

AN ACT

relating to the disposal of certain motor vehicles to a motor vehicle demolisher.

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

SECTION 1. The heading to Subchapter D, Chapter 683, Transportation Code, is amended to read as follows:

SUBCHAPTER D. DEMOLITION OF ~~ABANDONED~~ MOTOR VEHICLES

SECTION 2. Sections 683.051, 683.052, 683.053, and 683.054, Transportation Code, are amended to read as follows:

Sec. 683.051. APPLICATION FOR AUTHORIZATION TO DISPOSE OF CERTAIN MOTOR VEHICLES. A person may apply to the department for authority:

(1) to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if:

(A) the person is the recorded owner or has been transferred ownership of ~~owns~~ the motor vehicle ~~[and the certificate of title to the vehicle is lost, destroyed, or faulty];~~

or

(B) the vehicle is an abandoned motor vehicle and is:

(i) in the possession of the person; or

(ii) located on property owned by the

person; or

1 (2) to dispose of a motor vehicle to a motor vehicle
2 demolisher for demolition, wrecking, or dismantling if:

3 (A) the ~~[abandoned]~~ motor vehicle is in the
4 possession of a lienholder under:

5 (i) Chapter 54, 59, or 70, Property Code ~~[is~~
6 ~~in the possession of the person]; or~~

7 (ii) Chapter 2303, Occupations Code ~~[is~~
8 ~~more than eight years old];~~

9 ~~[(iii) either has no motor or is otherwise~~
10 ~~totally inoperable or does not comply with all applicable air~~
11 ~~pollution emissions control related requirements included in the~~
12 ~~vehicle emissions inspection and maintenance requirements~~
13 ~~contained in the Public Safety Commission's motor vehicle emissions~~
14 ~~inspection and maintenance program under Subchapter F, Chapter 548,~~
15 ~~or the state's air quality state implementation plan; and~~

16 ~~[(iv) was authorized to be towed by a law~~
17 ~~enforcement agency; and]~~

18 (B) the lienholder has complied with all
19 notification requirements of the applicable chapter to foreclose on
20 the lien; and

21 (C) the lienholder determines:

22 (i) the motor vehicle's only residual value
23 is as a source of parts or scrap metal; or

24 (ii) it is not economical to dispose of the
25 vehicle at a public sale ~~[the law enforcement agency approves the~~
26 ~~application].~~

27 Sec. 683.052. CONTENTS OF APPLICATION; APPLICATION FEE.

1 (a) An application under Section 683.051 must be made in a manner
2 prescribed by the department and include:

3 (1) ~~[contain]~~ the name and address of the applicant;

4 (2) ~~[state]~~ the year, make, model, body style, and
5 vehicle identification number of the vehicle, if ascertainable~~[~~
6 ~~and any other identifying feature of the vehicle]~~; ~~[and]~~

7 (3) a certification by the applicant that the facts
8 stated in the application are true and that the applicant
9 ~~[include]:~~

10 (A) is the recorded owner or has been transferred
11 ownership of the vehicle if the application is submitted under
12 Section 683.051(1)(A) ~~[a concise statement of facts about the~~
13 ~~abandonment]~~; or

14 (B) is a lienholder listed in Section
15 683.051(2)(A) that has complied with all applicable notification
16 requirements if the application is submitted under Section
17 683.051(2) ~~[a statement that the certificate of title is lost or~~
18 ~~destroyed]~~; ~~[or]~~

19 (4) any proof required by the department to verify
20 compliance with notification requirements described by Section
21 683.051(2)(B); and

22 (5) the physical location of the motor vehicle ~~[(C) a~~
23 ~~statement of the reasons for the defect in the owner's certificate~~
24 ~~of title for the vehicle].~~

25 (b) The department is not required to obtain an ownership
26 document or any other verification of ownership in the name of an
27 applicant under Section 683.051(1)(A) if the department is able to

1 verify that the applicant is the recorded owner in the department's
2 automated registration and titling system [~~An application under~~
3 ~~Section 683.051(2) must also include an affidavit containing a~~
4 ~~statement of the facts that make that subdivision applicable~~].

5 (c) [~~The applicant shall make an affidavit stating that:~~
6 [~~(1) the facts stated in the application are true; and~~
7 [~~(2) no material fact has been withheld.~~

8 [~~(d)~~] The application must be accompanied by a fee of \$2,
9 unless the application is made by a unit of government. Fees
10 collected under this subsection shall be deposited to the credit of
11 the Texas Department of Motor Vehicles fund.

12 Sec. 683.053. DEPARTMENT TO PROVIDE NOTICE. (a) If an
13 application is submitted to sell, give away, or dispose of an
14 abandoned motor vehicle under Section 683.051(1)(B), the
15 department shall:

16 (1) send notice to any owners and lienholders of the
17 abandoned motor vehicle identified in the department's automated
18 registration and titling system; or

19 (2) if the department has no record of owners or
20 lienholders for the abandoned motor vehicle, publish notice of
21 abandonment on the department's website.

22 (b) The notice required by Subsection (a) must include:

23 (1) the year, make, model, body style, and vehicle
24 identification number of the motor vehicle;

25 (2) the physical location of the motor vehicle;

26 (3) a statement:

27 (A) that an application has been submitted to the

1 department for authorization to dispose of the motor vehicle to a
2 motor vehicle demolisher;

3 (B) informing the motor vehicle's owners or
4 lienholders of the right to claim the motor vehicle not later than
5 the 20th day after the date the notice is sent or published; and

6 (C) that failure to claim the motor vehicle and
7 notify the department that the vehicle has been claimed before the
8 21st day after the date the notice is sent or published:

9 (i) waives a person's rights, title, and
10 interest in the motor vehicle; and

11 (ii) is considered consent for the
12 department to issue to the applicant a certificate of authority
13 under Section 683.054 to dispose of the motor vehicle to a motor
14 vehicle demolisher; and

15 (4) the date the notice was sent or published.

16 (c) The department is not required to send or publish notice
17 for an application submitted for a motor vehicle described by
18 Section 683.051(1)(A) or (2).

19 (d) Notice sent under Subsection (a)(1) must be sent by
20 first class mail [~~Except as provided by Section 683.054(b), the~~
21 ~~department shall give notice as provided by Section 683.012 if it~~
22 ~~determines that an application under Section 683.051 is:~~

23 ~~[(1) executed in proper form; and~~

24 ~~[(2) shows that:~~

25 ~~[(A) the abandoned motor vehicle is in the~~
26 ~~possession of the applicant or has been abandoned on the~~
27 ~~applicant's property; or~~

1 ~~[(B) the vehicle is not an abandoned motor~~
2 ~~vehicle and the applicant appears to be the owner of the vehicle].~~

3 Sec. 683.054. CERTIFICATE OF AUTHORITY TO DISPOSE OF
4 VEHICLE. (a) The department shall issue the applicant a
5 certificate of authority to dispose of the vehicle to a motor
6 vehicle demolisher for demolition, wrecking, or dismantling if the
7 application submitted under Section 683.051:

8 (1) is properly executed;

9 (2) is accompanied by the required fee under Section
10 683.052; and

11 (3) contains any proof of notification or ownership
12 required by the department to enforce this subchapter ~~[notice under~~
13 ~~Section 683.053 was given and the vehicle was not claimed as~~
14 ~~provided by the notice].~~

15 (b) ~~[Without giving the notice required by Section 683.053,~~
16 ~~the department may issue to an applicant under Section 683.051(2) a~~
17 ~~certificate of authority to dispose of the motor vehicle to a~~
18 ~~demolisher if the vehicle meets the requirements of Sections~~
19 ~~683.051(2)(A)(ii) and (iii).~~

20 ~~[(c)]~~ A motor vehicle demolisher shall accept the
21 certificate of authority in lieu of a certificate of title for the
22 vehicle.

23 SECTION 3. Chapter 54, Property Code, is amended by adding
24 Subchapter Z to read as follows:

25 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

26 Sec. 54.901. DISPOSAL OF CERTAIN MOTOR VEHICLES SUBJECT TO
27 LIEN. (a) Notwithstanding any other law, a person authorized to

1 dispose of property for which a lien under this chapter is attached
2 may dispose of the property in accordance with Subchapter D,
3 Chapter 683, Transportation Code, if:

4 (1) the property is a motor vehicle; and

5 (2) the person determines that:

6 (A) the vehicle's only residual value is as a
7 source of parts or scrap metal; or

8 (B) it is not economical to dispose of the
9 vehicle at a public sale.

10 (b) If a person disposes of the property under Subsection
11 (a), the person shall apply the fair market value of the motor
12 vehicle to the charges due to the person.

13 SECTION 4. Section 59.0445, Property Code, is amended by
14 amending Subsection (g) and adding Subsection (g-1) to read as
15 follows:

16 (g) If the charges are not paid before the 31st day after the
17 date the notice is mailed or published, as applicable, the lessor
18 may:

19 (1) sell the motor vehicle, motorboat, vessel, or
20 outboard motor at a public sale and apply the proceeds to the
21 charges; or

22 (2) if the property that is the subject of the notice
23 is a motor vehicle, dispose of the motor vehicle in accordance with
24 Subchapter D, Chapter 683, Transportation Code, if the lessor
25 determines that:

26 (A) the vehicle's only residual value is as a
27 source of parts or scrap metal; or

1 (B) it is not economical to dispose of the
2 vehicle at a public sale.

3 (g-1) If the lessor disposes of the property under
4 Subsection (g)(2), the lessor shall apply the fair market value of
5 the motor vehicle to the charges due to the lessor.

6 SECTION 5. The heading to Section 70.006, Property Code, is
7 amended to read as follows:

8 Sec. 70.006. SALE OR DISPOSAL OF MOTOR VEHICLE, MOTORBOAT,
9 VESSEL, OR OUTBOARD MOTOR.

10 SECTION 6. Section 70.006, Property Code, is amended by
11 adding Subsections (f-1) and (f-2) to read as follows:

12 (f-1) If the charges are not paid before the 31st day after
13 the date that a copy of the notice required by Subsection (a) is
14 filed with the county tax assessor-collector's office and the
15 property that is the subject of the notice is a motor vehicle, the
16 lienholder may, in lieu of selling the vehicle under Subsection
17 (f), dispose of the vehicle in accordance with Subchapter D,
18 Chapter 683, Transportation Code, if the lienholder determines
19 that:

20 (1) the vehicle's only residual value is as a source of
21 parts or scrap metal; or

22 (2) it is not economical to dispose of the vehicle at a
23 public sale.

24 (f-2) If the lienholder disposes of the property under
25 Subsection (f-1), the lienholder shall apply the fair market value
26 of the motor vehicle to the charges due to the lienholder.

27 SECTION 7. The changes in law made by this Act to Subchapter

1 D, Chapter 683, Transportation Code, apply only to an application
2 to dispose of a motor vehicle to a motor vehicle demolisher filed on
3 or after the effective date of this Act. An application to dispose
4 of a motor vehicle to a motor vehicle demolisher filed before the
5 effective date of this Act is governed by the law in effect on the
6 date the application was filed, and the former law is continued in
7 effect for that purpose.

8 SECTION 8. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 3131 was passed by the House on May 6, 2017, by the following vote: Yeas 130, Nays 7, 3 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3131 on May 26, 2017, by the following vote: Yeas 140, Nays 4, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3131 was passed by the Senate, with amendments, on May 24, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor