

## **BILL ANALYSIS**

S.B. 1036  
By: Williams  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, a holder of a possessory lien on a motor vehicle or on a motorboat, vessel, or outboard motor for which a certificate of title is required under state law who retains possession of said item is required to give written notice to the owner and each holder of a lien recorded on the certificate of title within a specified period after charges relating to the item accrue. According to certain sources, there have been incidents in which a storage facility that has possession of a motor vehicle, or a person claiming to represent such a storage facility, has sent a fraudulent written notice and then sold the stored vehicle at auction. S.B. 1036 seeks to prevent such fraudulent activity by changing the notice requirements regarding possessory liens on motor vehicles.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1036 amends the Property Code, in a provision that requires the holder of a possessory lien on a motor vehicle under statutory provisions governing a worker's lien, other than a person licensed as a franchised dealer of motor vehicles, file a copy of a written notice and all required information with the county tax assessor-collector's office in the county in which repairs specified under the worker's lien were made, to expand that requirement to make it applicable to the holder of a garageman's lien on a motor vehicle, including a vehicle storage facility licensed under the Vehicle Storage Facility Act. The bill expands the entities with which the copy of the notice and all required information must be filed to include the county tax assessor-collector's office in the county in which the garage or licensed vehicle storage facility specified under the garageman's lien is located, as appropriate, to the possessory lien in question.

S.B. 1036 changes the date by which the county tax assessor-collector must provide a copy of the notice to the owner of the motor vehicle and each holder of a lien recorded on the vehicle's certificate of title from the 10th day after the date the county tax assessor-collector receives such notice to the 15th business day after that date. The bill establishes that the notice required under the bill's provisions is required regardless of the date on which the charges on which the possessory lien is based accrued.

### **EFFECTIVE DATE**

September 1, 2011.