

## **BILL ANALYSIS**

Senate Research Center  
81R10478 JAM-F

S.B. 1617  
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Transportation & Homeland Security  
8/10/2009  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1617 amends the Transportation Code to protect the rights of owners and purchasers of motor vehicles.

Under current law a motor vehicle manufacturer may be forced to repurchase a defective motor vehicle but the current mechanism in place is not sufficient to put subsequent purchasers of the vehicle on notice. S.B. 1617 requires the Texas Department of Transportation (TxDOT) to include a notice on the title that would be sufficient to put subsequent purchasers on notice that the vehicle is subject to a manufacturer's repurchase.

Sellers of motor vehicles are often subject to civil or criminal liability arising from the ownership of the vehicle even though the seller did not own the vehicle at the time of the event that triggered the liability. Parking and toll violations are the most common activities. Under current law a seller can notify TxDOT of the sale of the vehicle before formal title transfer, but the presumption created by this provision does not operate in every situation and involves bureaucratic activities that the seller should not be forced to endure. S.B. 1617 would make clear that the seller of a vehicle has no liability and would allow a seller to protect his rights by providing that a transferor who files the appropriate form has no vicarious civil or criminal liability arising out of the use of the vehicle by another person; provide that proof that the transferor filed the form is a complete defense to an action; and provide that a copy of the filed form is adequate proof to provide the defense.

Finally, this bill removes dealer sales from those affected by provisions that provide a mechanism by which the purchaser of a motor vehicle may be denied the right to register the vehicle until some act is performed thereby making the dealer act as an agent in securing titling to the vehicle and subjecting it to liability.

S.B. 1617 amends current law relating to the titling and registration of certain motor vehicles.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.021, Transportation Code, by adding Subsection (c), to require that a certificate of title for a motor vehicle that has been the subject of an ordered repurchase or replacement under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code, contain on its face a notice sufficient to inform a purchaser that the motor vehicle has been the subject of an ordered repurchase or replacement.

SECTION 2. Amends Section 520.023, Transportation Code, by adding Subsection (g), as follows:

(g) Provides that a transferor who files the appropriate form with the Texas Department of Transportation (TxDOT) as provided by, and in accordance with, this section, whether that form is a part of a certificate of title or a form otherwise promulgated by TxDOT to comply with the terms of this section, has no vicarious civil or criminal liability arising out of the use, operation, or abandonment of the vehicle by another person. Provides that

proof by the transferor that the transferor filed a form under this section is a complete defense to an action brought against the transferor for an act or omission, civil or criminal, arising out of the use, operation, or abandonment of the vehicle by another person after the transferor filed the form. Provides that a copy of the form filed under this section is proof of the filing of the form.

SECTION 3. Amends Section 702.033, Transportation Code, by adding Subsection (f), to provide that this section does not apply to the registration of a motor vehicle under Section 501.0234 (Duty of Vehicle Dealer on Sale of Certain Vehicles).

SECTION 4. Amends Section 707.017, Transportation Code, to provide that this section does not apply to the registration of a motor vehicle under Section 501.0234.

SECTION 5. (a) Makes application of Section 501.021, Transportation Code, as amended by this Act, prospective.

(b) Makes application of Section 520.023, Transportation Code, as amended by this Act, prospective.

(c) Makes application of Sections 702.003 and 707.017, Transportation Code, as amended by this Act, prospective.

SECTION 6. Effective date: September 1, 2009.