

## **BILL ANALYSIS**

C.S.H.B. 2306  
By: Talton  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There are six classifications of Salvage Vehicle Dealers. They are New Automobile Dealer, Used Automobile Dealer, Used Vehicle Parts Dealer, Salvage Pool Operator, Salvage Vehicle Broker, and Salvage Vehicle Rebuilder.

The classifications of Salvage Vehicle Dealer licenses were set up to focus the various regulations and requirements on the specific activities of each category to ensure proper safeguards over ownership documents for vehicles, to discourage auto theft and provide important safeguards against environmental contamination.

The classification, Used Auto Parts Dealer, was created to group all the businesses that dismantled vehicles for the sale or use of the parts from the vehicle into one category so the appropriate rules and procedures for titling issues and environmental controls could be focused on that activity. Over time, the Salvage Vehicle Rebuilder and Salvage Vehicle Broker categories have evolved into a classification of license that involves dismantling and rebuilding salvage vehicles.

The state is now left with a situation where many of the businesses that buy salvage vehicles and dismantle them for use of the parts from the vehicles are licensed under the Salvage Vehicle Rebuilder or Salvage Vehicle Broker classification, which does not require all of the procedures that safeguard title processing or the environment.

The purpose of this bill is to require all businesses that acquire automobiles for the purpose of dismantling them and using the parts, submit proof to the state that the business has secured a storm water permit appropriate to their business activity.

### **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**

The Bill amends Subsection (d) of Section 2302.104 of the Occupations Code to require an applicant to be a salvage vehicle broker, a salvage vehicle rebuilder or a used vehicle parts dealer to provide proof that the applicant was issued a storm water permit by the TCEQ. The bill further allows that a temporary license may be issued to an applicant who satisfies the requirements for a license other than the requirement under Subsection (d). The temporary license will expire on the 120th day after the date of issuance. And that the department shall issue a license under this chapter to an applicant who complies with Subsection (d) before the expiration date of the temporary license.

Section 2302.154 of the Occupations Code is amended to require a storm water permit to be obtained in order to renew a license for operation as a salvage vehicle broker, a salvage vehicle rebuilder or a used vehicle parts dealer. This section is further amended by adding the issuance of a temporary license for those who have complied with all other requirements for renewal, which will expire after 120 days from the date of issuance and requiring that a renewal shall be completed before expiration of the temporary license.

### **EFFECTIVE DATE**

C.S.H.B. 2306 80(R)

September 1, 2007.

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute adds in Section 2302.104, Occupations Code, that the department shall issue a temporary license to an applicant who satisfies the requirements for a license other than the requirement under Subsection (d). A temporary license issued under this subsection expires on the 120th day after the date of issuance. The department shall issue a license under this chapter to an applicant who complies with Subsection (d) before the expiration date of the temporary license.

The substitute further adds in Section 2302.154, Occupations Code, that the department shall issue a temporary license to an applicant who satisfies the requirements for renewal of a license other than the requirement under Subsection (a). A temporary license issued under this subsection expires on the 120th day after the date of issuance. The department shall renew the license of an applicant who complies with Subsection (a) before the expiration date of the temporary license.