

BILL ANALYSIS

C.S.H.B. 2281
By: Phillips
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that state law governing the motor vehicle salvage industry needs to be changed to create a clear regulatory structure. The parties contend that there are inefficiencies and inconsistencies within the regulation of the industry and that there needs to be a standardization of requirements for salvage vehicle dealers and recyclers. C.S.H.B. 2281 seeks to address these issues by revising the applicable law.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 8 of this bill.

ANALYSIS

C.S.H.B. 2281 amends the Transportation Code to redefine "salvage vehicle dealer" to include a person engaged in Texas in the business of brokering nonrepairable motor vehicles, salvage motor vehicles, or, if incidental to the dealer's primary business, used automotive parts regardless of whether the person holds a license to engage in that business and to revise the list of unlicensed persons not included in the term.

C.S.H.B. 2281 adds a receipt for an ownership document issued by the Texas Department of Motor Vehicles (TxDMV) to the documents that a metal recycler is required to submit to TxDMV not later than the 60th day after the date the recycler receives the document in conjunction with the purchase of a motor vehicle.

C.S.H.B. 2281 removes a salvage vehicle dealer from the general authorization for a person to apply to TxDMV for authority to dispose of certain motor vehicles to a motor vehicle demolisher. The bill requires an applicant for such authorization, on the filing of the application, to give notice as provided by law for a law enforcement agency's taking of an abandoned vehicle into custody; requires TxDMV to issue to such applicant a nonrepairable vehicle title, rather than a certificate of authority, to dispose of a vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if the required notice was given by the applicant to the last known registered owner and the vehicle was not claimed as provided by the notice; and authorizes TxDMV, without the provisions of the required notice, to issue the title to dispose of the motor vehicle to a demolisher if the vehicle is titled in the applicant's name.

C.S.H.B. 2281 includes a receipt for an ownership document issued by TxDMV to a salvage vehicle dealer or used automotive parts recycler among the documents that satisfy the requirement for a motor vehicle demolisher to obtain a proof of ownership document from the person delivering a motor vehicle upon acquiring such vehicle for dismantling or demolishing and that the demolisher must surrender for cancellation on TxDMV's demand. The bill clarifies that the sales receipt for a motor vehicle listed among the applicable ownership documents is the auction sales receipt issued by or for a law enforcement agency.

C.S.H.B. 2281 amends the Occupations Code to require a salvage vehicle dealer to maintain a copy of certain required records, rather than two copies of such records on a form prescribed by TxDMV, until the first anniversary of the date the dealer sells or disposes of the item for which the record is maintained.

C.S.H.B. 2281 increases from a Class C to a Class A misdemeanor the penalty for violating the licensing requirements of the Texas Used Automotive Parts Recycling Act, for dealing in used parts without a license, or for employing an individual who does not hold the appropriate license.

C.S.H.B. 2281 requires a used automotive parts recycler who acquires ownership of a motor vehicle, nonrepairable motor vehicle, or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle to submit one of a list of specified documents to TxDMV, rather than the Texas Department of Transportation (TxDOT), before the 31st day after the date of acquiring the motor vehicle and adds to the list of documents a receipt for an ownership document issued by TxDMV. The bill includes such a receipt among the documents that satisfy the requirement for a used automotive parts recycler to obtain an ownership document before dismantling or disposing of a motor vehicle and that a recycler must surrender to TxDMV for cancellation, as required by TxDMV.

C.S.H.B. 2281 repeals statutory provisions relating to a certain notice regarding an abandoned motor vehicle.

C.S.H.B. 2281 repeals Section 683.053, Transportation Code.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2281 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 501.091, Transportation Code, is amended.	SECTION 1. Same as introduced version.
SECTION 2. The heading to Section 501.104, Transportation Code, is amended.	SECTION 2. Same as introduced version.
SECTION 3. Section 501.107(b), Transportation Code, is amended.	SECTION 3. Same as introduced version.
SECTION 4. Section 683.001, Transportation Code, is amended.	SECTION 4. Same as introduced version.
SECTION 5. Section 683.051, Transportation Code, is amended.	SECTION 5. Same as introduced version.
SECTION 6. Section 683.052, Transportation Code, is amended.	SECTION 6. Same as introduced version.
SECTION 7. Sections 683.054(a) and (b),	SECTION 7. Section 683.054,

Transportation Code, are amended to read as follows:

(a) The department shall issue the applicant a certificate of authority to dispose of the vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if notice was given under Section 683.052(e) by the applicant [~~683.053 was given~~] and the vehicle was not claimed as provided by the notice.

(b) Without [~~giving~~] the notice required by Section 683.052(e) [~~683.053~~], the department may issue to an applicant under Section 683.051(2) a certificate of authority to dispose of the motor vehicle to a demolisher if the vehicle

meets the requirements of Sections 683.051(2)(A)(ii) and (iii).

SECTION 8. Sections 683.056(a) and (c), Transportation Code, are amended to read as follows:

(a) A motor vehicle demolisher who acquires a motor vehicle for dismantling or demolishing shall obtain from the person delivering the vehicle:

- (1) the motor vehicle's [~~certificate of~~] title;
- (2) a sales receipt for the motor vehicle;

(3) a transfer document for the vehicle as provided by Subchapter B or [~~Subchapter~~] E; [~~or~~]

(4) a certificate of authority for the disposal of the motor vehicle; or

(5) a receipt for an ownership document issued by the department to a salvage vehicle dealer or used automotive parts recycler.

Transportation Code, is amended to read as follows:

Sec. 683.054. NONREPAIRABLE VEHICLE TITLE [~~CERTIFICATE OF AUTHORITY~~] TO DISPOSE OF VEHICLE.

(a) The department shall issue the applicant a nonrepairable vehicle title [~~certificate of authority~~] to dispose of the vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if notice was given under Section 683.052(e) by the applicant [~~683.053 was given~~] and the vehicle was not claimed as provided by the notice.

(b) Without [~~giving~~] the notice required by Section 683.052(e) [~~683.053~~], the department may issue to an applicant under Section 683.051(2) a nonrepairable vehicle title [~~certificate of authority~~] to dispose of the motor vehicle to a demolisher if the vehicle;

(1) is titled in the applicant's name; or
(2) meets the requirements of Sections 683.051(2)(A)(ii) and (iii).

(c) A motor vehicle demolisher shall accept the nonrepairable vehicle title as evidence of ownership of [~~certificate of authority in lieu of a certificate of title for~~] the vehicle.

SECTION 8. Section 683.056, Transportation Code, is amended to read as follows:

Sec. 683.056. DEMOLISHER'S DUTY.

(a) A motor vehicle demolisher who acquires a motor vehicle for dismantling or demolishing shall obtain from the person delivering the vehicle:

- (1) the motor vehicle's [~~certificate of~~] title;
- (2) the auction [~~a~~] sales receipt issued by or for a law enforcement agency [~~for the motor vehicle~~];

(3) a transfer document for the vehicle as provided by Subchapter B or [~~Subchapter~~] E; [~~or~~]

(4) a nonrepairable vehicle title [~~certificate of authority~~] for the disposal of the motor vehicle; or

(5) a receipt for an ownership document issued by the department to a salvage vehicle dealer or used automotive parts recycler.

(c) On the department's demand, the demolisher shall surrender for cancellation the ~~[certificate of]~~ title, receipt for an ownership document issued by the department, or certificate of authority.

SECTION 9. Section 2302.256, Occupations Code, is amended.

SECTION 10. Section 2302.353, Occupations Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) Except as provided by Subsection (c-1), an [An] offense under Subsection (a) is a Class C [A] misdemeanor.

(c-1) If [unless] it is shown on the trial of an [the] offense under Subsection (a) that the defendant has been previously convicted of:

(1) one [an] offense under that subsection, [in which event] the offense is a Class A misdemeanor; or

(2) two or more offenses under that subsection, the offense is [punishable as] a state jail felony.

SECTION 11. Section 2309.254(b), Occupations Code, is amended to read as follows:

(b) A first [An] offense under this section is a Class C misdemeanor. If it is shown on the trial of an offense under this section that the defendant has been previously convicted of an offense under this section, the offense is a Class A misdemeanor.

SECTION 12. Sections 2309.301(b) and (c), Occupations Code, are amended.

SECTION 13. Section 2309.353, Occupations Code, is amended to read as

~~(b) A demolisher is not required to obtain a [certificate of] title for the vehicle in the demolisher's name.~~

(c) On the department's demand, the demolisher shall surrender for cancellation the ~~[certificate of]~~ title, receipt for an ownership document issued by the department, or nonrepairable vehicle title [certificate of authority].

~~(d) The department shall adopt rules and forms necessary to regulate the surrender of auction sales receipts and titles [certificates of title].~~

SECTION 9. Same as introduced version.

~~No equivalent provision.~~

SECTION 10. Section 2309.254(b), Occupations Code, is amended to read as follows:

~~(b) An offense under this section is a Class A [C] misdemeanor.~~

SECTION 11. Same as introduced version.

SECTION 12. Section 2309.353, Occupations Code, is amended to read as

follows:

Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR VEHICLE. A used automotive parts recycler may not dismantle or dispose of a motor vehicle unless the recycler first obtains:

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

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

(3) a receipt for an ownership document issued by the Texas Department of Motor Vehicles.

SECTION 14. Section 2309.357, Occupations Code, is amended to read as follows:

Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS ~~[OR LICENSE PLATES]~~. (a) A used automotive parts recycler shall surrender to the Texas Department of Motor Vehicles ~~[Transportation]~~ for cancellation a ~~certificate of~~ title, certificate of ~~or~~ authority, sales receipt, or transfer document, as required by the department.

(b) The Texas Department of Motor Vehicles ~~[Transportation]~~ shall provide a signed receipt for a surrendered ~~certificate of~~ title or other document.

SECTION 15. Section 683.053, Transportation Code, is repealed.

SECTION 16. The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 17. This Act takes effect

follows:

Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR VEHICLE. A used automotive parts recycler may not dismantle or dispose of a motor vehicle unless the recycler first obtains:

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

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

(3) a receipt for an ownership document issued by the Texas Department of Motor Vehicles.

SECTION 13. Section 2309.357, Occupations Code, is amended to read as follows:

Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS ~~[OR LICENSE PLATES]~~. (a) A used automotive parts recycler shall surrender to the Texas Department of Motor Vehicles ~~[Transportation]~~ for cancellation a ~~certificate of~~ title ~~or authority~~, sales receipt, or transfer document, as required by the department.

(b) The Texas Department of Motor Vehicles ~~[Transportation]~~ shall provide a signed receipt for a surrendered ~~certificate of~~ title or other document.

SECTION 14. Same as introduced version.

SECTION 15. Same as introduced version.

SECTION 16. Same as introduced version.

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