

By: Carona

S.B. No. 1095

A BILL TO BE ENTITLED

AN ACT

relating to the licensing and regulation of used automotive parts  
recyclers; providing penalties.

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

SECTION 1. Subdivision (6), Section 2302.001, Occupations  
Code, is amended to read as follows:

(6) "Salvage vehicle agent" means a person who  
acquires, sells, or otherwise deals in nonrepairable or salvage  
motor vehicles [~~or used parts~~] in this state as directed by the  
salvage vehicle dealer under whose license the person operates.  
The term does not include a person who:

(A) is a licensed salvage vehicle dealer or a  
licensed used automotive parts recycler;

(B) is a partner, owner, or officer of a business  
entity that holds a salvage vehicle dealer license or a used  
automotive parts recycler license;

(C) is an employee of a licensed salvage vehicle  
dealer or a licensed used automotive parts recycler; or

(D) only transports salvage motor vehicles for a  
licensed salvage vehicle dealer or a licensed used automotive parts  
recycler.

SECTION 2. Subsection (b), Section 2302.006, Occupations  
Code, is amended to read as follows:

(b) This chapter applies to a transaction in which a motor

1 vehicle:

2 (1) is sold, transferred, released, or delivered to a  
3 metal recycler for the purpose of reuse or resale as a motor vehicle  
4 [~~or as a source of used parts~~]; and

5 (2) is used for that purpose.

6 SECTION 3. Subchapter A, Chapter 2302, Occupations Code, is  
7 amended by adding Section 2302.008 to read as follows:

8 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE  
9 PARTS RECYCLERS. This chapter does not apply to a used automotive  
10 parts recycler licensed under Chapter 2309.

11 SECTION 4. Subsection (b), Section 2302.103, Occupations  
12 Code, is amended to read as follows:

13 (b) An applicant may apply for a salvage vehicle dealer  
14 license with an endorsement in one or more of the following  
15 classifications:

- 16 (1) new automobile dealer;
- 17 (2) used automobile dealer;
- 18 (3) [~~used vehicle parts dealer,~~
- 19 [~~4~~] salvage pool operator;
- 20 (4) [~~5~~] salvage vehicle broker; or
- 21 (5) [~~6~~] salvage vehicle rebuilder.

22 SECTION 5. Subsection (d), Section 2302.107, Occupations  
23 Code, is amended to read as follows:

24 (d) A salvage vehicle agent may acquire, sell, or otherwise  
25 deal in, nonrepairable or salvage motor vehicles [~~or used parts~~] as  
26 directed by the authorizing dealer.

27 SECTION 6. Section 2302.202, Occupations Code, is amended

1 to read as follows:

2           Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle  
3 dealer shall maintain a record of each salvage motor vehicle [~~and~~  
4 ~~each used part~~] purchased or sold by the dealer.

5           SECTION 7. Subtitle A, Title 14, Occupations Code, is  
6 amended by adding Chapter 2309 to read as follows:

7                   CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

8                           SUBCHAPTER A. GENERAL PROVISIONS

9           Sec. 2309.001. SHORT TITLE. This chapter may be cited as  
10 the Texas Used Automotive Parts Recycling Act.

11           Sec. 2309.002. DEFINITIONS. In this chapter:

12                   (1) "Insurance company," "metal recycler," "motor  
13 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle  
14 title," "salvage motor vehicle," "salvage vehicle title," and  
15 "salvage vehicle dealer" have the meanings assigned by Section  
16 501.091, Transportation Code.

17                   (2) "Commission" means the Texas Commission of  
18 Licensing and Regulation.

19                   (3) "Department" means the Texas Department of  
20 Licensing and Regulation.

21                   (4) "Executive director" means the executive director  
22 of the department.

23                   (5) "Used automotive part" has the meaning assigned to  
24 "used part" by Section 501.091, Transportation Code.

25                   (6) "Used automotive parts recycler" means a person  
26 licensed under this chapter to operate a used automotive parts  
27 recycling business.

1           (7) "Used automotive parts recycling" means the  
2 dismantling and reuse or resale of used automotive parts and the  
3 safe disposal of salvage motor vehicles or nonrepairable motor  
4 vehicles, including the resale of those vehicles.

5           Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.

6           (a) Except as provided by Subsection (b), this chapter does not  
7 apply to a transaction to which a metal recycler is a party.

8           (b) This chapter applies to a transaction in which a motor  
9 vehicle:

10           (1) is sold, transferred, released, or delivered to a  
11 metal recycler as a source of used automotive parts; and

12           (2) is used as a source of used automotive parts.

13           Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE  
14 DEALERS. (a) Except as provided by Subsection (b), this chapter  
15 does not apply to a transaction in which a salvage vehicle dealer is  
16 a party.

17           (b) This chapter applies to a salvage vehicle dealer who  
18 deals in used automotive parts as more than an incidental part of  
19 the salvage vehicle dealer's primary business.

20           Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE  
21 COMPANIES. This chapter does not apply to an insurance company.

22           [Sections 2309.006-2309.050 reserved for expansion]

23                           SUBCHAPTER B. ADVISORY BOARD

24           Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY  
25 BOARD. (a) The advisory board consists of five members  
26 representing the used automotive parts industry in this state  
27 appointed by the presiding officer of the commission with the

1 approval of the commission.

2 (b) The advisory board shall include members who represent  
3 used automotive parts businesses owned by domestic entities, as  
4 defined by Section 1.002, Business Organizations Code.

5 (c) The advisory board shall include one member who  
6 represents a used automotive parts business owned by a foreign  
7 entity, as defined by Section 1.002, Business Organizations Code.

8 (d) Appointments to the advisory board shall be made without  
9 regard to the race, color, disability, sex, religion, age, or  
10 national origin of the appointee.

11 Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board  
12 members serve terms of six years, with the terms of one or two  
13 members expiring on February 1 of each odd-numbered year.

14 (b) A member may not serve more than two full consecutive  
15 terms.

16 (c) If a vacancy occurs during a term, the presiding officer  
17 of the commission shall appoint a replacement who meets the  
18 qualifications of the vacated position to serve for the remainder  
19 of the term.

20 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of  
21 the commission shall appoint one of the advisory board members to  
22 serve as presiding officer of the advisory board for a term of one  
23 year. The presiding officer of the advisory board may vote on any  
24 matter before the advisory board.

25 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The  
26 advisory board shall provide advice and recommendations to the  
27 department on technical matters relevant to the administration and

1 enforcement of this chapter, including licensing standards,  
2 continuing education requirements, and examination content, if  
3 applicable.

4 Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.  
5 Advisory board members may not receive compensation but are  
6 entitled to reimbursement for actual and necessary expenses  
7 incurred in performing the functions of the advisory board, subject  
8 to the General Appropriations Act.

9 Sec. 2309.056. MEETINGS. The advisory board shall meet  
10 twice annually and may meet at other times at the call of the  
11 presiding officer of the commission or the executive director.

12 [Sections 2309.057-2309.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

14 Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive  
15 director or commission, as appropriate, may take action as  
16 necessary to administer and enforce this chapter.

17 Sec. 2309.102. RULES. (a) The commission shall adopt  
18 rules for licensing used automotive parts recyclers and used  
19 automotive parts employees.

20 (b) The commission by rule shall adopt standards of conduct  
21 for license holders under this chapter.

22 Sec. 2309.103. EXAMINATION OF CRIMINAL CONVICTION. The  
23 department may conduct an examination of any criminal conviction or  
24 deferred adjudication of an applicant, including by obtaining any  
25 criminal history record information permitted by law.

26 Sec. 2309.104. FEES. The commission shall establish and  
27 collect reasonable and necessary fees in amounts sufficient to

1 cover the costs of administering this chapter.

2 Sec. 2309.105. RULES RESTRICTING ADVERTISING OR  
3 COMPETITIVE BIDDING. (a) The commission may not adopt a rule  
4 restricting advertising or competitive bidding by a person who  
5 holds a license issued under this chapter except to prohibit false,  
6 misleading, or deceptive practices by the person.

7 (b) The commission may not include in its rules to prohibit  
8 false, misleading, or deceptive practices a rule that:

9 (1) restricts the use of any advertising medium;

10 (2) restricts the person's personal appearance or use  
11 of the person's voice in an advertisement;

12 (3) relates to the size or duration of an  
13 advertisement by the person; or

14 (4) restricts the use of a trade name in advertising by  
15 the person.

16 Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS.

17 (a) The department shall inspect each used automotive parts  
18 recycling facility at least once every two years.

19 (b) The department may enter and inspect at any time during  
20 business hours:

21 (1) the place of business of any person regulated  
22 under this chapter; or

23 (2) any place in which the department has reasonable  
24 cause to believe that a license holder is in violation of this  
25 chapter or in violation of a rule or order of the commission or  
26 executive director.

27 (c) The department shall conduct additional inspections

1 based on a schedule of risk-based inspections using the following  
2 criteria:

3 (1) the type and nature of the used automotive parts  
4 recycler;

5 (2) the inspection history;

6 (3) any history of complaints involving a used  
7 automotive parts recycler; and

8 (4) any other factor determined by the commission by  
9 rule.

10 (d) A used automotive parts recycler shall pay a fee for  
11 each risk-based inspection performed under this section. The  
12 commission by rule shall set the amount of the fee.

13 (e) In conducting an inspection under this section, the  
14 department may inspect a facility, a used automotive part, a  
15 business record, or any other place or thing reasonably required to  
16 enforce this chapter or a rule or order adopted under this chapter.

17 Sec. 2309.107. PERSONNEL. The department may employ  
18 personnel necessary to administer and enforce this chapter.

19 [Sections 2309.108-2309.150 reserved for expansion]

20 SUBCHAPTER D. LICENSE REQUIREMENTS

21 Sec. 2309.151. USED AUTOMOTIVE PARTS RECYCLER LICENSE  
22 REQUIRED. (a) Unless the person holds a used automotive parts  
23 recycler license issued under this chapter, a person may not own or  
24 operate a used automotive parts recycling business or sell used  
25 automotive parts.

26 (b) A used automotive parts recycler license:

27 (1) is valid only with respect to the person who



1 applied for the license; and

2 (2) authorizes the license holder to operate a used  
3 automotive parts recycling business only at the one facility listed  
4 on the license.

5 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.

6 An applicant for a used automotive parts recycler license under  
7 this chapter must submit to the department:

8 (1) a completed application on a form prescribed by  
9 the executive director;

10 (2) the required fees; and

11 (3) any other information required by commission rule.

12 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a  
13 used automotive parts recycler license under this chapter must  
14 provide in a manner prescribed by the executive director:

15 (1) a federal tax identification number;

16 (2) proof of insurance in the amount prescribed by the  
17 executive director;

18 (3) proof of ownership or lease of the property where  
19 the applicant will operate a used automotive parts recycling  
20 facility; and

21 (4) proof of a storm water permit if the applicant is  
22 required by the Texas Commission on Environmental Quality to obtain  
23 a permit.

24 Sec. 2309.154. USED AUTOMOTIVE PARTS EMPLOYEE LICENSE

25 REQUIRED. (a) A person employed by a used automotive parts  
26 recycler may not in the scope of the person's employment acquire a  
27 vehicle or used automotive parts and may not sell used automotive

1 parts unless the person holds a used automotive parts employee  
2 license issued under this chapter.

3 (b) The commission by rule shall adopt requirements for the  
4 application for and issuance of a used automotive parts employee  
5 license under this chapter.

6 Sec. 2309.155. NONTRANSFERABILITY OF LICENSE. A license  
7 issued by the executive director is valid throughout this state and  
8 is not transferable.

9 Sec. 2309.156. LICENSE RENEWAL. (a) A license issued  
10 under this chapter is valid for one year. The department may adopt  
11 a system under which licenses expire at different times during the  
12 year.

13 (b) The department shall notify the license holder at least  
14 30 days before the date a license expires. The notice must be in  
15 writing and sent to the license holder's last known address  
16 according to the records of the department.

17 (c) The commission by rule shall adopt requirements to renew  
18 a license issued under this chapter.

19 [Sections 2309.157-2309.200 reserved for expansion]

20 SUBCHAPTER E. LOCAL REGULATION

21 Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL  
22 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this  
23 chapter apply in addition to the requirements of any applicable  
24 municipal ordinance relating to the regulation of a person who  
25 deals in nonrepairable or salvage motor vehicles or used automotive  
26 parts.

27 (b) This chapter does not prohibit the enforcement of an

1 applicable municipal license or permit requirement that is related  
2 to an activity regulated under this chapter.

3 [Sections 2309.202-2309.250 reserved for expansion]

4 SUBCHAPTER F. ENFORCEMENT

5 Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The  
6 commission may impose an administrative penalty on a person under  
7 Subchapter F, Chapter 51, regardless of whether the person holds a  
8 license under this chapter, if the person violates:

9 (1) this chapter or a rule adopted under this chapter;

10 or

11 (2) a rule or order of the executive director or  
12 commission.

13 (b) An administrative penalty may not be imposed unless the  
14 person charged with a violation is provided the opportunity for a  
15 hearing.

16 Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL  
17 PENALTY. (a) The executive director may issue a cease and desist  
18 order as necessary to enforce this chapter if the executive  
19 director determines that the action is necessary to prevent a  
20 violation of this chapter and to protect public health and safety.

21 (b) The attorney general or executive director may  
22 institute an action for an injunction or a civil penalty under this  
23 chapter as provided by Section 51.352.

24 Sec. 2309.253. SANCTIONS. The department may impose  
25 sanctions as provided by Section 51.353.

26 Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person  
27 commits an offense if the person:

1 (1) violates the licensing requirements of this  
2 chapter;

3 (2) deals in used parts without a license required by  
4 this chapter; or

5 (3) employs an individual who does not hold the  
6 appropriate license required by this chapter.

7 (b) An offense under this section is a Class C misdemeanor.

8 [Sections 2309.255-2309.300 reserved for expansion]

9 SUBCHAPTER G. CONDUCTING BUSINESS

10 Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR  
11 VEHICLE. (a) A used automotive parts recycler who acquires  
12 ownership of a salvage motor vehicle shall obtain a properly  
13 assigned title from the previous owner of the vehicle.

14 (b) A used automotive parts recycler who acquires ownership  
15 of a motor vehicle, nonrepairable motor vehicle, or salvage motor  
16 vehicle for the purpose of dismantling, scrapping, or destroying  
17 the motor vehicle, shall, before the 61st day after the date of  
18 acquiring the motor vehicle, submit to the Texas Department of  
19 Transportation a report stating that the motor vehicle will be  
20 dismantled, scrapped, or destroyed. The recycler shall:

21 (1) submit the report on a form prescribed by the Texas  
22 Department of Transportation; and

23 (2) submit with the report a properly assigned  
24 manufacturer's certificate of origin, regular certificate of  
25 title, nonrepairable vehicle title, salvage vehicle title, other  
26 ownership document, or comparable out-of-state ownership document  
27 for the motor vehicle.

1       (c) After receiving the report and title or document, the  
2 Texas Department of Transportation shall issue the used automotive  
3 parts recycler a receipt for the manufacturer's certificate of  
4 origin, regular certificate of title, nonrepairable vehicle title,  
5 salvage vehicle title, other ownership document, or comparable  
6 out-of-state ownership document.

7       (d) The recycler shall comply with Subchapter E, Chapter  
8 501, Transportation Code.

9       Sec. 2309.302. RECORDS OF PURCHASES. A used automotive  
10 parts recycler shall maintain a record of each motor vehicle,  
11 salvage motor vehicle, nonrepairable motor vehicle, and used  
12 automotive part purchased.

13       Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.  
14 Before moving a place of business, a used automotive parts recycler  
15 must notify the department of the new location. The used automotive  
16 parts recycler shall provide a storm water permit for the location  
17 if a permit is required by the Texas Commission on Environmental  
18 Quality.

19       [Sections 2309.304-2309.350 reserved for expansion]

20       SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER  
21       IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

22       Sec. 2309.351. DEFINITIONS. In this subchapter:

23               (1) "Component part" means a major component part as  
24 defined by Section 501.091, Transportation Code, or a minor  
25 component part.

26               (2) "Interior component part" means a motor vehicle's  
27 seat or radio.

1           (3) "Minor component part" means an interior component  
2 part, a special accessory part, or a motor vehicle part that  
3 displays or should display at least one of the following:

4                   (A) a federal safety certificate;

5                   (B) a motor number;

6                   (C) a serial number or a derivative; or

7                   (D) a manufacturer's permanent vehicle  
8 identification number or a derivative.

9           (4) "Special accessory part" means a motor vehicle's  
10 tire, wheel, tailgate, or removable glass top.

11           Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on  
12 receipt of a motor vehicle, a used automotive parts recycler shall:

13                   (1) remove any unexpired license plates from the  
14 vehicle; and

15                   (2) place the license plates in a secure place until  
16 destroyed by the used automotive parts recycler.

17           Sec. 2309.353. RECEIPT OF MOTOR VEHICLE. A used automotive  
18 parts recycler may not take delivery of a motor vehicle unless the  
19 recycler first obtains:

20                   (1) a certificate of authority to dispose of the  
21 vehicle, a sales receipt, or a transfer document for the vehicle  
22 issued under Chapter 683, Transportation Code; or

23                   (2) a certificate of title showing that there are no  
24 liens on the vehicle or that all recorded liens have been released.

25           Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS.

26 (a) A used automotive parts recycler shall keep an accurate and  
27 legible inventory of each used component part purchased by or

1 delivered to the recycler. The inventory must contain a record of  
2 each part that includes:

3 (1) the date of purchase or delivery;

4 (2) the driver's license number of the seller and a  
5 legible photocopy of the seller's driver's license;

6 (3) the license plate number of the motor vehicle in  
7 which the part was delivered;

8 (4) a complete description of the part and, if  
9 applicable, the make, model, color, and size of the part; and

10 (5) the vehicle identification number of the motor  
11 vehicle from which the part was removed.

12 (b) As an alternative to the information required by  
13 Subsection (a), a used automotive parts recycler may record:

14 (1) the name of the person who sold the part or the  
15 motor vehicle from which the part was obtained; and

16 (2) the Texas certificate of inventory number or the  
17 federal taxpayer identification number of the person.

18 (c) The department shall prescribe the form of the record  
19 required by Subsection (a) and shall make the form available to used  
20 automotive parts recyclers.

21 (d) This section does not apply to:

22 (1) an interior component part or special accessory  
23 part from a motor vehicle more than 10 years old; or

24 (2) a part delivered to a used automotive parts  
25 recycler by a commercial freight line, commercial carrier, or  
26 licensed used automotive parts recycler.

27 Sec. 2309.355. ASSIGNMENT OF INVENTORY NUMBER. (a) A used

1 automotive parts recycler shall:

2 (1) assign a unique inventory number to each  
3 transaction in which the recycler purchases or takes delivery of a  
4 component part;

5 (2) attach that inventory number to each component  
6 part the recycler obtains in the transaction; and

7 (3) retain each component part in its original  
8 condition on the business premises of the recycler for at least  
9 three calendar days, excluding Sundays, after the date the recycler  
10 obtains the part.

11 (b) An inventory number attached to a component part under  
12 Subsection (a) may not be removed while the part remains in the  
13 inventory of the used automotive parts recycler.

14 (c) This section does not apply to the purchase by a used  
15 automotive parts recycler of a nonoperational engine,  
16 transmission, or rear axle assembly from another used automotive  
17 parts recycler or an automotive-related business.

18 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive  
19 parts recycler shall keep a record required under this subchapter  
20 on a form prescribed by the department or the Texas Department of  
21 Transportation. The recycler shall maintain copies of each record  
22 required under this subchapter until the first anniversary of the  
23 purchase date of the item for which the record is maintained.

24 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE  
25 PLATES. (a) On demand, a used automotive parts recycler shall  
26 surrender to the Texas Department of Transportation for  
27 cancellation a certificate of title or authority, sales receipt or



1 transfer document, license plate, or inventory list that the  
2 recycler is required to possess or maintain.

3 (b) The Texas Department of Transportation shall provide a  
4 signed receipt for a surrendered certificate of title.

5 Sec. 2309.358. RESALE OF SALVAGE MOTOR VEHICLES OR  
6 NONREPAIRABLE MOTOR VEHICLES. (a) A used automotive parts  
7 recycler may sell salvage or nonrepairable vehicles only at:

8 (1) a used automotive parts recycling facility;

9 (2) a salvage pool operator's facility; or

10 (3) a metal recycling facility.

11 (b) Before reselling a salvage motor vehicle or  
12 nonrepairable motor vehicle at a used automotive recycling  
13 facility, a used automotive parts recycler must post notice on the  
14 vehicle of the type of title appropriate to the vehicle.

15 Sec. 2309.359. INSPECTION OF RECORDS. (a) A peace officer  
16 at any reasonable time may inspect a record required to be  
17 maintained under this subchapter, including an inventory record.

18 (b) On demand by a peace officer, a used automotive parts  
19 recycler shall provide to the officer a copy of a record required to  
20 be maintained under this subchapter.

21 (c) A peace officer may inspect the inventory on the  
22 premises of a used automotive parts recycler at any reasonable time  
23 to verify, check, or audit the records required to be maintained  
24 under this subchapter.

25 (d) A used automotive parts recycler or an employee of the  
26 recycler shall allow and may not interfere with a peace officer's  
27 inspection of the recycler's inventory, premises, or required

1 inventory records.

2 [Sections 2309.360-2309.400 reserved for expansion]

3 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

4 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This  
5 subchapter applies only to a used automotive parts facility located  
6 in a county with a population of 2.8 million or more.

7 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY.

8 (a) A used automotive parts recycler may not operate heavy  
9 machinery in a used automotive parts recycling facility between the  
10 hours of 7 p.m. of one day and 7 a.m. of the following day.

11 (b) This section does not apply to conduct necessary to a  
12 sale or purchase by the recycler.

13 SECTION 8. Section 501.091, Transportation Code, is amended  
14 by amending Subdivision (17) and adding Subdivision (20) to read as  
15 follows:

16 (17) "Salvage vehicle dealer" means a person engaged  
17 in this state in the business of acquiring, selling, [~~dismantling,~~]  
18 repairing, rebuilding, reconstructing, or otherwise dealing in  
19 nonrepairable motor vehicles, salvage motor vehicles, or, if  
20 incidental to a salvage motor vehicle dealer's primary business,  
21 used automotive parts. The term does not include a person who  
22 casually repairs, rebuilds, or reconstructs fewer than five [~~three~~]  
23 salvage motor vehicles in the same calendar year or, except as  
24 provided by Paragraph (C), a used automotive parts recycler. The  
25 term includes a person engaged in the business of:

26 (A) a salvage vehicle dealer, regardless of  
27 whether the person holds a license issued by the department to

1 engage in that business;

2 (B) dealing in nonrepairable motor vehicles or  
3 salvage motor vehicles [~~, regardless of whether the person deals in~~  
4 ~~used parts~~]; or

5 (C) a used automotive parts recycler if the sale  
6 of repaired, rebuilt, or reconstructed nonrepairable motor  
7 vehicles or salvage motor vehicles is more than an incidental part  
8 of the used automotive parts recycler's business [~~dealing in used~~  
9 ~~parts regardless of whether the person deals in nonrepairable motor~~  
10 ~~vehicles or salvage motor vehicles~~].

11 (20) "Used parts dealer" and "used automotive parts  
12 recycler" have the meaning assigned to "used automotive parts  
13 recycler" by Section 2309.002, Occupations Code.

14 SECTION 9. Subsection (d), Section 501.092, Transportation  
15 Code, is amended to read as follows:

16 (d) An insurance company may sell a motor vehicle to which  
17 this section applies, or assign a salvage vehicle title or a  
18 nonrepairable vehicle title for the motor vehicle, only to a  
19 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual  
20 sale at auction, [~~or~~] a metal recycler, or a used automotive parts  
21 recycler. If the motor vehicle is not a salvage motor vehicle or a  
22 nonrepairable motor vehicle, the insurance company is not required  
23 to surrender the regular certificate of title for the vehicle or to  
24 be issued a salvage vehicle title or a nonrepairable vehicle title  
25 for the motor vehicle.

26 SECTION 10. Subsections (a) and (b), Section 501.095,  
27 Transportation Code, are amended to read as follows:

1           (a) If the department has not issued a nonrepairable vehicle  
2 title or salvage vehicle title for the motor vehicle and an  
3 out-of-state ownership document for the motor vehicle has not been  
4 issued by another state or jurisdiction, a business or governmental  
5 entity described by Subdivisions (1)-(3) may sell, transfer, or  
6 release a nonrepairable motor vehicle or salvage motor vehicle only  
7 to a person who is:

8           (1) a licensed salvage vehicle dealer, a used  
9 automotive parts recycler under Chapter 2309, Occupations Code, or  
10 a metal recycler under Chapter 2302, Occupations Code;

11           (2) an insurance company that has paid a claim on the  
12 nonrepairable or salvage motor vehicle;

13           (3) a governmental entity; or

14           (4) an out-of-state buyer.

15           (b) A person, other than a salvage vehicle dealer, a used  
16 automotive parts recycler, or an insurance company licensed to do  
17 business in this state, who acquired ownership of a nonrepairable  
18 or salvage motor vehicle that has not been issued a nonrepairable  
19 vehicle title, salvage vehicle title, or a comparable ownership  
20 document issued by another state or jurisdiction shall, before  
21 selling the motor vehicle, surrender the properly assigned  
22 certificate of title for the motor vehicle to the department and  
23 apply to the department for:

24           (1) a nonrepairable vehicle title if the vehicle is a  
25 nonrepairable motor vehicle; or

26           (2) a salvage vehicle title if the vehicle is a salvage  
27 motor vehicle.

1 SECTION 11. Section 501.105, Transportation Code, is  
2 amended to read as follows:

3 Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN  
4 CASUAL SALES. Each licensed salvage vehicle dealer, used  
5 automotive parts recycler, or insurance company that sells a  
6 nonrepairable motor vehicle or a salvage motor vehicle at a casual  
7 sale shall keep on the business premises of the dealer or the  
8 insurance company a list of all casual sales made during the  
9 preceding 36-month period that contains:

- 10 (1) the date of the sale;
- 11 (2) the name of the purchaser;
- 12 (3) the name of the jurisdiction that issued the  
13 identification document provided by the purchaser, as shown on the  
14 document; and
- 15 (4) the vehicle identification number.

16 SECTION 12. Section 2302.253, Occupations Code, is  
17 repealed.

18 SECTION 13. Not later than January 1, 2010, the Texas  
19 Commission of Licensing and Regulation shall adopt rules under  
20 Section 2309.102, Occupations Code, as added by this Act.

21 SECTION 14. (a) Except as provided by Subsection (b) of  
22 this section, this Act takes effect September 1, 2009.

23 (b) Sections 2309.151 and 2309.154, Occupations Code, as  
24 added by this Act, and Subchapter F, Chapter 2309, Occupations  
25 Code, as added by this Act, take effect September 1, 2010.