

By: Wong

H.B. No. 2495

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of a motor vehicle title at a dealer auction.

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

SECTION 1. Section 501.071(a), Transportation Code, is amended to read as follows:

(a) Except as provided in Section 503.039, a [A] motor vehicle may not be the subject of a subsequent sale unless the owner designated in the certificate of title transfers the certificate of title at the time of the sale.

SECTION 2. Subchapter B, Chapter 503, Transportation Code, is amended by adding Section 503.039 to read as follows:

Sec. 503.039. PUBLIC MOTOR VEHICLE AUCTIONS. A motor vehicle may not be the subject of a subsequent sale at an auction by a holder of a dealer's general distinguishing number unless:

(1) equitable or legal title passes to the holder of a dealer's general distinguishing number before a transfer of title to the buyer; and

(2) the holder of a dealer's general distinguishing number transfers the certificate of title to the buyer before the 21st day after the date of the sale.

SECTION 3. This Act takes effect September 1, 2005.