

By: Dutton

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 Subsection (c) to read as follows:

(a) When a debt or claim secured by a lien has been satisfied, the lienholder shall, within a reasonable time not to exceed the maximum time allowed by Section 348.408, Finance Code: [7]

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

(2) notify the department of the discharge of the lien.

(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).

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