By: Rodríguez

S.B. No. 2076

A BILL TO BE ENTITLED 1 AN ACT 2 relating to the titling of motor vehicles; creating a criminal offense and authorizing fees. 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 SECTION 1. Section 501.002(30), Transportation Code, is 5 amended to read as follows: 6 7 (30)"Travel trailer" means a house trailer-type vehicle or a camper trailer: 8 (A) that is a recreational vehicle defined under 9 24 C.F.R. Section 3282.8(g); or 10 11 (B) that: 12 (i) is less than eight feet six inches in width or 45 [40] feet in length, exclusive of any hitch installed on 13 14 the vehicle; 15 (ii) is designed primarily for use as 16 temporary living quarters in connection with recreational, camping, travel, or seasonal use; 17 18 (iii) is not used as a permanent dwelling; and 19 20 (iv) is not a utility trailer, enclosed 21 trailer, or other trailer that does not have human habitation as its 22 primary function. 23 SECTION 2. Section 501.004(b), Transportation Code, is amended to read as follows: 24

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1 (b) This chapter does not apply to: 2 (1)a <u>farm</u> trailer or <u>farm</u> semitrailer <u>with a gross</u> vehicle weight of not more than 34,000 pounds used only for the 3 transportation of farm products if the products are not transported 4 5 for hire; (2) the filing or recording of a lien that is created 6 7 only on an automobile accessory, including a tire, radio, or 8 heater; (3) a motor vehicle while it is owned or operated by 9 10 the United States; or (4) a new motor vehicle on loan to a political 11 subdivision of the state for use only in a driver education course 12 conducted by an entity exempt from licensure under Section 13 14 1001.002, Education Code. 15 SECTION 3. Section 501.021(a), Transportation Code, is 16 amended to read as follows: 17 (a) A motor vehicle title issued by the department must include: 18 (1) the legal name and address of each purchaser [and 19 seller at the first sale or a subsequent sale]; 20 21 the legal name of each seller and the municipality (2) and state in which each seller is located or resides [make of the 22 motor vehicle]; 23 24 (3) the year, make, and body style [type] of the 25 vehicle; 26 (4) the [manufacturer's permanent] vehicle identification number of the vehicle [or the vehicle's motor number 27

if the vehicle was manufactured before the date that stamping a 1 permanent identification number on a motor vehicle was universally 2 3 adopted]; 4 if the vehicle is subject to odometer disclosure (5) 5 under Section 501.072, the odometer reading and odometer brand as recorded on the last title assignment [serial number] for the 6 7 vehicle; the name and address of each lienholder and the 8 (6) date of each lien on the vehicle, listed in the chronological order 9 in which the lien was recorded; 10 (7) a statement indicating rights of survivorship 11 12 under Section 501.031; and (8) [if the vehicle has an odometer, the odometer 13 14 reading at the time of application for the title; and 15 [(9)] any other information required by the 16 department. 17 SECTION 4. Section 501.023(a), Transportation Code, is amended to read as follows: 18 The owner of a motor vehicle must present identification 19 (a) and apply for a title as prescribed by the department, unless 20 otherwise exempted by law. To obtain a title, the owner must apply: 21 22 (1) to the county assessor-collector in the county in which: 23 24 (A) the owner is domiciled; or 25 the motor vehicle is purchased or encumbered; (B) 26 or 27 (2) [if the county in which the owner resides has been

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1	declared by the governor as a disaster area, to the county
2	assessor-collector in one of the closest unaffected counties to a
3	county that asks for assistance and:
4	[(A) continues to be declared by the governor as
5	a disaster area because the county has been rendered inoperable by
6	the disaster; and
7	[(B) is inoperable for a protracted period of
8	time; or
9	[(3) if the county assessor-collector's office of the
10	county in which the owner resides is closed for a protracted period
11	of time as defined by the department,] to the county
12	assessor-collector of a county [that borders the county in which
13	the owner resides] who is willing [agrees] to accept the
14	application if the county assessor-collector's office of the county
15	in which the owner resides is closed or may be closed for a
16	protracted period of time as defined by the department.
17	SECTION 5. Section 501.030(a), Transportation Code, is
18	amended to read as follows:

(a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, the county assessor-collector shall verify that the vehicle has passed the inspections required by Chapter 548, as indicated in the Department of Public Safety's inspection database under Section 548.251, or that the owner has obtained an identification number inspection in accordance with department rule.

26 SECTION 6. The heading to Section 501.032, Transportation 27 Code, is amended to read as follows:

S.B. No. 2076 Sec. 501.032. [ASSIGNMENT OF VEHICLE] IDENTIFICATION 1 NUMBER INSPECTION REQUIRED [BY DEPARTMENT]. 2 SECTION 7. Sections 501.032(a) and (b), Transportation 3 Code, are amended to read as follows: 4 5 In addition to any requirement established by (a) department rule, a motor vehicle, trailer, or semitrailer must have 6 7 an identification number inspection under Section 501.0321 if: 8 (1) the department does not have a record of title for the vehicle, trailer, or semitrailer in the department's 9 registration and title system, and the owner of the vehicle, 10 trailer, or semitrailer is filing a bond with the department under 11 12 Section 501.053; (2) the vehicle, trailer, or semitrailer was last 13 14 titled or registered outside of the United States and imported into 15 the United States; or 16 (3) the owner or person claiming ownership requires an 17 assigned or reassigned identification number under Section 501.033 [On proper application, the department shall assign a vehicle 18 identification number to a travel trailer, a trailer 19 semitrailer, a frame, or an item of equipment, including a tractor, 20 21 farm implement, unit of special mobile equipment, or unit of 22 off-road construction equipment: [(1) on which a vehicle identification number was not 23 24 die-stamped by the manufacturer; 25 [(2) on which a vehicle identification number 26 die-stamped by the manufacturer has been lost, removed, obliterated; or 27

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1	[(3) for which a vehicle identification number was
2	never assigned].
3	(b) An active duty member of a branch of the United States
4	armed forces, or an immediate family member of such a member,
5	returning to Texas with acceptable proof of the active duty status
6	is exempt from an identification number inspection required under
7	Subsection (a)(2) [The applicant shall die-stamp the assigned
8	vehicle identification number at the place designated by the
9	department on the travel trailer, trailer, semitrailer, frame, or
10	equipment].
11	SECTION 8. Subchapter B, Chapter 501, Transportation Code,
12	is amended by adding Sections 501.0321 and 501.0322 to read as
13	follows:
14	Sec. 501.0321. IDENTIFICATION NUMBER INSPECTION. (a) An
15	inspection required under Section 501.032 must verify, as
16	applicable, the identity of:
17	(1) a motor vehicle;
18	(2) a trailer or semitrailer;
19	(3) a frame, body, or motor of a motor vehicle; or
20	(4) an item of equipment not required to be titled but
21	that may be registered under Chapter 502 or issued licensed plates
22	under Chapter 504.
23	(b) An inspection under this section may not rely solely on
24	the public identification number to verify the identity.
25	(c) An inspection under this section may be performed only
26	by a person who has successfully completed an appropriate training
27	program as determined by department rule and is:

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1	(1) an auto theft investigator who is a law
2	enforcement officer of this state or a political subdivision of
3	this state;
4	(2) a person working under the direct supervision of a
5	person described by Subdivision (1); or
6	(3) an employee of the department authorized by the
7	department to perform an inspection under this section.
8	(d) The department shall prescribe a form on which the
9	identification number inspection is to be recorded. The department
10	may provide the form only to a person described by Subsection (c).
11	(e) The department or another entity that provides an
12	inspection under this section may impose a fee of not more than \$40
13	for the inspection. The county or municipal treasurer of a county
14	or municipal entity that provides an inspection under this section
15	shall credit the fee to the general fund of the county or
16	municipality, as applicable, to defray the entity's cost associated
17	with the inspection. If the department provides an inspection
18	under this section, the fee shall be deposited to the credit of the
19	Texas Department of Motor Vehicles fund.
20	(f) The department may not impose a fee for an inspection
21	requested by the department. The department shall include a
22	notification of the waiver to the owner at the time the department
23	requests the identification number inspection.
24	Sec. 501.0322. ALTERNATIVE IDENTIFICATION NUMBER
25	INSPECTION. The department by rule may establish a process for
26	verifying the identity of an item listed in Section 501.0321(a) as
27	an alternative to an identification number inspection under Section

1 501.0321. The rules may include the persons authorized to perform the inspection, when an alternative inspection under this section 2 3 is required, and any fees that may be assessed. Any fee authorized must comply with Sections 501.0321(e) and (f). 4 5 SECTION 9. Section 501.033, Transportation Code, is amended to read as follows: 6 7 Sec. 501.033. ASSIGNMENT REASSIGNMENT OF AND 8 IDENTIFICATION NUMBER BY DEPARTMENT. (a) If the permanent identification number affixed by the manufacturer has been removed, 9 altered, or obliterated, or a permanent identification number was 10 never assigned, the department shall assign an identification 11 12 number to [A person determined by law enforcement or a court to be 13 the owner of] a motor vehicle, [travel trailer,] semitrailer, [or] trailer, engine [a part of a motor vehicle], [travel trailer, 14 15 semitrailer, or trailer, a] frame, or body of a motor vehicle, or an item of equipment not required to be titled but that may be 16 17 registered or issued license plates under Chapter 502 on inspection under Section 501.0321 and application to the department [including 18 a tractor, farm implement, unit of special mobile equipment, or 19 20 unit of off-road construction equipment may apply to the department for an assigned vehicle identification number that has been 21 removed, altered, obliterated, or has never been assigned]. 22

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(b) An application under this section must be in a manner prescribed by the department and accompanied by valid evidence of ownership <u>in the name of, or properly assigned to, the applicant</u> as required by the department.

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(c) A fee of \$2 must accompany each application under this

S.B. No. 2076 1 section to be deposited in the Texas Department of Motor Vehicles 2 fund.

3 (d) The assigned [vehicle] identification number shall be 4 die-stamped or otherwise affixed in the manner <u>and location</u> 5 designated by the department.

6 (e) The department shall reassign an original manufacturer's identification number only if the person who 7 8 conducts the inspection under Section 501.0321 determines that the permanent identification number affixed by the manufacturer has 9 been removed, altered, or obliterated [If the auto theft unit of a 10 county or municipal law enforcement agency conducts an inspection 11 required by the department under this section, the agency may 12 impose a fee of \$40. The county or municipal treasurer shall credit 13 the fee to the general fund of the county or municipality, as 14 15 applicable, to defray the agency's cost associated with the inspection. The fee shall be waived by the department or agency 16 17 imposing the fee if the person applying under this section is current registered owner]. 18

19 (f) If the department reassigns a manufacturer's 20 identification number, a representative of the department shall 21 affix the number in a manner and location designated by the 22 department.

(g) On affixing an assigned identification number or witnessing the affixing of a reassigned identification number, the owner shall certify on a form prescribed by the department that the identification number has been affixed in the manner and location designated by the department and shall submit the form in a manner

S.B. No. 2076 1 prescribed by the department. 2 Only the department may issue an identification number (h) to a motor vehicle, trailer, semitrailer, engine, frame, or body of 3 a motor vehicle, or an item of equipment not required to be titled 4 but that may be registered or issued license plates under Chapter 5 502. The department may not recognize an identification number 6 7 assigned by any other agency or political subdivision of this 8 state. 9 SECTION 10. Section 501.036, Transportation Code, is amended to read as follows: 10 Sec. 501.036. TITLE FOR FARM TRAILER OR FARM SEMITRAILER. 11 12 (a) Notwithstanding any other provision of this chapter, the department may issue a title for a farm trailer or farm semitrailer 13 with a gross vehicle weight of not more than 34,000 [4,000] pounds 14 15 if[+ 16 [(1) the farm semitrailer is eligible for registration 17 502 146 and under Section all [other] requirements for issuance of a title 18 $[\frac{(2)}{(2)}]$ 19 are met. To obtain a title under this section, the owner [of the 20 (b) farm semitrailer] must: 21 apply for the title in the manner required by 22 (1)23 Section 501.023; and 24 (2) pay the fee required by Section 501.138. A subsequent purchaser of a farm trailer or farm 25 (c) 26 semitrailer titled previously under this section or in another jurisdiction must obtain a title under [The department shall adopt 27

1 rules to implement and administer] this section.

2 SECTION 11. Section 501.037, Transportation Code, is 3 amended to read as follows:

Sec. 501.037. TITLE FOR TRAILERS <u>OR SEMITRAILERS</u>. (a) Notwithstanding any other provision of this chapter, the department may issue a title for a trailer <u>or semitrailer</u> that has a gross vehicle weight of 4,000 pounds or less if all other requirements for sissuance of a title are met.

9 (b) To obtain a title under this section, the owner of the 10 trailer <u>or semitrailer</u> must:

11 (1) apply for the title in the manner required by 12 Section 501.023; and

13

(2) pay the fee required by Section 501.138.

14 (c) A subsequent purchaser of a trailer or semitrailer 15 titled previously under this section or in another jurisdiction 16 <u>must obtain a title under this section.</u>

SECTION 12. Section 501.071(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Sections 503.036 and [in Section]
503.039, a motor vehicle may not be the subject of a subsequent sale
unless the owner designated on the title submits a transfer of
ownership of the title.

23 SECTION 13. Section 501.072, Transportation Code, is 24 amended to read as follows:

25 Sec. 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Except 26 as provided by Subsection (c), the <u>transferor</u> [seller] of a motor 27 vehicle <u>transferred</u> [sold] in this state shall provide to the

1 <u>transferee</u> [buyer, on a form prescribed by the department,] a
2 [written] disclosure of the vehicle's odometer reading at the time
3 of the <u>transfer in compliance with 49 C.F.R. Part 580</u> [sale. The
4 form must include space for the signature and printed name of both
5 the seller and buyer].

(b) When application for a [certificate of] title is made,
the transferee [owner] shall record the [current] odometer reading
on the application. The [written] disclosure required by
Subsection (a) must accompany the application.

10 (c) An odometer disclosure statement is not required for the 11 <u>transfer</u> [sale] of a motor vehicle that <u>is exempt from odometer</u> 12 <u>disclosure requirements under 49 C.F.R. Section 580.17</u> [+

13 [(1) has a manufacturer's rated carrying capacity of 14 more than two tons;

15

[(2) is not self-propelled;

16 [(3) is 10 or more years old;

17 [(4) is sold directly by the manufacturer to an agency 18 of the United States government in conformity with contractual 19 specifications; or

20 [(5) is a new motor vehicle].

21 (d) The department shall provide for use consistent with 49
22 <u>C.F.R. Part 580:</u>

23 (1) a secure power of attorney form; and

24 <u>(2) a secure reassignment form for licensed motor</u>
25 <u>vehicle dealers.</u>

(e) In this section, "transferee" and "transferor" have the
meanings assigned by 49 C.F.R. Section 580.3.

S.B. No. 2076 1 SECTION 14. Section 501.091(9), Transportation Code, is amended to read as follows: 2 3 (9) "Nonrepairable motor vehicle" means а motor vehicle [that]: 4 5 that is damaged, wrecked, or burned to the (A) extent that the only residual value of the vehicle is as a source of 6 parts or scrap metal; [or] 7 8 (B) that comes into this state under a comparable that document indicates ownership that the 9 vehicle is 10 nonrepairable; (C) that a salvage vehicle dealer has reported to 11 12 the department under Section 501.1003; (D) for which an owner has surrendered evidence 13 14 of ownership for the purpose of dismantling, scrapping, or destroying the motor vehicle; 15 (E) that is sold for export only by a salvage 16 17 motor vehicle dealer under Section 501.099; or (F) that is sold and the sale is reported as an 18 19 export-only sale to the National Motor Vehicle Title Information System by any state, jurisdiction, or entity required to report to 20 the National Motor Vehicle Title Information System. 21 SECTION 15. Section 501.09113(a), Transportation Code, is 22 23 amended to read as follows: 24 (a) On receipt of a proper application from the owner of a motor vehicle, the department shall issue the applicant the 25 26 appropriate title with any notations determined by the department as necessary to describe or disclose the motor vehicle's current or 27

1 <u>former condition if the</u> [This section applies only to a] motor
2 vehicle <u>was</u> brought into this state from another state or
3 jurisdiction <u>and</u> [that] has on any title or comparable out-of-state
4 ownership document issued by the other state or jurisdiction <u>or</u>
5 <u>record in the National Motor Vehicle Title Information System</u>
6 <u>reported by another state or jurisdiction</u>:

7 (1) a "rebuilt," <u>"repaired," "reconstructed," "flood</u>
8 <u>damage," "fire damage," "owner retained,"</u> "salvage," or similar
9 notation; or

10 (2) a "nonrepairable," "dismantle only," "parts 11 only," "junked," "scrapped," <u>"crushed," "totaled,"</u> or similar 12 notation.

13 SECTION 16. Section 501.097(a), Transportation Code, as 14 amended by Chapters 1136 (H.B. 1422) and 1296 (H.B. 2357), Acts of 15 the 82nd Legislature, Regular Session, 2011, is reenacted to read 16 as follows:

17 (a) An application for a nonrepairable vehicle title,
18 nonrepairable record of title, salvage vehicle title, or salvage
19 record of title must:

20 (1) be made in a manner prescribed by the department21 and accompanied by a \$8 application fee;

(2) include, in addition to any other informationrequired by the department:

24 (A) the name and current address of the owner;25 and

(B) a description of the motor vehicle, including
 the make, style of body, model year, and vehicle identification

1 number; and

2

(3) include the name and address of:

3 (A) any currently recorded lienholder, if the4 motor vehicle is a nonrepairable motor vehicle; or

5 (B) any currently recorded lienholder or a new6 lienholder, if the motor vehicle is a salvage motor vehicle.

7 SECTION 17. Section 501.1001(a), Transportation Code, as 8 amended by Chapters 1136 (H.B. 1422) and 1296 (H.B. 2357), Acts of 9 the 82nd Legislature, Regular Session, 2011, is reenacted and 10 amended to read as follows:

(a) Except as provided by Section 501.0925, an insurance 11 company that is licensed to conduct business in this state and that 12 acquires, through payment of a claim, ownership or possession of a 13 14 salvage motor vehicle or nonrepairable motor vehicle [covered by a 15 certificate of title issued by this state or a manufacturer's certificate of origin] shall surrender the [a] properly assigned 16 17 evidence of ownership and apply for the appropriate title under Section 501.097 [title or manufacturer's certificate of origin to 18 19 the department, on a form prescribed by the department].

SECTION 18. Section 501.1002(a), Transportation Code, as amended by Chapters 1136 (H.B. 1422) and 1296 (H.B. 2357), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted to read as follows:

(a) If an insurance company pays a claim on a nonrepairable
motor vehicle or salvage motor vehicle and the insurance company
does not acquire ownership of the motor vehicle, the insurance
company shall:

S.B. No. 2076 submit to the department, before the 31st day 1 (1)after the date of the payment of the claim, on the form prescribed 2 3 by the department, a report stating that the insurance company: 4 (A) has paid a claim on the motor vehicle; and 5 (B) has not acquired ownership of the motor 6 vehicle; and 7 provide notice to the owner of the motor vehicle (2) 8 of: 9 (A) the report required under Subdivision (1); 10 and the requirements for operation or transfer of 11 (B) 12 ownership of the motor vehicle under Subsection (b). SECTION 19. Section 501.1002(b), Transportation Code, is 13 14 amended to read as follows: 15 (b) The owner of a salvage or nonrepairable motor vehicle 16 [to which this section applies] may not [operate or permit 17 operation of the motor vehicle on a public highway or] transfer ownership of the motor vehicle by sale or otherwise unless the 18 department has issued a salvage vehicle title, salvage record of 19 title, nonrepairable vehicle title, or nonrepairable record of 20 21 title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle 22 23 in the name of the owner. 24 SECTION 20. Section 501.109, Transportation Code, is

24 Shellow 20. Section Sollios, Hamspoltation code, is 25 amended by amending Subsections (d) and (e) and adding Subsections 26 (g) and (h) to read as follows:

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(d) Except as provided by Subsection (e), an offense under

S.B. No. 2076 Subsection (a), (b), or (c) [this section] is a Class C misdemeanor. 1 If it is shown on the trial of an offense under 2 (e) Subsection (a), (b), or (c) [this section] that the defendant has 3 been previously convicted of: 4 5 (1) one offense under Subsection (a), (b), or (c) 6 [this section], the offense is a Class B misdemeanor; or 7 (2) two or more offenses under Subsection (a), (b), or 8 (c) [this section], the offense is a state jail felony. 9 (g) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority 10 signs the name of another person on: 11 (1) an application for a title to a nonrepairable 12 motor vehicle or salvage motor vehicle; 13 14 (2) an application for a certified copy of an original 15 title to a nonrepairable motor vehicle or salvage motor vehicle; 16 (3) an assignment of title for a nonrepairable motor 17 vehicle or salvage motor vehicle; (4) a discharge of a lien on a title for a 18 19 nonrepairable motor vehicle or salvage motor vehicle; or (5) any other document required by the department or 20 necessary for the transfer of ownership of a nonrepairable motor 21 vehicle or salvage motor vehicle. 22 23 (h) An offense under Subsection (g) is a felony of the third 24 degree. SECTION 21. Effective January 1, 2019, the heading to 25 26 Section 501.134, Transportation Code, is amended to read as follows: 27

1 Sec. 501.134. <u>CERTIFIED COPY OF</u> LOST OR DESTROYED 2 CERTIFICATE OF TITLE.

3 SECTION 22. Effective January 1, 2019, Sections 501.134(a),
4 (b), (c), and (d), Transportation Code, are amended to read as
5 follows:

(a) If a printed title is lost or destroyed, the owner or 6 7 lienholder disclosed on the title may obtain, in the manner 8 provided by this section and department rule, a certified copy of the lost or destroyed title directly from the department by 9 applying in a manner prescribed by the department and paying a fee 10 of \$2. A fee collected under this subsection shall be deposited to 11 the credit of the Texas Department of Motor Vehicles fund [and may 12 be spent only as provided by Section 501.138]. 13

(b) If a lien is disclosed on a title, the department may issue a certified copy of the [original] title only to the first lienholder or the lienholder's verified agent <u>unless the owner has</u> original proof from the lienholder of lien satisfaction.

(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section. [A subsequent purchaser or lienholder of the vehicle only acquires the rights, title, or interest in the vehicle held by the holder of the certified copy.]

(d) <u>A certified copy of the title that is lawfully obtained</u> under this section supersedes and invalidates any previously issued title or certified copy. If the certified copy of the title is later rescinded, canceled, or revoked under Section 501.051, the department may revalidate a previously superseded or invalidated

title or certified copy of title [A purchaser or lienholder of a 1 motor vehicle having a certified copy issued under this section may 2 at the time of the purchase or establishment of the lien require 3 that the seller or owner indemnify the purchaser or lienholder and 4 5 all subsequent purchasers of the vehicle against any loss the person may suffer because of a claim presented on the original 6 title]. 7 8 SECTION 23. Section 541.201(5), Transportation Code, is amended to read as follows: 9 "House trailer" means a trailer or semitrailer, 10 (5)other than a towable recreational vehicle, that: 11 12 (A) is transportable on a highway in one or more 13 sections; 14 (B) is less than 45 [40] feet in length, 15 excluding tow bar, while in the traveling mode; 16 (C) is built on a permanent chassis; 17 (D) is designed to be used as a dwelling or for commercial purposes if connected to required utilities; and 18 19 (E) includes plumbing, heating, air-conditioning, and electrical systems. 20 21 SECTION 24. The following provisions of the Transportation Code are repealed: 22 (1) Sections 501.032(c) and (d); and 23 24 (2) Section 501.09113(b). SECTION 25. Except as otherwise provided by this Act, this 25 26 Act takes effect September 1, 2017.