

AN ACT

relating to the requirement that a seller of a motor vehicle apply for registration and a certificate of title for the vehicle.

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

SECTION 1. Section 501.0234, Transportation Code, is amended by amending Subsection (a) and by adding Subsections (d), (e), and (f) to read as follows:

(a) A person who sells at the first or a subsequent sale a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, shall:

(1) except as provided by this section, in the time and manner provided by law, apply, in the name of the purchaser of the vehicle, for the registration of the vehicle, if the vehicle is to be registered, and a certificate of title for the vehicle and file with the appropriate designated agent each document necessary to transfer title to or register the vehicle; and at the same time

(2) remit any required motor vehicle sales tax.

(d) A seller who applies for the registration or a certificate of title for a motor vehicle under Subsection (a)(1) shall apply in the county as directed by the purchaser from the counties set forth in Section 501.023 of this code.

(e) The department shall promulgate a form on which the purchaser of a motor vehicle shall designate the purchaser's choice

1 as set out in Section 501.023 as the recipient of all taxes, fees,
2 and other revenue collected as a result of the transaction, which
3 the tax assessor-collector is authorized by law to retain. A seller
4 shall make that form available to the purchaser of a vehicle at the
5 time of purchase.

6 (f) A seller has a reasonable time to comply with the terms
7 of Subsection (a)(1) and is not in violation of that provision
8 during the time the seller is making a good faith effort to comply.
9 Notwithstanding compliance with this chapter, equitable title to a
10 vehicle passes to the purchaser of the vehicle at the time the
11 vehicle is the subject of a sale that is enforceable by either
12 party.

13 SECTION 2. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 988 was passed by the House on May 10, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 988 on May 26, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 988 was passed by the Senate, with amendments, on May 24, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor