

By: Dutton

H.B. No. 744

Substitute the following for H.B. No. 744:

By: Harless

C.S.H.B. No. 744

A BILL TO BE ENTITLED

AN ACT

relating to notice of discharge of a lien on a motor vehicle.

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

SECTION 1. Section 501.115, Transportation Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) When a debt or claim secured by a lien has been satisfied:

(1) [] the lienholder shall, within a reasonable time not to exceed the maximum time allowed by Section 348.408, Finance Code:

(A) [] execute and deliver to the owner, or the owner's designee, a discharge of the lien on a form prescribed by the department; and

(B) notify the department by mail, electronic mail, or facsimile transmission of the discharge of the lien; and

(2) the department shall record the notification in the motor vehicle records.

(c) The form prescribed by the department under Subsection (a) must include a notice that the owner will not receive a new certificate of title with reference to the lien removed unless the owner applies for a new certificate of title as provided by Subsection (b).

(d) A notification recorded in the motor vehicle records

1 under Subsection (a)(2) serves as a discharge of the lien if the
2 form delivered to the owner or owner's designee under Subsection
3 (a)(1)(A) is lost.

4 SECTION 2. This Act takes effect September 1, 2007.