

BILL ANALYSIS

H.B. 481
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Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The intent of HB 481 is to change the current law for the transfer of title for used automobiles. Presently, when a person to person sale of an automobile is made, it is the responsibility of the buyer, or transferee, to change the title of an automobile. HB 481 seeks to do two things:

1. HB 481 gives the transferor the ability to report the sale of the automobile through the internet, to notify the department of transportation that a sale has taken place and that the transferor is no longer the titleholder for the automobile. Currently, the transferor can only do this through the mail.
2. HB 481 provides for stronger penalties for transferees who do not change the title on the automobile they just purchased in a timely manner, as they are legally required to do.

The current penalty for transferees of an automobile for not changing the title in a timely manner is a flat \$10 late fee. For some, this is a penalty they are willing to pay in order to delay the transfer of title of the automobile purchased. HB 481 changes the penalties for transferees who do not change the title in a timely manner. Initially, after the 20 working day grace period has expired, there is a \$25 late fee up to the 31st working day. This penalty increases to \$100 after the 31st working day. After the 61st working day, there is another \$25 late fee for every thirty subsequent days. This creates an impetus for transferees who would otherwise delay the transfer of title for as long as possible to change the title of the automobile purchased in a timely manner, as they are legally and ethically required to do.

HB 481 also states that \$10 of every late fee may be set aside to fund a public awareness campaign about the provisions in this act.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1 - Amends the Transportation Code Sec. 520.023(a) and (c). Subsection (a) inserts language which establish procedures that permit the transferor of a motor vehicle to electronically submit a notice of transfer through the internet as opposed to a written notice. This electronic notification of transfer is not required to bear the signature of the transferor or the date of signing. Subsection (c) adds language which states that Subsection (c) applies only if the department receives notice under Subsection (a) before the 30th day after the date the transferor delivered possession of the vehicle to the transferee.

Section 2 - Amends the Transportation Code Sec. 520.032(b) and adds Sec. 520.032(b-1) which establishes penalties for failing to file the transfer of title application within the 20 working day grace period. The proposed penalty is \$25 if the transferee files the application before the 31st working day after the transferee receives the documents, \$100 if the application is filed after the 31st working day but before the 61st working day, and \$25 for each subsequent 30-day period.

Section 3 - Amends the Transportation Code Sec. 520.033(a) and adds Sec. 520.033(c). Subsection (a) states that the county assessor-collector may retain half of each additional penalty collected under Section 520.032 as a commission for services. Subsection (c) states that of each

late fee collected, that \$10 of each late fee may be used only for purposes of a public awareness campaign designed to inform and educate the public about the new provisions of this chapter.

Section 4 - States that this act applies only to the transfer of title after the effective date of the act.

Section 5 – The effective date of the act is January 1, 2008.

EFFECTIVE DATE

January 1, 2008.