

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. Section 2302.001(6), 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. Subchapter A, Chapter 2302, Occupations Code, is  
amended by adding Section 2302.008 to read as follows:

Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE

1 PARTS RECYCLERS. This chapter does not apply to a used automotive  
2 parts recycler licensed under Chapter 2309.

3 SECTION 3. Section 2302.103(b), Occupations Code, is  
4 amended to read as follows:

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

- 8 (1) new automobile dealer;
- 9 (2) used automobile dealer;
- 10 (3) [~~used vehicle parts dealer,~~
- 11 [~~4~~] salvage pool operator;
- 12 (4) [~~5~~] salvage vehicle broker; or
- 13 (5) [~~6~~] salvage vehicle rebuilder.

14 SECTION 4. Subtitle A, Title 14, Occupations Code, is  
15 amended by adding Chapter 2309 to read as follows:

16 CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

17 SUBCHAPTER A. GENERAL PROVISIONS

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

20 Sec. 2309.002. DEFINITIONS. In this chapter:

21 (1) "Insurance company," "metal recycler," "motor  
22 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle  
23 title," "salvage motor vehicle," "salvage vehicle title," and  
24 "salvage vehicle dealer" have the meanings assigned by Section  
25 501.091, Transportation Code.

26 (2) "Commission" means the Texas Commission of  
27 Licensing and Regulation.

1           (3) "Department" means the Texas Department of  
2 Licensing and Regulation.

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

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

7           (6) "Used automotive parts recycler" means a person  
8 licensed under this chapter to operate a used automotive parts  
9 recycling business.

10           (7) "Used automotive parts recycling" means the  
11 dismantling and reuse or resale of used automotive parts and the  
12 safe disposal of salvage motor vehicles or nonrepairable motor  
13 vehicles, including the resale of those vehicles.

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

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

17           (b) This chapter applies to a transaction in which a motor  
18 vehicle:

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

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

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

26           (b) This chapter applies to a transaction in which a motor  
27 vehicle:

1           (1) is sold, transferred, released, or delivered to a  
2 salvage vehicle dealer as a source of used automotive parts; and

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

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

6           [Sections 2309.006-2309.050 reserved for expansion]

7                           SUBCHAPTER B. ADVISORY BOARD

8           Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY  
9 BOARD. (a) The advisory board consists of six members representing  
10 the used automotive parts industry in this state appointed by the  
11 presiding officer of the commission with the approval of the  
12 commission.

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

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

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

22           Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board  
23 members serve terms of six years, with the terms of two members  
24 expiring on February 1 of each odd-numbered year.

25           (b) A member may not serve more than two full consecutive  
26 terms.

27           (c) If a vacancy occurs during a term, the presiding officer

1 of the commission shall appoint a replacement who meets the  
2 qualifications of the vacated position to serve for the remainder  
3 of the term.

4 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of  
5 the commission shall appoint one of the advisory board members to  
6 serve as presiding officer of the advisory board for a term of one  
7 year. The presiding officer of the advisory board may vote on any  
8 matter before the advisory board.

9 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The  
10 advisory board shall provide advice and recommendations to the  
11 department on technical matters relevant to the administration and  
12 enforcement of this chapter, including licensing standards,  
13 continuing education requirements, and examination content, if  
14 applicable.

15 Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.  
16 Advisory board members may not receive compensation but are  
17 entitled to reimbursement for actual and necessary expenses  
18 incurred in performing the functions of the advisory board, subject  
19 to the General Appropriations Act.

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

23 [Sections 2309.057-2309.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

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

1       Sec. 2309.102. RULES. (a) The commission shall adopt  
2 rules for licensing used automotive parts recyclers.

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

5       Sec. 2309.103. EXAMINATION OF CRIMINAL CONVICTION. The  
6 department may conduct an examination of any criminal conviction of  
7 an applicant, including by obtaining any criminal history record  
8 information permitted by law.

9       Sec. 2309.104. FEES. The commission shall establish and  
10 collect reasonable and necessary fees in amounts sufficient to  
11 cover the costs of administering this chapter.

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

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

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

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

22               (3) relates to the size or duration of an  
23 advertisement by the person; or

24               (4) restricts the use of a trade name in advertising by  
25 the person.

26       Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS. (a)  
27 The department may enter and inspect at any time during business

1 hours:

2 (1) the place of business of any person regulated  
3 under this chapter; or

4 (2) any place in which the department has reasonable  
5 cause to believe that a license holder is in violation of this  
6 chapter or in violation of a rule or order of the commission or  
7 executive director.

8 (b) The department shall conduct additional inspections  
9 based on a schedule of risk-based inspections using the following  
10 criteria:

11 (1) the type and nature of the used automotive parts  
12 recycler;

13 (2) the inspection history;

14 (3) any history of complaints involving a used  
15 automotive parts recycler; and

16 (4) any other factor determined by the commission by  
17 rule.

18 (c) A used automotive parts recycler shall pay a fee for  
19 each risk-based inspection performed under this section. The  
20 commission by rule shall set the amount of the fee.

21 (d) In conducting an inspection under this section, the  
22 department may inspect a facility, a used automotive part, a  
23 business record, or any other place or thing reasonably required to  
24 enforce this chapter or a rule or order adopted under this chapter.

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

27 [Sections 2309.108-2309.150 reserved for expansion]

1                   SUBCHAPTER D. LICENSE REQUIREMENTS

2           Sec. 2309.151. LICENSE REQUIRED. Unless the person holds  
3 an appropriate license issued under this chapter, a person may not  
4 own or operate a used automotive parts recycling business or sell  
5 used automotive parts.

6           Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.  
7 An applicant for a license under this chapter must submit to the  
8 department:

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

11                   (2) the required fees; and

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

13           Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a  
14 license under this chapter must:

15                   (1) establish proof of financial responsibility in the  
16 manner prescribed by the executive director;

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

20                   (3) provide a storm water permit if the applicant is  
21 required by the Texas Commission on Environmental Quality to obtain  
22 a permit.

23           Sec. 2309.154. NONTRANSFERABILITY OF LICENSE. A license  
24 issued by the executive director is valid throughout this state and  
25 is not transferable.

26           Sec. 2309.155. CONTINUING EDUCATION. (a) The commission by  
27 rule shall recognize or prepare and administer continuing education



1 programs for license holders. Each license holder must complete a  
2 continuing education program before the license holder may renew  
3 the license holder's license.

4 (b) A person recognized by the commission to offer a  
5 continuing education program must:

6 (1) register with the department; and

7 (2) comply with rules adopted by the commission  
8 relating to continuing education.

9 Sec. 2309.156. LICENSE RENEWAL. (a) A license issued under  
10 this chapter is valid for one year. The department may adopt a  
11 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) A license holder may renew a license issued under this  
18 chapter by:

19 (1) paying a renewal fee;

20 (2) providing to the department evidence of financial  
21 responsibility;

22 (3) providing proof of ownership or lease of the  
23 property where the license holder operates a used automotive parts  
24 recycling facility;

25 (4) providing a storm water permit if the license  
26 holder is required by the Texas Commission on Environmental Quality  
27 to obtain a permit; and

1           (5) completing continuing education as required by  
2 Section 2309.155.

3           [Sections 2309.157-2309.200 reserved for expansion]

4                           SUBCHAPTER E. LOCAL REGULATION

5           Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL  
6 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this  
7 chapter apply in addition to the requirements of any applicable  
8 municipal ordinance relating to the regulation of a person who  
9 deals in nonrepairable or salvage motor vehicles or used automotive  
10 parts.

11           (b) This chapter does not prohibit the enforcement of an  
12 applicable municipal license or permit requirement that is related  
13 to an activity regulated under this chapter.

14           [Sections 2309.202-2309.250 reserved for expansion]

15                           SUBCHAPTER F. ENFORCEMENT

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

20                   (1) this chapter or a rule adopted under this chapter;  
21 or

22                   (2) a rule or order of the executive director or  
23 commission.

24           (b) An administrative penalty may not be imposed unless the  
25 person charged with a violation is provided the opportunity for a  
26 hearing.

27           Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL

1 PENALTY. (a) The executive director may issue a cease and desist  
2 order as necessary to enforce this chapter if the executive  
3 director determines that the action is necessary to prevent a  
4 violation of this chapter and to protect public health and safety.

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

8 Sec. 2309.253. SANCTIONS. The department may impose  
9 sanctions as provided by Section 51.353.

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

12 (1) violates the licensing requirements of this  
13 chapter;

14 (2) deals in used parts without a license; or

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

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

18 [Sections 2309.255-2309.300 reserved for expansion]

19 SUBCHAPTER G. CONDUCTING BUSINESS

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

24 (b) A used automotive parts recycler who acquires ownership  
25 of a motor vehicle, nonrepairable motor vehicle, or salvage motor  
26 vehicle for the purpose of dismantling, scrapping, or destroying  
27 the motor vehicle, shall, before the 61st day after the date of

1 acquiring the motor vehicle, submit to the Texas Department of  
2 Transportation a report stating that the motor vehicle will be  
3 dismantled, scrapped, or destroyed. The recycler shall:

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

6 (2) submit with the report a properly assigned  
7 manufacturer's certificate of origin, regular certificate of  
8 title, nonrepairable vehicle title, salvage vehicle title, or  
9 comparable out-of-state ownership document for the motor vehicle.

10 (c) After receiving the report and title or document, the  
11 Texas Department of Transportation shall issue the used automotive  
12 parts recycler a receipt for the manufacturer's certificate of  
13 origin, regular certificate of title, nonrepairable vehicle title,  
14 salvage vehicle title, or comparable out-of-state ownership  
15 document.

16 (d) The recycler shall comply with Subchapter E, Chapter  
17 501, Transportation Code.

18 Sec. 2309.302. RECORDS OF PURCHASES. A used automotive  
19 parts recycler shall maintain a record of each motor vehicle,  
20 salvage motor vehicle, nonrepairable motor vehicle, and used  
21 automotive part purchased.

22 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.  
23 Before moving a place of business or opening an additional place of  
24 business, a used automotive parts recycler must notify the  
25 department of the new location. The used automotive parts recycler  
26 shall provide a storm water permit for the location if a permit is  
27 required by the Texas Commission on Environmental Quality.

1 [Sections 2309.304-2309.350 reserved for expansion]

2 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER

3 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

4 Sec. 2309.351. DEFINITIONS. In this subchapter:

5 (1) "Component part" means a major component part as  
6 defined by Section 501.091, Transportation Code, or a minor  
7 component part.

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

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

13 (A) a federal safety certificate;

14 (B) a motor number;

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

16 (D) a manufacturer's permanent vehicle  
17 identification number or a derivative.

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

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

22 (1) remove any unexpired license plates from the  
23 vehicle; and

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

26 Sec. 2309.353. RECEIPT OF MOTOR VEHICLE. A used automotive  
27 parts recycler may not take delivery of a motor vehicle unless the

1 recycler first obtains:

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

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

7 Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS. (a)

8 A used automotive parts recycler shall keep an accurate and legible  
9 inventory of each used component part purchased by or delivered to  
10 the recycler. The inventory must contain a record of each part  
11 that includes:

12 (1) the date of purchase or delivery;

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

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

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

19 (5) the vehicle identification number of the motor  
20 vehicle from which the part was removed.

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

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

25 (2) the Texas certificate of inventory number or the  
26 federal taxpayer identification number of the person.

27 (c) The department shall prescribe the form of the record

1 required by Subsection (a) and shall make the form available to used  
2 automotive parts recyclers.

3 (d) This section does not apply to:

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

6 (2) a part delivered to a used automotive parts  
7 recycler by a commercial freight line, commercial carrier, or  
8 licensed used automotive parts recycler.

9 Sec. 2309.355. ASSIGNMENT OF INVENTORY NUMBER. (a) A used  
10 automotive parts recycler shall:

11 (1) assign a unique inventory number to each  
12 transaction in which the recycler purchases or takes delivery of a  
13 component part;

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

16 (3) retain each component part in its original  
17 condition on the business premises of the recycler for at least  
18 three calendar days, excluding Sundays, after the date the  
19 recycler obtains the part.

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

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

27 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive

1 parts recycler shall keep a record required under this subchapter  
2 on a form prescribed by the department or the Texas Department of  
3 Transportation. The recycler shall maintain copies of each record  
4 required under this subchapter until the first anniversary of the  
5 purchase date of the item for which the record is maintained.

6 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE  
7 PLATES. (a) On demand, a used automotive parts recycler shall  
8 surrender to the Texas Department of Transportation for  
9 cancellation a certificate of title or authority, sales receipt or  
10 transfer document, license plate, or inventory list that the  
11 recycler is required to possess or maintain.

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

14 Sec. 2309.358. RESALE OF SALVAGE MOTOR VEHICLES OR  
15 NONREPAIRABLE MOTOR VEHICLES. (a) A used automotive parts  
16 recycler may sell salvage or nonrepairable vehicles only at the  
17 recycler's business location.

18 (b) Before reselling a salvage motor vehicle or  
19 nonrepairable motor vehicle, a used automotive parts recycler must  
20 post notice on the vehicle of the type of title appropriate to the  
21 vehicle.

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

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



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

5       (d) A used automotive parts recycler or an employee of the  
6 recycler shall allow and may not interfere with a peace officer's  
7 inspection of the recycler's inventory, premises, or required  
8 inventory records.

9       [Sections 2309.360-2309.400 reserved for expansion]

10       SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

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

14       Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY. (a)  
15 A used automotive parts recycler may not operate heavy machinery in  
16 a used automotive parts recycling facility between the hours of 7  
17 p.m. of one day and 7 a.m. of the following day.

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

20       SECTION 5. Section 501.091, Transportation Code, is amended  
21 by amending Subdivision (17) and adding Subdivision (20) to read as  
22 follows:

23               (17) "Salvage vehicle dealer" means a person engaged  
24 in this state in the business of acquiring, selling, [~~dismantling,~~]  
25 repairing, rebuilding, reconstructing, or otherwise dealing in  
26 nonrepairable motor vehicles or [~~7~~] salvage motor vehicles[~~or~~  
27 ~~used parts~~]. The term does not include a person who casually

1 repairs, rebuilds, or reconstructs fewer than five [~~three~~] salvage  
2 motor vehicles in the same calendar year or a person who deals in  
3 used automotive parts. The term includes a person engaged in the  
4 business of:

5 (A) a salvage vehicle dealer, regardless of  
6 whether the person holds a license issued by the department to  
7 engage in that business; or

8 (B) dealing in nonrepairable motor vehicles or  
9 salvage motor vehicles [~~, regardless of whether the person deals in~~  
10 ~~used parts; or~~

11 [~~(C) dealing in used parts regardless of whether~~  
12 ~~the person deals in nonrepairable motor vehicles or salvage motor~~  
13 ~~vehicles]~~.

14 (20) "Used parts dealer" and "used automotive parts  
15 recycler" have the meaning assigned to "used automotive parts  
16 recycler" by Section 2309.002, Occupations Code.

17 SECTION 6. Section 501.092(d), Transportation Code, is  
18 amended to read as follows:

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

1 for the motor vehicle.

2 SECTION 7. Sections 501.095(a) and (b), Transportation  
3 Code, are amended to read as follows:

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

11 (1) a licensed salvage vehicle dealer, a used  
12 automotive parts recycler under Chapter 2309, Occupations Code, or  
13 a metal recycler under Chapter 2302, Occupations Code;

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

16 (3) a governmental entity; or

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

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

27 (1) a nonrepairable vehicle title if the vehicle is a

1 nonrepairable motor vehicle; or

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

4 SECTION 8. Section 501.105, Transportation Code, is amended  
5 to read as follows:

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

13 (1) the date of the sale;

14 (2) the name of the purchaser;

15 (3) the name of the jurisdiction that issued the  
16 identification document provided by the purchaser, as shown on the  
17 document; and

18 (4) the vehicle identification number.

19 SECTION 9. Section 2302.253, Occupations Code, is repealed.

20 SECTION 10. Not later than January 1, 2010, the Texas  
21 Commission of Licensing and Regulation shall adopt rules under  
22 Section 2309.102, Occupations Code, as added by this Act.

23 SECTION 11. (a) Except as provided by Subsection (b) of this  
24 section, this Act takes effect September 1, 2009.

25 (b) Section 2309.151, Occupations Code, as added by this  
26 Act, and Subchapter F, Chapter 2309, Occupations Code, as added by  
27 this Act, take effect September 1, 2010.