

BILL ANALYSIS

Senate Research Center

S.B. 266
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Transportation & Homeland Security
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Last session, S.B. 543, relating to certain possessory liens, passed and became law. Under the statute, in order to place a mechanic's lien on a vehicle, the lien holder as well as the tax office are required to send out notice to all parties with an interest in the vehicle. Unfortunately, the law was not clear that dual notices would be required for all mechanic's liens, not just those originating after the effective date of the law. This bill seeks to clarify that notice by both the person wishing to place a mechanic's lien and the tax office are required regardless of the date of possession of the vehicle.

S.B. 266 amends current law relating to notice required in connection with possessory liens on motor vehicles.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 70.006(a) and (h), Property Code, as follows:

(a) Requires a holder of a lien under this subchapter or Chapter 59 (Self-Service Storage Facility Liens) on a motor vehicle subject to Chapter 501 (Certificate of Title Act), Transportation Code, or on a motorboat, vessel, or outboard motor for which a certificate of title is required under Subchapter B (Identification of Vessels; Required Numbering), Chapter 31 (Water Safety), Parks and Wildlife Code, as amended, who retains possession of the motor vehicle, motorboat, vessel, or outboard motor to give written notice to the owner and each holder of a lien recorded on the certificate of title. Requires a holder of a possessory lien on a motor vehicle under Section 70.001 (Worker's Lien), not later than the 30th day after the date on which the charges accrue, other than a person licensed as a franchised dealer under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code, to file a copy of the notice and all information required by this section with the county tax assessor-collector's office in the county in which the repairs were made with an administrative fee of \$25 payable to the county tax assessor-collector. Deletes existing text requiring the holder of a lien to not later than the 30th day after the date on which the charges accrue, to give written notice to the owner and each holder of a lien recorded on the certificate of title. Makes a nonsubstantive change.

(h) Requires the county tax assessor-collector, not later than the 15th business day, rather than the 10th day, after the date the county tax assessor-collector receives notice under this section, to provide a copy of the notice to the owner of the motor vehicle and each holder of a lien recorded on the certificate of title of the motor vehicle. Requires the county tax assessor-collector, except as provided by this subsection, to provide the notice required by this section in the same manner as a holder of a lien is required to provide a notice under this section, except that the county tax assessor-collector is not required to use certified mail. Provides that notice under this section is required regardless of the date on which the charges on which the possessory lien is based accrued.

SECTION 2. (a) Makes application of Section 70.006(a), Property Code, as amended by this Act, prospective.

(b) Makes application of Section 70.006(h), Property Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2011.