

AN ACT

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

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

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

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

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

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

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

SECTION 2. The change in law made by Section 503.040, 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.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1827 passed the Senate on April 9, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 29, 2009, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1827 passed the House, with amendment, on May 15, 2009, by the following vote: Yeas 144, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor