

By: Elkins

H.B. No. 4369

Substitute the following for H.B. No. 4369:

By: Pickett

C.S.H.B. No. 4369

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the constituting of certain sales of a used motor  
3 vehicle as a private disposition for purposes of Chapter 9,  
4 Business & Commerce Code.

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

6 SECTION 1. Subchapter B, Chapter 503, Transportation Code,  
7 is amended by adding Section 503.040 to read as follows:

8 Sec. 503.040. SALES OF CERTAIN USED MOTOR VEHICLES  
9 CONSTITUTE PRIVATE DISPOSITION. (a) This section applies only to  
10 the sale of a used motor vehicle that constitutes collateral by a  
11 secured party acting under Chapter 9, Business & Commerce Code, and  
12 occurs at an auction conducted by an independent motor vehicle  
13 dealer:

14 (1) at which neither the debtor nor the secured party  
15 is permitted to bid; and

16 (2) for which there has been no advertisement or  
17 public notice before the sale that specifically describes the  
18 collateral to be sold, other than the inclusion of the motor vehicle  
19 in a list of the vehicles to be offered at the auction made  
20 available to potential bidders at the auction.

21 (b) The sale of the used motor vehicle constitutes a private  
22 disposition for purposes of Chapter 9, Business & Commerce Code.

23 SECTION 2. The change in law made by Section 503.040,  
24 Transportation Code, as added by this Act, applies only to a sale of

1 collateral consisting of a used motor vehicle that occurs on or  
2 after the effective date of this Act. A sale of such collateral  
3 that occurs before the effective date of this Act is governed by the  
4 law applicable to the sale immediately before the effective date of  
5 this Act, and that law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2009.