Motor Vehicle Mechanics’ Liens: Processes and Procedures

Testimony before the
House Business and Commerce Committee

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Texas Department of Motor Vehicles
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BACKGROUND

The state of Texas allows for the acquisition of a mechanics’ lien on a motor vehicle under Chapter 70 of the Property Code when a worker repairs a vehicle and is not compensated for their labor. For its part, the Texas Department of Motor Vehicles (TxDMV) has relatively limited involvement in the actual mechanics’ lien process. The department’s primary role is to provide policies and procedures to county tax offices to facilitate the transfer of motor vehicles through mechanics’ liens.

TxDMV collects data on the number of liens filed. For the previous three calendar years, the average number of liens filed in the county tax office per year was approximately 3,600. Prior to changes enacted by the 81st Legislature by Senate Bill 543, the total number of liens filed was significantly higher. In 2009 the total was 17,502 and the total in 2010 was 9,928 as shown in Figure 1. SB 543 established additional requirements for those seeking a mechanics’ lien who are not franchised motor vehicle dealers. The text of SB 543 may be found in Appendix 1.

![Total Mechanics' Liens Filed at County Tax Offices](chart)

*Figure 1. Total Mechanics’ Liens Filed at County Tax Office per CY 2009-2013. Source: TxDMV*
MECHANICS’ LIEN PROCEDURES

Possession

While franchised dealers and workers who are not franchised dealers may both acquire a possessory lien on a vehicle for unpaid repair charges, the process for doing so differs for each. A side-by-side comparison of the two procedures is featured in Appendix 2. The process to acquire the lien begins with taking possession of the vehicle. TX Property Code §70.001 states that a worker in this state who by labor repairs an article, including a vehicle, may retain possession of the article until the amount due under the contract for the repairs is paid; or if no amount is specified by contract, the reasonable and usual compensation is paid. This initial step applies to all workers seeking mechanics’ lien.

Notification

All workers seeking a lien are required to notify the owner(s) and lienholder(s) of record in writing by certified mail with return receipt requested of the amount of charges due and a request for payment. In specific instances, a notice may be published in a newspaper that is generally circulated throughout the county where the vehicle is being stored in lieu of written notification. A full list of the criteria that must be met in order to publish a notice in a newspaper may be found in Appendix 3.

Workers who are not franchised dealers are required to include specific information in their notification to the owner(s) and lienholder(s) of record and must also submit additional notification to the county tax assessor-collector. They must include in their notification to the owner(s) and lienholder(s) of record: (1) the physical address where the repairs were made (2) the legal name of the person that holds the possessory lien (3) the taxpayer or employer identification number of the person that holds the possessory lien and (4) a signed copy of the work order authorizing repairs. Additionally,
not later than the 30th day after the date on which the charges accrue, the worker must file a copy of
the notice with the county tax assessor-collector’s office in the county in which the repairs were made
along with an administrative fee of $25 payable to the county tax assessor-collector. Not later than the
15th business day after the date the county tax assessor-collector receives the notice, 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 certificate of title of the vehicle.

*Inspection*

After providing notice, the holder of a possessory lien, other than a franchised dealer, on a vehicle
shall, on request, not later than the 30th day after the date on which the charges accrue, make
commercially reasonable efforts to allow an owner and each lienholder of record to inspect or arrange
an inspection of the vehicle by a qualified professional to verify that the repairs were made.

*Public Sale*

After proper notification is given, the owner or holder of a lien may obtain possession of the
vehicle by paying all charges due to the holder of the lien before the 31st day after the date the notice
is mailed or published, as applicable, in the newspaper. If the charges are not paid before the 31st day
after the day that the notice is mailed or published, as applicable, the possessory lienholder may sell the
vehicle at a public sale and apply the proceeds to the charges. The lienholder shall pay excess proceeds
to the person entitled to them. If a person entitled to excess proceeds is not known or has moved from
Texas or the county in which the lien accrued, the person holding the excess shall pay it to the county
treasurer of the county in which the lien accrued. If the person entitled to the excess does not claim it
before two years after the day it is paid to the treasurer, the excess becomes a part of the county's
general fund. Once the sale of the vehicle is complete, the purchaser must apply for title. A complete list of the evidence required to transfer ownership of the vehicle may be found in Appendix 4.

REPOSSESSION PROVISION

Although mechanics’ liens are possessory liens, there are circumstances under which a worker who no longer has possession can regain it in order to execute the lien process. Repossession of a vehicle for unpaid repairs is permitted by TX Property Code §70.001 and TX Business and Commerce Code §9.609. If a worker relinquishes possession of a vehicle in return for a check, money order, or a credit card transaction on which payment is stopped, has been dishonored because of insufficient funds, no funds or because the drawer or maker of the order or the credit card holder has no account or the account upon which it was drawn or the credit card account has been closed, the worker is entitled to possession of the vehicle until the amount due is paid, unless the vehicle is possessed by a person who became a bona fide purchaser of the vehicle after a stop payment order was made. A worker may only take possession of a vehicle if the person obligated under the repair contract has signed a notice stating that the vehicle may be subject to repossession. This notice must be: (1) separate from the written repair contract; or (2) printed on the written repair contract, credit agreement, or other document in type that is boldfaced, capitalized, underlined, or otherwise set out from surrounding written material so as to be conspicuous with a separate signature line.
AN ACT
relating to certain possessory liens; providing a criminal penalty.

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

SECTION 1. Subsection (c), Section 70.003, Property Code, is amended to read as follows:

(c) A garageman with whom a motor vehicle, motorboat, vessel, or outboard motor is left for care has a lien on the motor vehicle, motorboat, vessel, or outboard motor for the amount of the charges for the care, including reasonable charges for towing the motor vehicle, motorboat, vessel, or outboard motor to the garageman's place of business and excluding charges for repairs.

SECTION 2. Section 70.006, Property Code, is amended by amending Subsection (a) and adding Subsections (b-1), (b-2), (b-3), (g), and (h) to read as follows:

(a) A holder of a lien under this subchapter or Chapter 59 on a motor vehicle subject to Chapter 501, Transportation Code, or on a motorboat, vessel, or outboard motor for which a certificate of title is required under Subchapter B, Chapter 31, Parks and Wildlife Code, as amended, who retains possession of the motor vehicle, motorboat, vessel, or outboard motor [for 30 days after the day that the charges accrue] shall, not later than the 30th day after the date on which the charges accrue, give written notice to the owner and each holder of a lien recorded on the certificate of title. A holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, shall 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. If the motor vehicle, motorboat, vessel, or outboard motor is registered outside this state, the holder of a lien under this subchapter who retains possession during that period shall give notice to the last known registered owner and each lienholder of record.

(b-1) A holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, who is required to give notice to a lienholder of record under this section must include in the notice:

(1) the physical address of the real property at which the repairs to the motor vehicle were made;

(2) the legal name of the person that holds the possessory lien for which the notice is required;

(3) the taxpayer identification number or employer identification number, as applicable, of the person that holds the possessory lien for which the notice is required; and

(4) a signed copy of the work order authorizing the repairs on the motor vehicle.

(b-2) If the holder of a possessory lien required to give notice in accordance with Subsection (b-1) does not comply with that subsection, a lien recorded on the certificate of title of the motor vehicle is superior to the possessory lienholder's lien.

(b-3) A person commits an offense if the person knowingly provides false or misleading information in a notice required by this section. An offense under this subsection is a Class B misdemeanor.

(g) After providing notice in accordance with this section, a holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, shall, on request, not later than the 30th day after the date on which the charges accrue, make commercially reasonable efforts to allow an owner and each lienholder of record to inspect or
arrange an inspection of the motor vehicle by a qualified professional to verify that the repairs were made.

(h) Not later than the 10th day after the date the county tax assessor-collector receives notice under this section, the county tax assessor-collector shall 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. Except as provided by this subsection, the county tax assessor-collector shall 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.

SECTION 3. The Texas Transportation Commission shall adopt rules necessary to carry out the Texas Department of Transportation's duties under Sections 70.003 and 70.006, Property Code, as amended by this Act.

SECTION 4. The changes in law made by this Act apply only to a possessory lien on a motor vehicle, motorboat, vessel, or outboard motor the possession of which is obtained on or after the effective date of this Act. A possessory lien on a motor vehicle, motorboat, vessel, or outboard motor the possession of which was obtained before that date is governed by the law in effect at the time possession was obtained, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2009.
# Appendix 2.

## MECHANICS’ LIEN PROCESS

<table>
<thead>
<tr>
<th>Steps</th>
<th>Worker who is a Franchised Dealer</th>
<th>Worker who is NOT a Franchised Dealer</th>
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<tbody>
<tr>
<td>1. Possession: A worker in this state who by labor repairs an article, including a vehicle, motorboat, vessel, or outboard motor, may retain possession of the article until the amount due under the contract for the repairs is paid; or if no amount is specified by contract, the reasonable and usual compensation is paid. TX Property Code §70.001</td>
<td>Possession: A worker in this state who by labor repairs an article, including a vehicle, motorboat, vessel, or outboard motor, may retain possession of the article until the amount due under the contract for the repairs is paid; or if no amount is specified by contract, the reasonable and usual compensation is paid. TX Property Code §70.001</td>
<td></td>
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<tr>
<td>2. Notification: The person claiming a lien shall notify the owner(s) and lienholder(s) of record in writing by certified mail with return receipt requested of the amount of charges due and a request for payment. Notice by newspaper publication may be permitted in lieu of written notice, if certain conditions are met. TX Property Code §70.006</td>
<td>Notification: The person claiming the lien shall notify the owner(s) and lienholder(s) of record in writing by certified mail with return receipt requested of the amount of charges due and a request for payment. Notice by newspaper publication may be permitted in lieu of written notice. The notification must also include: (1) the physical address where the repairs were made (2) the legal name of the person that holds the possessory lien (3) the taxpayer or employer identification number of the person that holds the possessory lien (4) a signed copy of the work order authorizing repairs. Not later than the 30th day after the date on which the charges accrue, the holder of a possessory lien on a vehicle shall file a copy of the notice 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. Not later than the 15th business day after the date the county tax assessor-collector receives notice, the county tax assessor-collector shall 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. Notice is required regardless of the date on which the charges on which the possessory lien is based accrued. TX Property Code §70.006</td>
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<td></td>
<td><strong>Public Sale:</strong> After notice is given, the owner or holder of the lien may obtain possession of the vehicle by paying all charges due to the holder of a lien before the 31st day after the date the notice is mailed or published, as applicable, in the newspaper. If the charges are not paid before the 31st day after the day that the notice is mailed or published, as applicable, the lienholder may sell the vehicle at a public sale and apply the proceeds to the charges. The lienholder shall pay excess proceeds to the person entitled to them. <em>TX Property Code §70.006</em></td>
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<td>3.</td>
<td><strong>Inspection:</strong> After providing notice, the holder of a possessory lien on a vehicle shall, on request, not later than the 30th day after the date on which the charges accrue, make commercially reasonable efforts to allow an owner and each lienholder of record to inspect or arrange an inspection of the vehicle by a qualified professional to verify that the repairs were made. <em>TX Property Code §70.006</em></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td><strong>Public Sale:</strong> After notice is given, the owner or holder of a lien may obtain possession of the vehicle by paying all charges due to the holder of a lien before the 31st day after the date the notice is mailed or published, as applicable, in the newspaper. If the charges are not paid before the 31st day after the day that the notice is mailed or published, as applicable, the lienholder may sell the vehicle at a public sale and apply the proceeds to the charges. The lienholder shall pay excess proceeds to the person entitled to them. <em>TX Property Code §70.006</em></td>
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Appendix 3.

<table>
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<tr>
<th>PROCESS FOR NEWSPAPER NOTIFICATIONS</th>
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<tr>
<td>In lieu of written notification, publication of the notice(s) in a newspaper of general circulation in the county in which the vehicle is stored may be used only if <strong>ALL</strong> of the following apply:</td>
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<tr>
<td>(1) the motor vehicle is registered in another state; and</td>
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<tr>
<td>(2) the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record; and</td>
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<tr>
<td>(3) the holder of a lien:</td>
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<tr>
<td>(a) is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or</td>
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<tr>
<td>(b) does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request under (2).</td>
</tr>
<tr>
<td>(4) the identity of the last known registered owner cannot be determined; and</td>
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<tr>
<td>(5) the registration does not contain an address for the last known registered owner; and</td>
</tr>
<tr>
<td>(6) the holder of the lien cannot determine the identities and addresses of the lienholders of record.</td>
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</tbody>
</table>

**NOTE:** The holder of the lien is not required to publish notice if a correctly addressed notice is sent with sufficient postage and is returned as unclaimed or refused, or with a notation that the addressee is unknown or has moved without leaving a forwarding address.
Appendix 4.

EVIDENCE REQUIRED TO TRANSFER OWNERSHIP AFTER MECHANICS' LIEN FORECLOSURE

a. Form VTR-265-M – Mechanic’s Lien Foreclosure properly completed by the possessory lienholder.

b. Form 130-U – Application for Texas Certificate of Title

c. VERIFICATION OF TITLE AND REGISTRATION

If registered in Texas — Verification of Texas title and registration is required.

If registered outside of Texas — Verification of title and registration from the state of record. If not available, the following may be provided in lieu of title and registration verification from the state of record:

(1) If a holder of a lien sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter that due to the Driver’s Privacy Protection Act restrictions, the state will forward the lienholder’s notification to the owner(s), the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, will be acceptable; or

(2) If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof consists of a copy of the request sent along with certified receipts for the notification sent to the state of record.

d. PROOF OF NOTIFICATIONS

Notices by Certified Mail — Proof consists of the date stamped receipts for certified mail and return receipt, together with any unopened certified letter(s) returned as undeliverable, unclaimed, or no forwarding address.

Or

Notice by Newspaper Publication (Only if applicable) — Proof consists of the certified request (as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), AND a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication.

e. LIABILITY INSURANCE — A copy of current proof of liability insurance in the applicant’s name.

f. WORK ORDER — Attach a copy of the signed work order.

g. VEHICLE IDENTIFICATION NUMBER — Verification may be required to establish the vehicle's correct identity.

h. OUT-OF-STATE VEHICLES — The following documentation is also required:

(1) Out-of-State Identification Certificate (Form VI-30); and

(2) Weight certificate on a commercial vehicle.

NOTE: Statutory references for title transfer found in TX Transportation Code §501.071 and §501.074(c).
Appendix 5.

PROPERTY CODE

TITLE 5. EXEMPT PROPERTY AND LIENS

SUBTITLE B. LIENS

CHAPTER 70. MISCELLANEOUS LIENS

SUBCHAPTER A. POSSESSORY LIENS

Sec. 70.001. WORKER'S LIEN. (a) A worker in this state who by labor repairs an article, including a vehicle, motorboat, vessel, or outboard motor, may retain possession of the article until:

(1) the amount due under the contract for the repairs is paid; or

(2) if no amount is specified by contract, the reasonable and usual compensation is paid.

(b) If a worker relinquishes possession of a motor vehicle, motorboat, vessel, or outboard motor in return for a check, money order, or a credit card transaction on which payment is stopped, has been dishonored because of insufficient funds, no funds or because the drawer or maker of the order or the credit card holder has no account or the account upon which it was drawn or the credit card account has been closed, the lien provided by this section continues to exist and the worker is entitled to possession of the vehicle, motorboat, vessel, or outboard motor until the amount due is paid, unless the vehicle, motorboat, vessel, or outboard motor is possessed by a person who became a bona fide purchaser of the vehicle after a stop payment order was made. A person entitled to possession of property under this subsection is entitled to take possession thereof in accordance with the provisions of Section 9.609, Business & Commerce Code.

(c) A worker may take possession of an article under Subsection (b) only if the person obligated under the repair contract has signed a notice stating that the article may be subject to repossession under this section. A notice under this subsection must be:

(1) separate from the written repair contract; or

(2) printed on the written repair contract, credit agreement, or other document in type that is boldfaced, capitalized, underlined, or otherwise set
out from surrounding written material so as to be conspicuous with a separate signature line.

(d) A worker who takes possession of an article under Subsection (b) may require a person obligated under the repair contract to pay the costs of repossession as a condition of reclaiming the article only to the extent of the reasonable fair market value of the services required to take possession of the article. For the purpose of this subsection, charges represent the fair market value of the services required to take possession of an article if the charges represent the actual cost incurred by the worker in taking possession of the article.

(e) A worker may not transfer to a third party, and a person who performs repossession services may not accept, a check, money order, or credit card transaction that is received as payment for repair of an article and that is returned to the worker because of insufficient funds or no funds, because the drawer or maker of the check or money order or the credit card holder has no account, or because the account on which the check or money order is drawn or the credit card account has been closed.

(f) A person commits an offense if the person transfers or accepts a check, money order, or credit card transaction in violation of Subsection (e). An offense under this subsection is a Class B misdemeanor.

(g) A motor vehicle that is repossessed under this section shall be promptly delivered to the location where the repair was performed or a vehicle storage facility licensed under Chapter 2303, Occupations Code. The motor vehicle must remain at the repair location or a licensed vehicle storage facility at all times until the motor vehicle is lawfully returned to the motor vehicle's owner or a lienholder or is disposed of as provided by this subchapter.
Sec. 70.006. SALE OF MOTOR VEHICLE, MOTORBOAT, VESSEL, OR OUTBOARD MOTOR.

(a) A holder of a lien under this subchapter on a motor vehicle subject to Chapter 501, Transportation Code, or on a motorboat, vessel, or outboard motor for which a certificate of title is required under Subchapter B, Chapter 31, Parks and Wildlife Code, as amended, who retains possession of the motor vehicle, motorboat, vessel, or outboard motor shall give written notice to the owner and each holder of a lien recorded on the certificate of title. Not later than the 30th day after the date on which the charges accrue, a holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, shall 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. If the motor vehicle, motorboat, vessel, or outboard motor is registered outside this state, the holder of a lien under this subchapter who retains possession during that period shall give notice to the last known registered owner and each lienholder of record.

(b) Except as provided by Subsection (c), the notice must be sent by certified mail with return receipt requested and must include the amount of the charges and a request for payment.

(b-1) A holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, who is required to give notice to a lienholder of record under this section must include in the notice:

1. the physical address of the real property at which the repairs to the motor vehicle were made;
2. the legal name of the person that holds the possessory lien for which the notice is required;
3. the taxpayer identification number or employer identification number, as applicable, of the person that holds the possessory lien for which the notice is required; and
4. a signed copy of the work order authorizing the repairs on the motor vehicle.

(b-2) If the holder of a possessory lien required to give notice in accordance with Subsection (b-1) does not comply with that subsection, a lien recorded on the certificate of title of the motor vehicle is superior to the possessory lienholder's lien.
(b-3) A person commits an offense if the person knowingly provides false or misleading information in a notice required by this section. An offense under this subsection is a Class B misdemeanor.

(c) The notice may be given by publishing the notice once in a newspaper of general circulation in the county in which the motor vehicle, motorboat, vessel, or outboard motor is stored if:

   (1) the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered requesting information relating to the identity of the last known registered owner and any lienholder of record;

   (2) the holder of the lien:

      (A) is advised in writing by the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or

      (B) does not receive a response from the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered on or before the 21st day after the date the holder of the lien submits a request under Subdivision (1);

   (3) the identity of the last known registered owner cannot be determined;

   (4) the registration does not contain an address for the last known registered owner; and

   (5) the holder of the lien cannot determine the identities and addresses of the lienholders of record.

(d) The holder of the lien is not required to publish notice under Subsection (c) if a correctly addressed notice is sent with sufficient postage under Subsection (b) and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

(e) After notice is given under this section to the owner of or the holder of a lien on the motor vehicle, motorboat, vessel, or outboard motor, the owner or holder of the lien may obtain possession of the motor vehicle, motorboat, vessel, or outboard motor by paying all charges due to the holder of a lien under this subchapter before the 31st day after the date the notice is mailed or published as provided by this section.
(f) If the charges are not paid before the 31st day after the day that the notice is mailed or published, as applicable, the lienholder may sell the motor vehicle, motorboat, vessel, or outboard motor at a public sale and apply the proceeds to the charges. The lienholder shall pay excess proceeds to the person entitled to them.

(g) After providing notice in accordance with this section, a holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations Code, shall, on request, not later than the 30th day after the date on which the charges accrue, make commercially reasonable efforts to allow an owner and each lienholder of record to inspect or arrange an inspection of the motor vehicle by a qualified professional to verify that the repairs were made.

(h) Not later than the 15th business day after the date the county tax assessor-collector receives notice under this section, the county tax assessor-collector shall 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. Except as provided by this subsection, the county tax assessor-collector shall 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. Notice under this section is required regardless of the date on which the charges on which the possessory lien is based accrued.
Sec. 70.007. UNCLAIMED EXCESS. (a) If a person entitled to excess proceeds under this subchapter is not known or has moved from this state or the county in which the lien accrued, the person holding the excess shall pay it to the county treasurer of the county in which the lien accrued. The treasurer shall issue the person a receipt for the payment.

(b) If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.
Appendix 6.

BUSINESS AND COMMERCE CODE

TITLE 1. UNIFORM COMMERCIAL CODE

CHAPTER 9. SECURED TRANSACTIONS

Sec. 9.609. SECURED PARTY'S RIGHT TO TAKE POSSESSION AFTER DEFAULT. (a) After default, a secured party:

   (1) may take possession of the collateral; and
   (2) without removal, may render equipment unusable and dispose of collateral on the debtor's premises under Section 9.610.

(b) A secured party may proceed under Subsection (a):

   (1) pursuant to judicial process; or
   (2) without judicial process, if it proceeds without breach of the peace.

(c) If so agreed, and in any event after default, a secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party that is reasonably convenient to both parties.