

BILL ANALYSIS

C.S.H.B. 2357
By: Pickett
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the motor vehicle statutes in Chapters 501, 502, 504, and 520, Transportation Code, need updating to reflect advances in automation and efficiency. In addition, the statutes have not been reorganized since they were codified in the mid-1990s. C.S.H.B. 2357 updates and reorganizes the law governing vehicle titles, registration, and license plates, along with related miscellaneous provisions. Among other provisions, the bill requires the Texas Department of Motor Vehicles (TxDMV), in consultation with the Department of Public Safety, to conduct a study on the consolidation of similar information that is collected by both agencies. The bill also authorizes a county tax assessor-collector to license motor vehicle dealers to title and register motor vehicles in accordance with rules adopted by the board of TxDMV.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTIONS 31, 70, 82, 83, 175, and 214 of this bill.

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTIONS 12, 31, 46, 56, 78, 81, 82, 88, 90, 170, 172, 175, 209, 211, and 214 of this bill.

It is the committee's opinion that rulemaking authority previously granted to the Texas Department of Motor Vehicles is transferred to the board of the Texas Department of Motor Vehicles in SECTIONS 18, 83, and 97 of this bill.

ANALYSIS

C.S.H.B. 2357 amends the Transportation Code to update and reorganize Chapters 501, 502, 504, and 520, relating to certificates of title, registration of vehicles, license plates, and miscellaneous provisions, respectively. The bill transfers, renumbers, amends, and repeals provisions in those chapters and other chapters of the Transportation Code and other codes. The bill includes numerous technical and conforming changes.

Chapter 501. Certificate of Title Act

C.S.H.B. 2357 amends the Transportation Code to define or redefine, for purposes of general provisions under the Certificate of Title Act, "certificate of title," "credit card," "dealer," "debit card," "distributor," "electric bicycle," "first sale," "manufacturer," "motor vehicle," "motorcycle," "new motor vehicle," "record of title," "seller," "subsequent sale," "title," "title receipt," "travel trailer," and "vehicle identification number." The bill defines "owner" to mean a person, other than a manufacturer, importer, distributor, or dealer, claiming a title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale. The bill defines "purchaser" to mean a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred.

C.S.H.B. 2357 specifies that the Certificate of Title Act applies to all motor vehicles, with certain exceptions and makes conforming changes.

C.S.H.B. 2357, in a provision relating to an alias title, specifies that an alias title is for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation.

C.S.H.B. 2357 requires the title for a motor vehicle to include, among other items, the make of the motor vehicle; the body type of the vehicle; the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted; the serial number for the vehicle; and, if the vehicle has an odometer, the odometer reading at the time of application for the title.

C.S.H.B. 2357 specifies the application of provisions relating to obtaining a title if the county in which the owner of a motor vehicle resides has been declared a disaster area by the governor. The bill requires the owner to submit an application for vehicle titling to the county tax assessor-collector in one of the closest unaffected counties as an alternative to submitting it to the assessor-collector in the county in which the owner is domiciled or in which the motor vehicle is purchased or encumbered.

C.S.H.B. 2357 authorizes the Texas Department of Motor Vehicles (TxDMV) to require an applicant for a title to provide current personal identification as determined by TxDMV rule. The bill authorizes any identification number required by TxDMV for obtaining a title to be entered in the department's electronic titling system and prohibits the number from being printed on the title.

C.S.H.B. 2357, in a provision relating to a title receipt, specifies that a title receipt with registration or permit authorizes the operation of a motor vehicle on a public highway in Texas for 10 days or until the title is issued, whichever period is shorter.

C.S.H.B. 2357 sets out a provision relating to acceptable proof of ownership and related rulemaking and prohibits a title receipt from being used to transfer an interest in or establish a lien on a vehicle.

C.S.H.B. 2357 requires TxDMV to issue a title for a former military vehicle if all requirements for issuance of a title are met. The bill defines "former military vehicle."

C.S.H.B. 2357 authorizes TxDMV to rescind, cancel, or revoke an application for a title if a notarized affidavit is presented containing a statement that the vehicle involved was a new motor vehicle in the process of a first sale; a statement that the dealer, the applicant, and any lienholder have canceled the sale; a statement that the vehicle was never in the possession of the title applicant or was in the possession of the title applicant; and the signatures of the dealer, the applicant, and any lienholder. The bill establishes that a rescission, cancellation, or revocation containing an authorized statement that the vehicle was in the possession of the title applicant does not negate the fact that the vehicle has been the subject of a previous retail sale. The bill, in provisions requiring a bond that may be filed as an alternative to a hearing on the department's refusal to issue a certificate of title to be in an amount equal to one and one-half times the value of the vehicle as determined by TxDMV, authorizes TxDMV to set an appraisal system by rule if it is unable to determine the value of the vehicle.

C.S.H.B. 2357 authorizes TxDMV, by rule, to establish a fee to cover the cost of administering provisions authorizing the filing of a bond as an alternative to a hearing on the department's refusal to issue a certificate of title.

C.S.H.B. 2357 defines or redefines, for purposes of provisions relating to the title for nonrepairable and salvage motor vehicles, "damage," "major component part," "metal recycler,"

"motor vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle title," "nonrepairable record of title," "out-of-state ownership document," "salvage motor vehicle," "salvage vehicle title," "salvage record of title," and "self-insured motor vehicle." The bill defines "casual sale" to exclude a sale to an insurance company, out-of-state buyer, or governmental entity or the sale of an export-only motor vehicle to a person who is not a resident of the United States. The bill defines "rebuilder" to mean a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway, more than five salvage motor vehicles in a calendar year. The bill defines "salvage vehicle dealer" to exclude an unlicensed person who casually repairs, rebuilds, or reconstructs not more than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year; buys not more than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year; or is a licensed used automotive parts recycler if the sale of repaired, rebuilt, or reconstructed nonrepairable motor vehicles or salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.

C.S.H.B. 2357, in a provision relating to the appearance of a nonrepairable vehicle title or salvage vehicle title, requires a nonrepairable vehicle title to clearly indicate that the motor vehicle may not be issued a regular title, among other requirements. The bill requires an electronic application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title to clearly advise the applicant of the same provisions required on a printed title. The bill requires a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title in the department's electronic database to include appropriate remarks so that the vehicle record clearly shows the status of the vehicle. The bill removes provisions requiring TxDMV to provide a stamp to a licensed salvage vehicle dealer to mark the face of a title.

C.S.H.B. 2357 removes provisions relating to the sale of certain salvage motor vehicles or nonrepairable motor vehicles by an insurance company and adds provisions that apply only to a motor vehicle in Texas that is a self-insured motor vehicle and damaged to the extent it becomes a nonrepairable or salvage motor vehicle. The bill requires the owner of such a vehicle to submit to TxDMV before the 31st business day after the date of the damage, in a manner prescribed by TxDMV, a statement that the motor vehicle was self-insured and damaged. The bill requires the owner, upon submitting a statement, to surrender the ownership document and apply for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title.

C.S.H.B. 2357, in provisions relating to owner-retained vehicles, requires an insurance company, if the insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, to apply on behalf of the owner for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title, or notify the owner of the information contained in certain provisions of law, and submit a report as required by provisions of law.

C.S.H.B. 2357 requires TxDMV to adopt rules to notify a salvage dealer that a vehicle in the dealer's possession has a record of title in the department's titling system if the vehicle was not issued a printed title.

C.S.H.B. 2357 makes provisions relating to a rebuilder's possession of title or other documentation apply to a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles, regardless of whether the person is licensed to engage in that business.

C.S.H.B. 2357, in provisions relating to record retention, requires a salvage vehicle dealer or used automotive parts recycler to keep on the business premises of the dealer or recycler, until the third anniversary of the date the report on the motor vehicle is submitted to TxDMV, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed as required by provisions of law relating to salvage dealer responsibilities.

C.S.H.B. 2357, in provisions relating to offenses, establishes that a person commits an offense if the person applies to TxDMV for a title for a motor vehicle and knows or reasonably should know that, among other things, that the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle or the motor vehicle is an export-only motor vehicle.

C.S.H.B. 2357, in provisions relating to the recordation of security interest, establishes that the recordation of a lien is considered to occur when the department's titling system is updated or the county assessor-collector accepts the application of title that discloses the lien with the filing fee.

C.S.H.B. 2357, in provisions relating to the assignment of a lien, establishes that an assignee or assignor may, but need not to retain the validity, perfection, and priority of the lien assigned, as evidence of the assignment of a recorded lien, apply to the county assessor-collector for the assignee to be named as lienholder on the title and notify the debtor of the assignment.

C.S.H.B. 2357, in provisions relating to a lost or destroyed certificate of title, authorizes TxDMV to issue a certified copy of a title only under certain conditions, including that the applicant submits personal identification as required by TxDMV rule.

C.S.H.B. 2357, in provisions relating to a title transfer and a late fee, removes provisions requiring the transferee of a used motor vehicle to pay a transfer fee for the transfer of the registration of the vehicle. The bill makes the amount of a late fee contingent on whether the seller, rather than the transferee, holds a general distinguishing number.

C.S.H.B. 2357, in provisions that apply only if TxDMV implements an electronic titling system, to authorize the board of TxDMV, by rule, to implement such a titling system. The bill establishes that a record of title maintained electronically by TxDMV in the titling system is the official record of vehicle ownership unless the owner requests that TxDMV issue a printed title. The bill defines "document," "electronic," "electronic document," "electronic signature," and "paper document."

C.S.H.B. 2357 establishes that if the Certificate of Title Act requires a document to be an original, on paper or another tangible medium, or in writing, the requirement is met by an electronic document that complies with the bill's provisions relating to the electronic titling system. The bill establishes that if a law requires a document to be signed, the requirement is satisfied by an electronic signature. The bill establishes that a requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that action, and all other information required to be included, is attached to or logically associated with the document or signature. The bill provides that a physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

C.S.H.B. 2357 authorizes TxDMV to receive, index, store, archive, and transmit electronic documents; provide for access to, and for search and retrieval of, documents and information by electronic means; and convert into electronic form paper documents that it accepts for the titling of a motor vehicle and information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented. The bill requires TxDMV to continue to accept paper documents after the titling system is implemented.

C.S.H.B. 2357 authorizes TxDMV to accept payment by electronic funds transfer, credit card, or debit card of any title fee that TxDMV is required or authorized to collect. The bill authorizes TxDMV to collect a fee for processing a title payment by electronic funds transfer, credit card, or debit card and requires the fee to be reasonably related to the expense incurred by TxDMV in processing the payment by electronic funds transfer, credit card, or debit card. The bill prohibits the fee from being more than five percent of the amount of the fee being paid. The bill authorizes TxDMV to collect from a person making payment by electronic funds transfer, credit

card, or debit card an amount equal to the amount of any transaction fee charged to TxDMV by a vendor providing services in connection with payments made by electronic funds transfer, credit card, or debit card and establishes that the five percent limitation on the amount of the fee does not apply to such a fee.

C.S.H.B. 2357 authorizes TxDMV, if for any reason the payment of a fee by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, to collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The bill requires the amount of the service charge to be reasonably related to the expense incurred by TxDMV in collecting the original amount.

C.S.H.B. 2357 requires all fees collected under electronic titling provisions in the Certificate of Title Act to be deposited to the credit of the state highway fund.

C.S.H.B. 2357 establishes how the bill's provisions relating to an electronic titling system relate to the federal Electronic Signatures in Global and National Commerce Act.

Chapter 502. Registration of Vehicles

C.S.H.B. 2357 defines or redefines, for purposes of the registration of vehicles, "combination license plate," "commercial motor vehicle," "construction machinery," "credit card," "debit card," "electric bicycle," "electric personal assistive mobility device," "farm semitrailer," "farm tractor," "farm trailer," "forestry vehicle," "golf cart," "gross vehicle weight," "implements of husbandry," "light truck," "motorcycle," "motorized mobility device," "net carrying capacity," "oil well servicing, cleanout, or drilling machinery," "passenger car," "private bus," "tow truck," and "travel trailer." The bill defines "all-terrain vehicle" to mean a motor vehicle that meets certain requirements and is not designed by the manufacturer primarily for farming or lawn care. The bill defines "apportioned license plate" to mean a license plate issued in lieu of a truck license plate or combination license plate to a motor carrier in Texas who proportionally registers a vehicle owned or leased by the carrier in one or more other states. The bill defines "commercial fleet" to mean a group of at least 25 nonapportioned motor vehicles, semitrailers, or trailers owned, operated, or leased by a corporation, limited or general partnership, limited liability company, or other business entity and used for the business purposes of that entity.

C.S.H.B. 2357 makes provisions relating to extended registration of commercial fleet vehicles also apply to semitrailers and trailers.

C.S.H.B. 2357 requires the owner of a motor vehicle, trailer, or semitrailer to apply for vehicle registration not more than 30 days after purchasing a vehicle or becoming a resident of Texas if the vehicle will be used on a public highway. The bill requires the application to be accompanied by personal identification as determined by TxDMV rule and made in a manner prescribed by TxDMV. The bill requires the owner of a vehicle, if the county in which the owner of a motor vehicle resides has been declared a disaster area by the governor, to submit an application for vehicle registration to the assessor-collector in one of the closest unaffected counties as an alternative to submitting it through the county assessor-collector of the county in which the owner resides.

C.S.H.B. 2357 requires an application for vehicle registration to include information required by TxDMV rule, rather than certain prescribed information. The bill requires the department to deny the registration of a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant has a business operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration or whose privilege to operate has been suspended, including the applicant entity, a relative, family member, corporate officer, or shareholder; has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for

safety-related reasons; is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or fails to deliver to the county tax assessor-collector proof of the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered. The bill removes a provision requiring the assessor-collector to keep the affidavit on file. The bill provides that these provisions allow issuance for registration purposes only but do not authorize TxDMV to issue a title. The bill authorizes TxDMV to require an applicant for registration to provide current personal identification as determined by TxDMV rule and specifies that any identification number required by TxDMV may be entered into the department's electronic titling system, but may not be printed on the title. The bill removes provisions relating to the tax assessor-collector requirement to register such a vehicle under certain conditions.

C.S.H.B. 2357 authorizes the board of TxDMV, by rule, to allow payment of registration fees for a designated period not to exceed the amount of time determined by TxDMV rule.

C.S.H.B. 2357 requires the board, rather than an assessor-collector, by rule to adopt a list of evidentiary items sufficient to establish good reason for delinquent registration of a vehicle and removes provisions specifying evidentiary items to be included.

C.S.H.B. 2357 specifies that information required on a registration receipt is established by TxDMV rule and removes provisions requiring the receipt to include certain information.

C.S.H.B. 2357 establishes that fees for annual and temporary permits issued to a foreign commercial motor vehicle are paid in the manner prescribed by TxDMV, rather than by certain specified means, and may include a service charge for a credit card payment or escrow account.

C.S.H.B. 2357, in provisions applicable to vehicles not issued registration, adds motorized mobility devices, electric personal assistive mobility devices, and electric bicycles to the vehicles that are prohibited from being registered for operation on a public highway.

C.S.H.B. 2357 removes language authorizing a nonresident to operate for compensation a vehicle, trailer, or semitrailer not registered in Texas if the person does not exceed two trips in a calendar month and each trip does not exceed four days and removes language prohibiting a nonresident owner of a privately owned vehicle not registered in Texas from making more than five occasional trips in any calendar month.

C.S.H.B. 2357 adds oil well servicing or drilling machinery to the vehicles that do not require registration if used only temporarily on Texas highways and specifies that the exemption applies if, at the time of obtaining the license plates, the applicant submits proof that the applicant has a permit to move oil well servicing or drilling machinery. The bill removes the specification that construction machinery does not require registration if the machinery is not designed to transport person or property on public highways.

C.S.H.B. 2357 authorizes TxDMV to accept payment by electronic funds transfer, credit card, or debit card of any registration fee that TxDMV is required or authorized to collect. The bill authorizes TxDMV to collect a fee for processing a registration payment by electronic funds transfer, credit card, or debit card and requires the fee to be reasonably related to the expense incurred by TxDMV in processing the payment by electronic funds transfer, credit card, or debit card. The bill prohibits the fee from being more than five percent of the amount of the fee being paid. The bill authorizes TxDMV to collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to the amount of any transaction fee charged to TxDMV by a vendor providing services in connection with payments made by electronic funds transfer, credit card, or debit card and establishes that the five percent limitation on the amount of the fee does not apply to such a fee. The bill authorizes TxDMV, if for any reason the payment of a fee by electronic funds transfer, credit card, or debit card is not honored by the

funding institution or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, to collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The bill requires the amount of the service charge to be reasonably related to the expense incurred by TxDMV in collecting the original amount.

C.S.H.B. 2357 removes a provision requiring a county assessor-collector to send to TxDMV a copy of each receipt issued for a registration fee the previous week.

C.S.H.B. 2357 removes provisions relating to the computation of the net carrying capacity of certain vehicles for purposes of registering the vehicles.

C.S.H.B. 2357 makes provisions relating to the fee for certain vehicles using a diesel motor apply to a truck with a gross weight of 18,000 pounds, rather than two tons.

Chapter 504. License Plates

C.S.H.B. 2357 amends the Transportation Code to define "purchaser" and "seller." The bill sets out provisions relating to a registration period of greater than 12 months for a specialty license plate, symbol, tab, or other device.

C.S.H.B. 2357 adds general provisions relating to the design and alphanumeric pattern of a license plate, replacement license plates, and issuance and placement of a license plate. The bill authorizes the board of TxDMV to adopt rules regarding the placement of license plates for a motor vehicle, road tractor, motorcycle, trailer, or semitrailer.

C.S.H.B. 2357, in provisions that relate to license plates for vehicles used by veterans with disabilities, authorizes a license plate with the letters "DV" to be personalized with up to four characters.

C.S.H.B. 2357 amends provisions relating to specialty license plates with restricted distribution, requiring TxDMV to issue, without charge, not more than three sets of specialty license plates under those provisions. The bill makes a conforming change in provisions relating to license plates issued for vehicles used by state officials, members of congress, a current or visiting state or federal judge, current federal administrative law judges, a county judge, and a Texas constable. The bill redefines "state judge."

C.S.H.B. 2357, in provisions relating to foreign organization vehicles, establishes that license plates issued for these vehicles remain valid for seven, rather than five years, and that a person entitled to these specialty license plates may register the vehicle without payment of any fee paid for, or at the time of, registration.

C.S.H.B. 2357 makes provisions relating to specialty license plates for certain vehicles apply to specialty license plates with restricted distribution and regular license plate fees. The bill authorizes TxDMV to issue specially designed license plates for rental trailers and travel trailers and defines "rental fleet," "rental trailer," and "travel trailer."

C.S.H.B. 2357 establishes that if a fee is paid for the issuance of license plates for a college or university that is not located in Texas, the money must be deposited to the credit of the Texas Higher Education Coordinating Board and is considered to be supplementary and not income for purposes of reducing general revenue appropriations to the coordinating board. The bill defines "college." The bill authorizes TxDMV to issue license plates for a particular sports team or institution of higher education only if \$8,000 has been deposited with TxDMV for that team or institution and requires the deposit to be returned after 800 sets of plates have been issued.

C.S.H.B. 2357 authorizes TxDMV, if the vendor operating the program for the marketing and

sale of specialty license plates ceases operations, to temporarily operate the program until another vendor is selected and requires the vendor's share of the revenue in such a case to be deposited to the credit of the general revenue fund.

C.S.H.B. 2357 adds provisions relating to the transfer and removal of license plates. The bill provides that, on the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under provisions relating to dealer's and manufacturer's vehicle license plates, the dealer is required to remove each license plate issued for the motor vehicle. The bill authorizes a person to use the license plates removed from a motor vehicle on a new motor vehicle purchased from a dealer after the person obtains the department's approval of a title and registration application. The bill provides that on the sale or transfer of a motor vehicle to a person who does not hold a general distinguishing number, the seller is authorized to remove each license plate issued for the motor vehicle. The bill authorizes the license plates to be transferred to another vehicle titled in the seller's name if the seller obtains the department's approval of an application to transfer the license plates and a new registration insignia for the motor vehicle. The bill requires a license plate removed from a motor vehicle that is not transferred to another motor vehicle to be disposed of in a manner specified by TxDMV. The bill specifies that to be eligible for transfer, license plates must be appropriate for the class of vehicle to which the plates are being transferred.

C.S.H.B. 2357 establishes that a person commits an offense if the person operates on a public highway, during a registration period, a motor vehicle, or a road tractor, motorcycle, trailer, or semitrailer, that does not display two license plates or one license plate, as appropriate, assigned by TxDMV for the period that complies with TxDMV rules regarding the placement of license plates.

C.S.H.B. 2357 adds provisions relating to operation of a vehicle without a license plate and to operation of a vehicle with a wrong, fictitious, altered, or obscured license plate.

Chapter 520. Miscellaneous Provisions

C.S.H.B. 2357 amends the Transportation Code to establish that TxDMV has jurisdiction over the registration and titling of, and the issuance of license plates to, motor vehicles in compliance with applicable statutes. The bill requires the board of TxDMV, by rule, to provide services that are reasonable, adequate, and efficient and to establish standards for uniformity and service quality for counties and licensed motor vehicle dealers and authorizes the board, by rule, to conduct public service education campaigns related to TxDMV functions. The bill sets out provisions relating to the department's authority to adopt rules to administer certain miscellaneous provisions of this code, including waiving fees under certain conditions if a dealer has gone out of business.

C.S.H.B. 2357, in provisions relating to the duty and responsibilities of a county tax assessor-collector, authorizes an assessor-collector to license franchised and non-franchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted by the board of TxDMV and authorizes the assessor-collector to pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.

C.S.H.B. 2357 authorizes county collecting fees on behalf of a county that has been declared a disaster area to retain the commission for fees collected and requires the county to allocate the fees to the county declared a disaster area.

C.S.H.B. 2357 requires TxDMV, in consultation with the Department of Public Safety, to conduct a study on the consolidation of similar information that is collected separately by each agency. The bill establishes that the study should include recommendations that sufficiently protect the privacy of the public and the security and integrity of information provided. The bill

requires the study to be completed not later than September 1, 2012.

C.S.H.B. 2357 redefines "title service record" for purposes of miscellaneous provisions relating to motor vehicle title services.

C.S.H.B. 2357, in a provision authorizing a peace officer to seize a disabled parking placard under certain conditions, adds as a condition that the placard does not contain certain information relating to the applicant on behalf of a person being transported by the vehicle.

C.S.H.B. 2357 amends the Health and Safety Code and the Occupations Code to make conforming changes.

C.S.H.B. 2357 establishes that to the extent of any conflict, the bill prevails over another act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections in enacted codes.

Repealers

C.S.H.B. 2357 repeals the headings to Subchapters C and D, Chapter 520, Transportation Code, and the following sections of the Transportation Code:

- Section 501.026
- Section 501.075
- Section 501.094
- Section 501.133
- Sections 501.134(e), (f), and (i)
- Section 502.0074
- Section 502.0075
- Section 502.008
- Section 502.104
- Section 502.105
- Section 502.1535
- Section 502.154
- Section 502.175
- Section 502.177
- Section 502.206
- Section 502.271
- Section 502.2862
- Section 502.2971
- Section 502.403
- Section 502.405
- Section 502.407(c)
- Section 502.412(c)
- Section 502.452

- Section 502.453
- Section 502.455
- Section 502.456
- Section 504.201(h)
- Section 504.316(b)
- Section 504.401(b)
- Section 504.402(b)
- Section 504.403(b)
- Section 504.404(b)
- Section 504.405(b)
- Section 504.502(j)
- Section 504.506(f)
- Section 504.507(c)
- Section 504.508(d)
- Section 504.624
- Section 504.629
- Section 504.634
- Section 504.643
- Section 504.649
- Section 504.650
- Section 504.653
- Section 504.655
- Section 504.701
- Section 504.702(c)
- Section 520.013
- Section 520.034
- Section 681.005(2)

EFFECTIVE DATE

January 1, 2012.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2357 differs from the original, in provisions relating to the Certificate of Title Act, by defining "owner" to mean a person, other than a manufacturer, importer, distributor, or dealer, claiming title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale, whereas the original defines that term to mean a person who holds the legal title to a motor vehicle, other than a manufacturer, importer, distributor, or dealer; has the legal right of possession of a motor vehicle; or has the legal right of control of a motor vehicle.

C.S.H.B. 2357 differs from the original by defining "purchaser" to mean a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred, whereas the original

defines that term to mean a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred and excludes an importer, a distributor, or a dealer unless one of those entities chooses to take title in the entity's name.

C.S.H.B. 2357 differs from the original, in a provision relating to an alias title, by specifying that the title is for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation, whereas the original specifies that an alias title is for a vehicle in an alias for the agency's use by a person elected, appointed, or employed as a peace officer under certain provisions in the Code of Criminal Procedure.

C.S.H.B. 2357 differs from the original by requiring the title of a motor vehicle to include, among other items, the make of the motor vehicle; the body type of the vehicle; the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted; and the serial number for the vehicle, whereas the original requires the title to include the vehicle description and removes the described items. The substitute differs from the original by requiring the title to include, if the vehicle has an odometer, the odometer reading at the time of application for the title, whereas the original requires the title to include, if the vehicle has an odometer, the odometer reading.

C.S.H.B. 2357 differs from the original by specifying that a title receipt with registration or permit, rather than only registration, as in the original, authorizes the operation of a motor vehicle on a public highway in Texas for 10 days or until the title is issued, whichever period is shorter.

C.S.H.B. 2357 differs from the original by requiring the Texas Department of Motor Vehicles (TxDMV) to issue a title for a former military vehicle if all requirements for issuance of a title are met, whereas the original authorizes TxDMV to issue the title under those conditions.

C.S.H.B. 2357 differs from the original, in provisions relating to the title for nonrepairable and salvage motor vehicles, by defining "casual sale" to exclude a sale at auction to a salvage vehicle dealer; a sale to an insurance company, out-of-state buyer, or governmental entity; or the sale of an export-only motor vehicle to a person who is not a resident of the United States, whereas the original defines that term to exclude a sale at auction to a salvage vehicle dealer, insurance company or governmental entity. The substitute omits a provision included in the original defining "out-of-state buyer."

C.S.H.B. 2357 differs from the original by defining "rebuilder" to mean a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway more than five salvage motor vehicles in a calendar year, whereas the original defines that term to mean a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway five or fewer salvage motor vehicles in a calendar year. The substitute differs from the original by defining "salvage vehicle dealer" to exclude a person who is a licensed used automotive parts recycler if certain conditions are met, whereas the original defines that term to exclude a person who acts as a used automotive parts recycler if those conditions are met.

C.S.H.B. 2357 differs from the original by requiring an insurance company that pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and does not acquire ownership of the motor vehicle to apply on behalf of the owner for a vehicle title, whereas the original requires the insurance company to apply for the vehicle title under those conditions. The substitute differs from the original by applying provisions requiring a rebuilder to possess title or other documentation to a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles regardless of whether the person is licensed to engage in that business, whereas the original applies the provisions to a person engaged in repairing, rebuilding, or reconstructing three or fewer motor vehicles regardless of whether the person is licensed to engage in that business.

C.S.H.B. 2357 differs from the original by establishing that a person commits an offense if the person applies to TxDMV for a title for a motor vehicle and knows or reasonably should know that the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle or that the motor vehicle is an export-only motor vehicle, whereas the original removes those provisions relating to an export-only motor vehicle.

C.S.H.B. 2357 differs from the original by establishing that recordation of a lien is considered to occur when the department's titling system is updated or the county assessor-collector accepts the application of title that discloses the lien with the filing fee, whereas the original establishes that recordation of a lien is considered to occur when the department's titling system is updated or TxDMV accepts the application of title that discloses the lien with the filing fee. The substitute differs from the original by authorizing an assignee or assignor to apply to the county assessor-collector for the assignee to be named as lienholder on the title, whereas the original authorizes the assignee or assignor to apply to TxDMV for the assignee to be named as lienholder on the title.

C.S.H.B. 2357 omits provisions included in the original authorizing an applicant who may be issued a title by operation of law to apply for a certified copy and authorizing TxDMV to establish acceptable identification requirements for such applicants.

C.S.H.B. 2357 differs from the original, in provisions relating to the registration of vehicles, by defining "all-terrain vehicle" to include a vehicle that meets certain conditions and is not designed by the manufacturer primarily for farming or lawn care, whereas the original removes the condition that it not be designed by the manufacturer primarily for farming or lawn care. The substitute differs from the original by defining "apportioned license plate" to refer to a vehicle that is owned or leased by a motor carrier in one or more other states, whereas the original defines that term to refer to a vehicle that is owned by a motor carrier in one or more other states. The substitute differs from the original by defining "commercial fleet" to include motor vehicles, semitrailers, or trailers, whereas the original defines that term to include motor vehicles or trailers. The substitute differs from the original by retaining the statutory definition of "owner," whereas the original redefines "owner" by reference to the Certificate of Title Act.

C.S.H.B. 2357 contains provisions not included in the original relating to a requirement that an applicant for registration provide current personal identification as determined by TxDMV rule.

C.S.H.B. 2357 omits provisions included in the original relating to the department's refusal or the department's authorization to instruct a county assessor-collector to refuse to issue a temporary registration for any vehicle under certain conditions.

C.S.H.B. 2357 differs from the original by making provisions that relate to the use of replacement license plates in succeeding years inapplicable to the issuance of certain specialized license plates for limited distribution, whereas the original makes the provisions inapplicable to the issuance of such, but specifies the inclusion of state official license plates.

C.S.H.B. 2357 differs from the original by authorizing the board of TxDMV to adopt rules regarding the placement of license plates for a motor vehicle, road tractor, motorcycle, trailer, or semitrailer, whereas the original specifies requirements for the placement of the license plates.

C.S.H.B. 2357 contains a provision not included in the original authorizing a license plate with the letters "DV" to be personalized with up to four characters. The substitute differs from the original by requiring license plates issued for foreign organization vehicles to remain valid for seven years and by authorizing a person entitled to the plates to register the vehicle without payment of any fee at the time of registration, whereas the original removes those provisions. The substitute omits provisions included in the original relating to antique vehicles.

C.S.H.B. 2357 differs from the original by specifying requirements for the transfer and removal of license plates from a motor vehicle if the vehicle is sold or transferred to a dealer who holds a general distinguishing number or to a person who does not hold a general distinguishing number, whereas the original specifies requirements for the transfer and removal of license plates. The substitute differs from the original by requiring license plates, to be eligible for transfer, to be appropriate for the class of vehicles to which the plates are being transferred, whereas the original requires the license plates to be appropriate for the class of vehicles to which the plates are being transferred and adds requirements if the vehicle is a different classification.

C.S.H.B. 2357 differs from the original by making it an offense to operate on a public highway during a registration period a motor vehicle that does not display one or two license plates, as appropriate, that have been assigned by TxDMV for the period and comply with TxDMV rules regarding the placement of license plates, whereas the original makes it an offense to operate the motor vehicle if the vehicle does not display the license plates that have been assigned by TxDMV for the period and that comply with the bill's provisions regarding the placement of license plates.

C.S.H.B. 2357 contains a provision not included in the original repealing a provision relating to a lost or destroyed certificate of title that may be issued only by mail. The substitute omits provisions included in the original repealing provisions relating to export-only motor vehicles.