

BILL ANALYSIS

C.S.H.B. 1247
By: Pickett
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that the notification requirements applicable to a vehicle storage facility in possession of an impounded vehicle registered in another state are costly and ineffective for purposes of contacting the owner and any lienholder of the vehicle. C.S.H.B. 1247 seeks to address this issue by requiring a vehicle storage facility operator to send the notice to an address obtained from the applicable governmental or private entity that has access to the relevant vehicle information and by providing for the circumstances under which the operator may provide notice by publication.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 1247 amends the Occupations Code to require an operator of a vehicle storage facility who receives a vehicle that is registered outside of Texas to send the written notice required to be sent to the registered owner and each recorded lienholder of the vehicle to an address obtained, by mail or electronically, either directly from the governmental entity responsible for maintaining the motor vehicle title and registration database for the state in which the vehicle is registered or from a private entity authorized by that governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records. The bill requires an address obtained electronically from a governmental entity to be obtained through the governmental entity's secure access portal. The bill replaces as a condition under which notice to the registered owner and the primary lienholder of a vehicle towed to a vehicle storage facility may be provided by publication in a newspaper of general circulation in the county in which the vehicle is stored the condition that the operator of the storage facility submit to the governmental entity with which the vehicle is registered a written request for information relating to the identity of the registered owner and any lienholder of record with a condition that the operator submit to the governmental entity responsible for maintaining the motor vehicle title and registration database for the state in which the vehicle is registered a request for that information that is either written or electronic. The bill requires such an electronic request to be submitted either directly to the governmental entity through the governmental entity's secure access portal or to a private entity authorized by the governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records. The

bill gives the operator of the storage facility the option of sending such a written request by electronic certified mail as an alternative to being sent by certified mail, return receipt requested.

C.S.H.B. 1247 authorizes an operator of a vehicle storage facility who receives a motor vehicle and does not know the state in which the vehicle is registered to give notice by publication only if the operator obtains, using the motor vehicle's vehicle identification number, by mail or electronically, a report from the National Motor Vehicle Title Information System operated by the U.S. Department of Justice, or a successor system, showing the state in which the motor vehicle is titled and the operator either is unable to determine from the report the governmental entity that is responsible for maintaining the registration information for the motor vehicle or attempts to and is unable to obtain, from the governmental entity indicated in the report, the identity and address of any registered owner and any lienholder. The bill requires an operator who attempts to obtain such owner and lienholder information to attempt to obtain the information, by mail or electronically, either directly from the governmental entity through the governmental entity's secure access portal or from a private entity authorized by the governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1247 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 2303.151, Occupations Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) The operator of a vehicle storage facility shall send a written notice required under Subsection (b) to an address obtained, by mail or electronically, either:

(1) directly from the governmental entity with which the vehicle is registered; or

(2) from a private entity authorized by that governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2303.151, Occupations Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) The operator of a vehicle storage facility shall send a written notice required under Subsection (b) to an address obtained, by mail or electronically, either:

(1) directly from the governmental entity responsible for maintaining the motor vehicle title and registration database for the state in which the vehicle is registered; or

(2) from a private entity authorized by that governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.

(b-2) An address obtained electronically from a governmental entity under Subsection (b-1)(1) must be obtained through the governmental entity's secure access portal.

SECTION 2. Section 2303.152, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) Notice by publication is not required if the operator of the vehicle storage facility obtains, by mail or electronically:

(1) a report from the National Motor Vehicle Title Information System operated by the United States Department of Justice, or a successor system, showing the state in which the vehicle is titled; and

(2) a report showing that no record of a registered owner or lienholder of record was found, either:

(A) directly from the governmental entity with which the vehicle is titled or registered;

or

(B) from a private entity authorized by the governmental entity with which the vehicle is titled or registered to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.

No equivalent provision.

No equivalent provision.

SECTION 2. Section 2303.152, Occupations Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) Notice to the registered owner and the primary lienholder of a vehicle towed to a vehicle storage facility may be provided by publication in a newspaper of general circulation in the county in which the vehicle is stored if:

(1) the vehicle is registered in another state;

(2) the operator of the storage facility submits to the governmental entity responsible for maintaining the motor vehicle title and registration database for the state in which the vehicle is registered ~~[with which the vehicle is registered]~~ a ~~[written]~~ request for information relating to the identity of the registered owner and any lienholder of record that is either:

(A) written; or

(B) electronic, through the governmental entity's secure access portal;

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

(4) the registration does not contain an address for the registered owner; or

(5) the operator of the storage facility cannot reasonably determine the identity

and address of each lienholder.

(b) A [The] written request under Subsection (a)(2)(A) must:

- (1) be correctly addressed;
- (2) carry sufficient postage; and
- (3) be sent by certified mail, return receipt requested, or electronic certified mail.

(b-1) An electronic request under Subsection (a)(2)(B) must be submitted either:

(1) directly to the governmental entity through the governmental entity's secure access portal; or

(2) to a private entity authorized by the governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.

No equivalent provision.

SECTION 3. Subchapter D, Chapter 2303, Occupations Code, is amended by adding Section 2303.1521 to read as follows:

Sec. 2303.1521. CERTAIN VEHICLES WITH STATE OF REGISTRATION UNKNOWN.

(a) An operator of a vehicle storage facility who receives a motor vehicle as defined by Section 501.002(17)(A), Transportation Code, and does not know the state in which the vehicle is registered may give notice by publication under Section 2303.152 only if the operator:

(1) obtains, using the motor vehicle's vehicle identification number, by mail or electronically, a report from the National Motor Vehicle Title Information System operated by the United States Department of Justice, or a successor system, showing the state in which the motor vehicle is titled; and

(2) either:

(A) is unable to determine from the report the governmental entity that is responsible for maintaining the registration information for the motor vehicle; or

(B) attempts to and is unable to obtain, from the governmental entity indicated in the report, the identity and address of any registered owner and any lienholder.

(b) An operator who attempts to obtain owner and lienholder information under Subsection (a)(2) must attempt to obtain the information, by mail or electronically, either:

- (1) directly from the governmental entity;
- or
- (2) from a private entity authorized by the governmental entity to obtain title, registration, and lienholder information using a single vehicle identification number inquiry submitted through a secure access portal to the governmental entity's motor vehicle records.
- (c) An address obtained electronically from a governmental entity under Subsection (b)(1) must be obtained through the governmental entity's secure access portal.

SECTION 3. This Act takes effect September 1, 2017.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.