transfer, or release a [late model salvage motor vehicle or a] nonrepairable vehicle or salvage [motor] vehicle only to a person who is [other than]:

(1) a licensed [person who holds a] salvage vehicle dealer, metal recycler, or out-of-state buyer [license issued] under Chapter 2302, Occupations Code;

(2) an insurance company that has paid a total loss claim on [the former owner of] the vehicle; or

(3) a governmental entity[+]

~~[(4) an out-of-state buyer;~~

~~[(5) a buyer in a casual sale at auction; or~~

~~[(6) a person described by Section 2302.003, Occupations Code].~~

(b) If the department has issued a nonrepairable vehicle title or salvage vehicle title for the vehicle or another state or jurisdiction has issued a comparable out-of-state ownership document for the vehicle, a person may sell, transfer, or release a nonrepairable vehicle or salvage vehicle to any person [A person who sells, transfers, or releases a motor vehicle under Subsection (a) shall deliver a properly assigned certificate of title for the vehicle to the person to whom the motor vehicle is sold, transferred, or released. If the assigned certificate of title is not a salvage motor vehicle certificate of title, a nonrepairable

~~motor vehicle certificate of title, or a comparable ownership document issued by another state or jurisdiction, the purchaser shall, not later than the 10th day after the date the purchaser receives the certificate of title:~~

~~[(1) surrender the certificate of title to the department, and~~

~~[(2) apply for a salvage motor vehicle certificate of title or a nonrepairable motor vehicle certificate of title for the vehicle, as appropriate].~~

(c) A business or governmental entity listed in Subsection (a) may sell, transfer, or release a nonrepairable vehicle or salvage vehicle to another person only if the other person is the owner or former owner of the vehicle, or a buyer in a casual sale, if the business or entity submits to the department before the 31st day after the date of the sale, transfer, or release, on the form prescribed by the department, a report stating that the vehicle was a nonrepairable vehicle or salvage vehicle and the business or entity sold, transferred, or released the vehicle on a regular certificate of title to the owner, former owner, or buyer at a casual sale ~~[A salvage vehicle dealer that acquires ownership of a late model salvage motor vehicle or a nonrepairable motor vehicle for the purpose of dismantling, scrapping, or destroying the vehicle shall, before the 31st day after the date the dealer acquires the vehicle, submit to the department, on the form prescribed by the department, a report stating that the vehicle will be dismantled, scrapped, or destroyed, accompanied by a properly assigned regular certificate of title, salvage motor vehicle certificate of title, nonrepairable motor vehicle certificate of title, or comparable ownership document issued by another state or jurisdiction for the vehicle].~~

(d) If a nonrepairable vehicle title or a salvage vehicle title has not been issued for the vehicle, a business or governmental entity that submits a report under Subsection (c) shall:

(1) apply for a nonrepairable vehicle title or salvage vehicle title on behalf of the person who acquired the vehicle;

(2) obtain from the recipient a signed notice under

Subsection (e); and

(3) submit with the report:

(A) a \$15 application fee; and

(B) the regular certificate of title stamped on its face "CASUAL SALE" in capital letters that:

(i) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(ii) do not prevent any other words on the title from being read or copied [~~On receipt of the report and the certificate of title, the department shall issue the salvage vehicle dealer a receipt for the certificate of title, salvage motor vehicle certificate of title, nonrepairable motor vehicle certificate of title, or comparable ownership document issued by another state or jurisdiction~~].

(e) If a business or governmental entity described by Subsection (a) sells, transfers, or releases a nonrepairable vehicle or salvage vehicle under Subsection (c) without first obtaining a nonrepairable vehicle title or salvage vehicle title, the business or entity shall obtain the signature of the person who acquired the vehicle on a printed notice of each substantial limitation on the vehicle under this subchapter, including that:

(1) the vehicle may not be operated on a public highway or sold without first surrendering the regular certificate of title;

(2) a nonrepairable vehicle may not be repaired, rebuilt, reconstructed, issued a regular certificate of title, or registered under Chapter 502; and

(3) in a 12-month period the same person may not repair, rebuild, or reconstruct more than two salvage vehicles:

(A) after a casual sale; or

(B) without first obtaining a license as a salvage vehicle dealer [~~A salvage vehicle dealer who submits a report under Subsection (c) shall report to the department after the action is taken that the vehicle was dismantled, scrapped, or destroyed~~].

(f) The department shall send the nonrepairable vehicle title or salvage vehicle title to the address of the person who

acquired the vehicle shown on the title application.

Sec. 501.096. NONREPAIRABLE VEHICLE OR SALVAGE VEHICLE DISMANTLED, SCRAPPED, OR DESTROYED. (a) If a salvage vehicle dealer acquires ownership of a nonrepairable vehicle or salvage vehicle for the purpose of dismantling, scrapping, or destroying the vehicle, the dealer shall, before the 31st day after the date the dealer acquires the vehicle, submit to the department a report stating that the vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

(1) make the report on a form prescribed by the department; and

(2) submit with the report a properly assigned regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for the vehicle.

(b) After receiving the report and title or document, the department shall issue the salvage vehicle dealer a receipt for the regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document.

(c) The salvage vehicle dealer shall:

~~[Sec. 501.0917. SALVAGE VEHICLE DEALER TO SUBMIT REPORT TO DEPARTMENT. (a) A salvage vehicle dealer that acquires an older model vehicle for the purpose of dismantling, scrapping, or destroying the vehicle and that receives a properly assigned certificate of title for the vehicle shall, before the 31st day after the date the dealer acquires the vehicle:]~~

~~(1) [submit to the department, on the form prescribed by the department, a report stating that the vehicle will be dismantled, scrapped, or destroyed, accompanied by the properly assigned regular certificate of title, salvage motor vehicle certificate of title, nonrepairable motor vehicle certificate of title, or comparable ownership document issued by another state or jurisdiction for the vehicle; and~~

~~[(2)] keep on the business premises of the dealer, until the third anniversary of the date the report on the vehicle is submitted to the department, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed;~~

and

(2) [~~—~~

~~[(b) A salvage vehicle dealer that is required to submit a report under Subsection (a) shall]~~ present to the department, on the form prescribed by the department, evidence that the vehicle was dismantled, scrapped, or destroyed before the 61st day after the date the dealer completed the dismantling, scrapping, or destruction of the vehicle.

Sec. 501.097 [~~501.0920~~]. APPLICATION FOR NONREPAIRABLE VEHICLE TITLE OR SALVAGE [MOTOR] VEHICLE [~~CERTIFICATE OF~~] TITLE.

(a) An application for a [~~salvage motor vehicle certificate of title or a~~] nonrepairable vehicle title or salvage [~~motor~~] vehicle [~~certificate of~~] title must:

(1) be made on a form prescribed by the department and accompanied by a \$15 application fee [~~established by the department, not to exceed an amount that is sufficient, when added to other fees collected under this chapter, to recover the actual costs to the department of issuing the certificate~~]; [~~and~~]

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

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

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

and

(C) a statement describing whether the vehicle:

(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;

(ii) is a self-insured fleet vehicle under Section 501.094;

(iii) is an export-only vehicle under Section 501.099; or

(iv) was sold, transferred, or released to the owner or former owner of the vehicle, or a buyer at a casual sale; and

(3) include the name and address of any current lien holder [~~description of the damage to the vehicle,~~

~~[(D) the estimated cost of repairs to the~~

~~vehicle, including parts and labor, and~~

~~[(E) the predamaged actual cash value of the vehicle].~~

(b) On receipt of a complete application and the ~~[prescribed]~~ application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate ~~[a salvage motor vehicle certificate of]~~ title for the ~~[or a nonrepairable motor]~~ vehicle ~~[certificate of title, as appropriate].~~

(c) A nonrepairable ~~[motor]~~ vehicle ~~[certificate of]~~ title must state on its face that~~[, except as provided by Sections 501.0925 and 501.0927,]~~ the vehicle:

(1) may not be issued a regular certificate of title or registered in this state; and

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

Sec. 501.098 ~~[501.0921]~~. RIGHTS ~~[POSSESSION AND OPERATION]~~ OF HOLDER OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE ~~[MOTOR]~~ VEHICLE TITLE. (a) A person who holds a nonrepairable vehicle title for a vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, record a lien on, and sell, transfer, or release ownership of the vehicle or a used part from the vehicle;

(2) may not:

(A) operate or permit the operation of the vehicle on a public highway, in addition to any other requirement of law;

(B) repair, rebuild, or reconstruct the vehicle;
or

(C) register the vehicle.

(b) A person who holds a salvage ~~[motor]~~ vehicle ~~[certificate of]~~ title for a vehicle:

(1) is entitled to possess ~~[the vehicle, record a lien on the vehicle]~~, transport, dismantle, scrap, destroy, repair, rebuild, reconstruct, record a lien on ~~[the vehicle]~~, and sell, transfer, or release ownership of the vehicle or a used part from the vehicle; and ~~[+]~~

(2) [~~(b)~~ A vehicle for which a salvage motor vehicle certificate of title is the most current title] may not operate or permit the operation of the vehicle [~~be operated~~] on a public highway, in addition to any other requirement of law.

Sec. 501.099. SALE OF EXPORT-ONLY VEHICLES. (a) This section applies to a nonrepairable vehicle or a salvage vehicle that is offered for sale in this state.

(b) A person may purchase a nonrepairable vehicle or a salvage vehicle only if:

(1) the person purchases the vehicle from a licensed salvage vehicle dealer or a governmental entity;

(2) the vehicle has been issued a nonrepairable vehicle title or a salvage vehicle title; and

(3) the purchaser certifies to the seller on a form provided by the department that the purchaser will:

(A) remove the vehicle from the United States;
and

(B) not return the vehicle to any state of the United States as a vehicle titled or registered under its manufacturer's vehicle identification number.

(c) A salvage vehicle dealer or a governmental entity that sells a nonrepairable vehicle or a salvage vehicle to a person who is not a resident of the United States shall, before the sale of the vehicle, obtain a copy, photocopy, or other accurate reproduction of a valid identification card, identification certificate, or an equivalent document issued to the purchaser by the appropriate authority of the jurisdiction in which the purchaser resides that bears a photograph of the purchaser and is capable of being verified using identification standards adopted by the United States or the international community.

(d) The department by rule shall establish a list of identification documents that are valid under Subsection (c) and provide a copy of the list to each holder of a salvage vehicle dealer license and to each appropriate governmental entity.

(e) A salvage vehicle dealer or a governmental entity that sells a nonrepairable vehicle or a salvage vehicle to a person who is not a resident of the United States shall:

(1) stamp on the face of the title so as not to obscure any name, date, or mileage statement on the title the words "FOR EXPORT ONLY" in capital letters that are black; and

(2) stamp in each unused reassignment space on the back of the title the words "FOR EXPORT ONLY" and print the number of the dealer's salvage vehicle license or the name of the governmental entity, as applicable.

(f) The words "FOR EXPORT ONLY" required by Subsection (e) must be at least two inches wide and clearly legible.

(g) A salvage vehicle dealer or governmental entity who sells a nonrepairable vehicle or a salvage vehicle under this section to a person who is not a resident of the United States shall keep on the business premises of the dealer or entity until the third anniversary of the date of the sale:

(1) a copy of each document related to the sale of the vehicle; and

(2) a list of all vehicles sold under this section that contains:

(A) the date of the sale;

(B) the name of the purchaser;

(C) the name of the country that issued the identification document provided by the purchaser, as shown on the document; and

(D) the vehicle identification number.

(h) This section does not prevent a person from:

(1) exporting or importing a used part obtained from an export-only vehicle; or

(2) operating an export-only vehicle in this state under the reciprocal title and registration law of a country other than the United States.

Sec. 501.100 [~~501.0922~~]. APPLICATION FOR REGULAR CERTIFICATE OF TITLE FOR SALVAGE [~~MOTOR~~] VEHICLE. (a) A vehicle for which a salvage [~~motor~~] vehicle [~~certificate of~~] title has been issued may be issued a regular certificate of title [~~only~~] after the vehicle has been repaired, rebuilt, or reconstructed by a person described by Section 501.104(a) [application] and, in addition to any other requirement of law, only if the application is

accompanied by a separate form that:

(1) describes each major component part used to repair the vehicle; and

(2) shows the identification number required by federal law to be affixed to or inscribed on the part ~~[, and~~

~~[(2) is accompanied by a written statement signed by a specially trained commissioned officer of the Department of Public Safety certifying to the department that:~~

~~[(A) the vehicle identification numbers and parts identification numbers are accurate;~~

~~[(B) the applicant has proof that the applicant owns the parts used to repair the vehicle; and~~

~~[(C) the vehicle may be safely operated and complies with all applicable motor vehicle safety standards of this state].~~

(b) ~~[The Department of Public Safety may impose a fee, in an amount not to exceed the lesser of \$200 or the actual cost to that department, for conducting an inspection and providing the written statement required by Subsection (a).~~

~~[Sec. 501.0923. ISSUANCE OF CERTIFICATE OF TITLE FOR REBUILT SALVAGE MOTOR VEHICLE. (a)]~~ On receipt of a complete application under this section ~~[Section 501.0922,~~ accompanied by the \$15 ~~[peace officer's statement and the appropriate]~~ fee ~~[for the certificate of title]~~, the department shall issue the applicant a regular certificate of title for the vehicle.

(c) ~~[(b)]~~ A regular certificate of title issued under this section must:

(1) ~~[bear on its face the words "REBUILT SALVAGE", and~~
 ~~[(2)]~~ describe or disclose the vehicle's former condition in a manner reasonably understandable to a potential purchaser of the vehicle; and

(2) bear on its face the words "REBUILT SALVAGE" in capital letters that:

(A) are red;

(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(C) do not prevent any other words on the title

from being read or copied.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a \$65 rebuilder fee.

(e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit \$50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and \$15 to the credit of the general revenue fund.

(f) The department may not issue a regular certificate of title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.096(b);

(3) salvage certificate; or

(4) certificate of authority.

Sec. 501.101 [~~501.0924~~]. ISSUANCE OF [~~CERTIFICATE OF~~]
TITLE TO VEHICLE [~~CERTAIN VEHICLES~~] BROUGHT INTO STATE. (a) This section applies only to [~~On proper application by the owner of~~] a motor vehicle brought into this state from another state or jurisdiction that has on any certificate of title or comparable out-of-state ownership document issued by the other state or jurisdiction:

(1) a "rebuilt," "salvage," [~~"nonrepairable,"~~] or similar [~~analogous~~] notation; or

(2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," or similar notation.

(b) On receipt of a complete application from the owner of the vehicle, the department shall issue the applicant the appropriate [~~a~~] certificate of title [~~or other appropriate document~~] for the vehicle.

(c) [(b)] A certificate of title [~~or other appropriate document~~] issued under this section must show on its face:

(1) the date of issuance;

(2) the name and address of the owner;

(3) any registration number assigned to the vehicle;

and

(4) a description of the vehicle or other [~~as~~]

~~determined by the department, and~~

~~[(5) any]~~ notation the department considers necessary or appropriate.

Sec. 501.102 ~~[501.0926]~~. OFFENSES ~~[OFFENSE]~~. (a) A ~~[Except as provided by Section 501.0927, a]~~ person commits an offense if the person:

(1) applies to the department for a regular certificate of title for a motor vehicle; and

(2) knows or reasonably should know that:

(A) the vehicle is a nonrepairable ~~[motor]~~ vehicle that has been repaired, rebuilt, or reconstructed;

(B) the vehicle identification number assigned to the vehicle belongs to a nonrepairable vehicle that has been repaired, rebuilt, or reconstructed;

(C) the title issued to the vehicle belongs to a nonrepairable vehicle that has been repaired, rebuilt, or reconstructed;

(D) the vehicle identification number assigned to the vehicle belongs to an export-only vehicle; or

(E) the vehicle is an export-only vehicle.

(b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage vehicle in violation of this subchapter.

(c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the person:

(1) receives a total loss claim payment from an insurance company under Section 501.092 or 501.093; or

(2) knows the vehicle has become a nonrepairable vehicle or salvage vehicle under Section 501.094.

(d) Except as provided by Subsection (e), an offense under this section is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under this section that the defendant has been previously convicted of:

(1) one offense under this section, the offense is a Class B misdemeanor; or

(2) two or more offenses under this section, the

offense is a state jail felony.

Sec. 501.103 [~~501.0928~~]. COLOR OF NONREPAIRABLE VEHICLE TITLE OR [DEPARTMENT TO PRINT] SALVAGE [AND NONREPAIRABLE MOTOR] VEHICLE [CERTIFICATES OF] TITLE. (a) The department shall print a nonrepairable vehicle title:

(1) in a color that distinguishes it from a regular certificate of title or salvage vehicle title; and

(2) so that it clearly shows that it is the negotiable ownership document for a nonrepairable vehicle.

(b) A nonrepairable vehicle title must state on its face that the vehicle:

(1) may not be:

(A) issued a regular certificate of title;

(B) registered in this state; or

(C) repaired, rebuilt, or reconstructed; and

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

(c) The department shall print a salvage [~~motor~~] vehicle [~~certificates of~~] title:

(A) [~~and nonrepairable motor vehicle certificates of title~~] in a color that distinguishes it [~~them~~] from a regular certificate of title or nonrepairable vehicle [~~certificates of~~] title; and

(B) so that each document clearly shows that it is the ownership document for a [~~late model~~] salvage [~~motor~~] vehicle [~~or a nonrepairable motor vehicle~~].

[~~(d) (b) A nonrepairable motor vehicle certificate of title for a vehicle that is nonrepairable because of damage caused exclusively by flood must bear an appropriate notation on its face.~~

[~~(c)~~] A salvage [~~motor~~] vehicle [~~certificate of~~] title for a vehicle that is a salvage [~~motor~~] vehicle because of damage caused exclusively by flood must bear a [~~an appropriate~~] notation on its face that the department considers appropriate. If the title for a vehicle reflects the notation required by this subsection, the owner may sell, transfer, or release the vehicle only as provided by this subchapter.

(e) The department may provide a stamp to a person who is a

licensed salvage vehicle dealer under Chapter 2302, Occupations Code, to mark the face of a title under this subchapter. The department shall provide the stamp to the person for a fee in the amount determined by the department to be necessary for the department to recover the cost of providing the stamp.

Sec. 501.104 [~~501.0929~~]. REBUILDER TO POSSESS [~~CERTIFICATE OF~~] TITLE OR OTHER DOCUMENTATION. (a) This section applies only to:

- (1) a rebuilder licensed as a salvage vehicle dealer;
- (2) a person engaged in the business of a rebuilder, regardless of whether the person is licensed to engage in that business; or
- (3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) A person described by Subsection (a) [~~rebuilder~~] must possess:

(1) a regular certificate of title, [~~a salvage motor vehicle certificate of title, a] nonrepairable vehicle title, salvage [~~motor~~] vehicle [~~certificate of~~] title, or [~~a~~] comparable out-of-state ownership document [~~issued by another state or jurisdiction~~] for any [~~motor~~] vehicle that is:~~

- (A) owned by the person;
- (B) [~~(1)~~] in the person's [~~rebuilder's~~] inventory; and
- (C) [~~(2)~~] being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any vehicle that is:

- (A) owned by another person;
 - (B) on the person's business or casual premises;
- and

(C) being repaired, rebuilt, or reconstructed for the other person.

~~[(b) A person who rebuilds a late model salvage motor vehicle for which the department has issued a salvage motor vehicle certificate of title, or who assembles a late model salvage motor~~

~~vehicle from component parts, may apply to the department for a certificate of title for the vehicle. A certificate of title issued by the department under this subsection must bear the words "REBUILT SALVAGE."~~]

Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN CASUAL SALES. Each licensed salvage vehicle dealer or insurance company that sells a nonrepairable vehicle or a salvage vehicle at a casual sale shall keep on the business premises of the dealer or the insurance company a list of all casual sales made during the preceding 36-month period that contains:

- (1) the date of the sale;
- (2) the name of the purchaser;
- (3) the name of the jurisdiction that issued the identification document provided by the purchaser, as shown on the document; and
- (4) the vehicle identification number.

Sec. 501.106 [~~501.0930~~]. ENFORCEMENT OF SUBCHAPTER. (a) This subchapter shall be [~~exclusively~~] enforced by the department and [~~or~~] any other governmental or law enforcement entity, including the Department of Public Safety, and the [agency or its] personnel of the entity [~~, except~~] as provided by this subchapter.

(b) The department, [~~or~~] an agent, officer, or employee of the department, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance of a regular certificate of title, [~~salvage motor vehicle certificate of title, or~~] nonrepairable [~~motor~~] vehicle [~~certificate of~~] title, or salvage vehicle title under this subchapter.

Sec. 501.107 [~~501.0931~~]. APPLICABILITY OF SUBCHAPTER TO RECYCLER. (a) This subchapter does not apply to [~~, and does not preclude or prohibit~~] a sale to, purchase by, or other transaction by or with, a metal recycler [~~person described by Subsection (g), Article 6687-2b, Revised Statutes,~~] except as provided by Subsections (b) and (c).

(b) A metal recycler [~~person described by Subsection (g), Article 6687-2b, Revised Statutes,~~] shall submit to the department the regular certificate of title, nonrepairable vehicle title,

salvage vehicle title, or comparable out-of-state ownership [~~equivalent~~] document that the person receives in conjunction with the purchase of a motor vehicle not later than the 60th day after the date the metal recycler [~~person~~] receives the [~~certificate of~~] title or out-of-state ownership [~~equivalent~~] document.

(c) This subchapter applies to a transaction with a metal recycler [~~person described by Subsection (g), Article 6687-2b, Revised Statutes,~~] in which a motor vehicle:

(1) is sold or delivered to the metal recycler [~~person~~] for the purpose of reuse or resale as a motor vehicle or as a source of used [~~motor vehicle~~] parts; and

(2) [~~if the motor vehicle~~] is [~~so~~] used for that purpose.

~~[(d) This subchapter does not:~~

~~[(1) prohibit the owner of a late model salvage motor vehicle or a nonrepairable motor vehicle from selling the vehicle to any person, if the vehicle is so classified solely because of water damage caused by a flood; or~~

~~[(2) limit the ability or authority of an insurance company to adjust or settle a claim for loss on a motor vehicle.]~~

SECTION ____ .03. Section 2302.001, Occupations Code, is amended to read as follows:

Sec. 2302.001. DEFINITIONS. In this chapter:

(1) [~~"Actual cash value" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(2)]~~ "Casual sale," "damage," "insurance company," "major component part," "metal recycler," "motor vehicle," "nonrepairable vehicle," "nonrepairable vehicle title," "salvage vehicle," "salvage vehicle title," "salvage vehicle dealer," and "used part" have [~~has~~] the meanings [~~meaning~~] assigned by Section 501.091 [~~501.0911~~], Transportation Code.

(2) [~~(3)~~] "Commission" means the Texas Transportation Commission.

(3) [~~(4)~~] "Department" means the Texas Department of Transportation.

(4) [~~(5)~~] "Federal safety certificate" means the label or tag required under 49 U.S.C. Section 30115 that certifies

that a vehicle or equipment complies with applicable federal motor vehicle safety standards.

~~(5) [(6) "Late model motor vehicle" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(7) "Major component part" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(8) "Motor vehicle" has the meaning assigned by Section 541.201, Transportation Code.~~

~~[(9) "Nonrepairable motor vehicle certificate of title" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(10) "Out-of-state buyer" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(11) "Person" means an individual, partnership, corporation, trust, association, or other private legal entity.~~

~~[(12) "Salvage motor vehicle certificate of title" has the meaning assigned by Section 501.0911, Transportation Code.~~

~~[(13) "Salvage part" means a major component part of a salvage motor vehicle that is serviceable to the extent that it can be reused.~~

~~[(14)] "Salvage pool operator" means a person who engages in the business of selling nonrepairable [~~motor~~] vehicles or salvage [~~motor~~] vehicles at auction, including wholesale auction, or otherwise.~~

(6) [(15)] "Salvage vehicle agent" means a person who acquires, sells, or otherwise deals [employed by a salvage vehicle dealer to acquire, sell, or deal] in nonrepairable or salvage [~~motor~~] vehicles or used [salvage] parts in this state as directed by the salvage vehicle dealer under whose license the person operates. The term does not include a person who:

(A) is a licensed salvage vehicle dealer;

(B) is a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;

(C) is an employee of a licensed salvage vehicle dealer; or

(D) only transports salvage vehicles for a licensed salvage vehicle dealer.

~~[(16) "Salvage vehicle dealer" means a person licensed under this chapter who engages in the business of acquiring, selling, dismantling, repairing, or dealing in salvage motor vehicles or vehicle parts of a type required to be covered by a salvage motor vehicle certificate of title or nonrepairable motor vehicle certificate of title.]~~

SECTION ____ .04. Subchapter A, Chapter 2302, Occupations Code, is amended by adding Section 2302.0015 to read as follows:

Sec. 2302.0015. CONSENT TO ENTRY AND INSPECTION. (a) A person consents to an entry or inspection described by Subsection (b) by:

(1) accepting a license under this chapter; or
(2) engaging in a business or activity regulated under this chapter.

(b) For the purpose of enforcing or administering this chapter or Chapter 501 or 502, Transportation Code, a member of the commission, an employee or agent of the commission or department, a member of the Public Safety Commission, an officer of the Department of Public Safety, or a peace officer may at a reasonable time:

(1) enter the premises of a business regulated under one of those chapters; and

(2) inspect or copy any document, record, vehicle, part, or other item regulated under one of those chapters.

(c) A person described by Subsection (a):

(1) may not refuse or interfere with an entry or inspection under this section; and

(2) shall cooperate fully with a person conducting an inspection under this section to assist in the recovery of stolen vehicles and parts and to prevent the sale or transfer of stolen vehicles and parts.

(d) An entry or inspection occurs at a reasonable time for purposes of Subsection (b) if the entry or inspection occurs:

(1) during normal business hours of the person or activity regulated under this chapter; or

(2) while an activity regulated under this chapter is occurring on the premises.

SECTION ____ .05. Sections 2302.005, 2302.006, 2302.007, 2302.051, 2302.052, and 2302.101, Occupations Code, are amended to read as follows:

Sec. 2302.005. APPLICABILITY OF CERTAIN MUNICIPAL ORDINANCES, LICENSES, AND PERMITS. This chapter [~~Subchapters B-E~~]:

(1) is [~~are~~] in addition to any municipal ordinance relating to the regulation of a person who deals in nonrepairable or salvage [~~motor~~] vehicles or used parts; and

(2) does [~~do~~] not prohibit the enforcement of a requirement of a municipal license or permit that is related to an activity regulated under this chapter [~~those subchapters~~].

Sec. 2302.006. APPLICATION OF CHAPTER [~~SUBCHAPTERS B-E~~] TO METAL RECYCLERS. (a) Except as provided by Subsections [~~Subsection~~] (b) and (c), this chapter does [~~Subchapters B-E do~~] not apply to a transaction in which a metal recycler is a party.

(b) This chapter applies to [~~, other than~~] a transaction in which a motor vehicle:

(1) is sold, transferred, released, or delivered to a [~~the~~] metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used [~~motor vehicle~~] parts; and

(2) is used for that purpose.

(c) [(b)] Sections 2302.0015 and [~~Section~~] 2302.205 apply [~~applies~~] to a metal recycler.

~~[(c) Subchapter G does not apply to a sale or purchase by a metal recycler.]~~

Sec. 2302.007. APPLICATION OF CHAPTER [~~SUBCHAPTERS B-E~~] TO INSURANCE COMPANIES. This chapter does [~~Subchapters B-E do~~] not apply to an insurance company [~~authorized to engage in the business of insurance in this state~~].

Sec. 2302.051. RULES AND ENFORCEMENT POWERS. The commission shall adopt rules as necessary to administer this chapter [~~subchapter and Subchapters A and C-E~~] and may take other action as necessary to enforce this chapter [~~those subchapters~~].

Sec. 2302.052. DUTY TO SET FEES. The commission shall set application fees, license fees, renewal fees, and other fees as required to implement this chapter [~~Subchapters C-E~~]. The commission shall set the fees in amounts reasonable and necessary

to implement and enforce this chapter [~~those subchapters~~].

Sec. 2302.101. LICENSE REQUIRED FOR SALVAGE VEHICLE DEALER.
[~~(a) In this section, "automobile recycler" has the meaning assigned by Section 501.0911, Transportation Code.~~

[~~(b)~~] Unless a person holds a salvage vehicle dealer license issued under this chapter, the person may not:

(1) act as a salvage vehicle dealer or rebuilder [~~an automobile recycler~~]; or

(2) store or display a vehicle as an agent or escrow agent of an insurance company.

SECTION ____ .06. Section 2302.107(d), Occupations Code, is amended to read as follows:

(d) A salvage vehicle agent may acquire, sell, or otherwise deal in [~~late model salvage motor vehicles,~~] nonrepairable or salvage [~~motor~~] vehicles or used [~~, or salvage~~] parts as directed by the authorizing dealer.

SECTION ____ .07. Subchapter C, Chapter 2302, Occupations Code, is amended by adding Section 2302.1075 to read as follows:

Sec. 2302.1075. OUT-OF-STATE BUYER LICENSE. (a) A person who resides in another state or jurisdiction may not purchase a nonrepairable or salvage vehicle in this state unless the person holds an out-of-state buyer license issued by the department.

(b) The department shall issue an out-of-state buyer license to a person if:

(1) the person submits an application to the department, accompanied by a nonrefundable application fee; and

(2) the department determines that the applicant resides in another state or jurisdiction that permits a salvage vehicle dealer licensed under this chapter to purchase a nonrepairable or salvage vehicle in the person's state or jurisdiction.

(c) Notwithstanding Section 2302.052, the amount of the application fee for a license under this section is:

(1) \$50, if the other state or jurisdiction does not recognize such a license issued by this state and does not exempt the holder from securing a license issued by the other state or jurisdiction; or

(2) \$25 if the applicant certifies to the department that the applicant will purchase vehicles in this state only over the Internet.

(d) An applicant for a license under this section who resides in another state must submit a copy, photocopy, or other accurate reproduction of a license issued to the applicant by the appropriate licensing authority of the state in which the applicant resides allowing the applicant to:

(1) drive or operate a motor vehicle; and

(2) engage in an automotive business.

(e) An applicant for a license under this chapter who resides in a jurisdiction outside the United States must submit a copy, photocopy, or other accurate reproduction of:

(1) an identification card, certificate, or equivalent document issued to the applicant by the appropriate licensing authority of the jurisdiction in which the applicant resides that bears a photograph of the applicant and is capable of being verified using identification standards adopted by the United States; or

(2) an identification card, certificate, or equivalent document that bears a photograph of the applicant and is capable of being verified using identification standards adopted by the international community.

(f) Notwithstanding Section 2302.052 and Subchapter D, a license issued under this section expires on the first anniversary of the date of issuance and may be renewed annually by submitting an application for renewal of the license on or before the expiration date of the license accompanied by a fee in the amount required by Subsection (c) for filing an application for an original license.

SECTION ____ .08. Sections 2302.201, 2302.202, 2302.204, 2302.205, 2302.251, 2302.302, 2302.351, and 2302.353, Occupations Code, are amended to read as follows:

Sec. 2302.201. DUTIES ON ACQUISITION OF SALVAGE [~~MOTOR~~] VEHICLE. (a) A salvage vehicle dealer who acquires ownership of a salvage [~~motor~~] vehicle from an owner must receive from the owner an assigned [~~certificate of~~] title.

(b) The [~~If the assigned certificate of title is not a~~]

~~salvage motor vehicle certificate of title, a nonrepairable motor vehicle certificate of title, or a comparable ownership document issued by another state or jurisdiction, the] dealer shall comply with Subchapter E, Chapter 501 [~~Section 501.0916(b)~~], Transportation Code.~~

Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle dealer [~~license holder~~] shall maintain a record of each salvage [~~motor~~] vehicle and each used [~~salvage~~] part purchased or sold by the dealer [~~license holder~~].

Sec. 2302.204. CASUAL SALES. This chapter does [~~This subchapter and Subchapters B-D do~~] not apply to a person who purchases fewer than three [~~a~~] nonrepairable vehicles [~~motor vehicle~~] or salvage vehicles [~~motor vehicle~~] from a salvage vehicle dealer or salvage pool operator in a casual sale at auction, except that:

(1) the commission shall adopt rules as necessary to regulate casual sales by salvage vehicle dealers, insurance companies, or salvage pool operators and to enforce this section; and

(2) a salvage vehicle dealer, insurance company, or salvage pool operator who sells a vehicle in a casual sale shall comply with those rules and Subchapter E, Chapter 501, Transportation Code.

Sec. 2302.205. DUTY OF METAL RECYCLER. A metal recycler who purchases a motor vehicle shall submit a regular certificate of title or a nonrepairable or salvage vehicle [~~, not later than the 60th day after the date the recycler receives the certificate of~~] title or comparable out-of-state ownership [~~equivalent document in conjunction with the purchase, submit the certificate or~~] document to the department and comply with Subchapter E, Chapter 501, Transportation Code.

Sec. 2302.251. DEFINITIONS. In this subchapter:

(1) "Component part" means a major or minor component part [+

~~[(A) a front-end assembly or tail section,~~

~~[(B) the cab of a light or heavy truck,~~

~~[(C) the bed of a one-ton or lighter truck, or~~

~~[(D) an interior component part, a special accessory part, or a motor vehicle part that displays or should display one or more of the following:~~

~~[(i) a federal safety certificate,
[(ii) a motor number,
[(iii) a serial number,
[(iv) a manufacturer's permanent vehicle identification number; or
[(v) a derivative of a vehicle identification number].~~

(2) ~~["Front-end assembly" means a motor vehicle hood, right or left front fender, grill, bumper, radiator, or radiator support, if two or more of these parts are assembled together as one unit.~~

~~[(3)] "Interior component part" means a [the front or rear] seat or [the] radio of a motor vehicle.~~

(3) "Minor component part" means an interior component part, a special accessory part, or a motor vehicle part that displays or should display one or more of the following:

(A) a federal safety certificate;
(B) a motor number;
(C) a serial number or a derivative; or
(D) a manufacturer's permanent vehicle identification number or a derivative.

(4) "Special accessory part" means a tire, wheel, tailgate, or removable glass top of a motor vehicle.

~~[(5) "Tail section" means a motor vehicle roof, floor pan, right or left rear quarter panel, deck lid, or rear bumper, if two or more of these parts are assembled together as one unit.]~~

Sec. 2302.302. LIMITS ON OPERATION OF HEAVY MACHINERY. (a) A salvage vehicle dealer may not operate heavy machinery in a motor vehicle salvage yard between the hours of 7 p.m. of one day and 7 a.m. of the following day.

(b) This section does not apply to conduct necessary to a sale or purchase by the dealer.

Sec. 2302.351. INJUNCTIONS. (a) The prosecutor in the county where a motor vehicle salvage yard is located or the city

attorney in the municipality where the salvage yard is located may bring suit to enjoin for a period of less than one year a violation of this chapter [~~Subchapter G~~].

(b) If a salvage vehicle dealer, ~~or~~ an employee of the dealer acting in the course of employment, or a salvage vehicle agent operating under the dealer's license is convicted of more than one offense under Section 2302.353(a) [~~2302.353(a)(2) or (b)~~], the district attorney for a [~~the~~] county in which the dealer's salvage business is located may bring an action in that county to enjoin the dealer's business operations for a period of at least one year.

(c) An action under Subsection (b) must be brought in the name of the state. If judgment is in favor of the state, the court shall:

(1) enjoin the dealer from maintaining or participating in the business of a salvage vehicle dealer for a definite period of at least one year or indefinitely, as determined by the court; and

(2) order that the dealer's place of business be closed for the same period.

Sec. 2302.353. OFFENSES. (a) A person commits an offense if the person knowingly violates:

(1) a provision of this chapter other than Subchapter G [~~Subchapter C, D, or E or a rule adopted under Subchapter C, D, or E~~]; or

(2) a rule adopted under a provision of this chapter other than Subchapter G [~~Subchapter F~~].

~~(b) [A person commits an offense if the person violates Subchapter F in conjunction with a violation of Section 31.03, Penal Code.]~~

~~[(c)]~~ A person commits an offense if the person knowingly violates Subchapter G.

~~(c) [(d) An offense under Subsection (a) is a Class A misdemeanor.]~~

~~[(e)]~~ An offense under Subsection (a) [~~(b)~~] is a Class A misdemeanor unless it is shown on the trial of the offense that the defendant has been previously convicted of an offense under that

subsection, in which event the offense is punishable as a state jail felony [~~of the third degree~~].

(d) [~~(f)~~] An offense under Subsection (b) [~~(e)~~] is a Class C misdemeanor.

SECTION ____ .09. Section 152.001(4), Tax Code, is amended to read as follows:

(4) "Motor Vehicle" does not include:

(A) a device moved only by human power;
(B) a device used exclusively on stationary rails or tracks;

(C) road-building machinery;

(D) a mobile office;

(E) a vehicle with respect to which the certificate of title has been surrendered in exchange for:

(i) a salvage vehicle title [~~certificate~~] issued pursuant to Chapter 501, Transportation Code;

(ii) a certificate of authority issued pursuant to Chapter 683, Transportation Code;

(iii) a nonrepairable [~~motor~~] vehicle [~~certificate of~~] title issued pursuant to Chapter 501, Transportation Code;

(iv) an ownership document issued by another state if the document is comparable to a document issued pursuant to Subparagraph (i), (ii), or (iii); or

(F) a vehicle that has been declared a total loss by an insurance company pursuant to the settlement or adjustment of a claim.

SECTION ____ .10. The following provisions are repealed:

(1) Sections 501.0913, 501.0914, 501.0918, 501.0919, 501.0925, and 501.0927, Transportation Code; and

(2) Sections 2302.002, 2302.003, 2302.004, and 2302.352, Occupations Code.

SECTION ____ .11. This article takes effect September 1, 2003.

SECTION ____ .12. (a) A person who owns a nonrepairable motor vehicle for which a nonrepairable motor vehicle certificate of title was issued before the effective date of this article may

repair, rebuild, or reconstruct the vehicle and receive a regular certificate of title for the vehicle on or before September 1, 2005.

(b) On the effective date of this article, the Texas Department of Transportation shall consider a salvage motor vehicle certificate of title issued before the effective date of this article to be a salvage vehicle title.

SECTION ____ .13. (a) The changes in law made by this article apply only to an offense committed on or after the effective date of this article. For purposes of this section, an offense was committed before the effective date of this article if any element of the offense occurred before the effective date.

(b) An offense committed before the effective date of this article is covered by the law in effect when the offense was committed, and the former law is continued in effect for this purpose.