

BILL ANALYSIS

Senate Research Center

H.B. 1755
By: Thompson, Ed et al. (Hughes)
Transportation
5/15/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been noted that the statutory framework needed to allow the operation of certain assembled vehicles on Texas roadways, including titling and registration requirements, has yet to be adopted. H.B. 1755 seeks to address this issue by providing for the titling, registration, and inspection of these vehicles.

H.B. 1755 amends current law relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 2 (Sections 731.002 and 731.052, Transportation Code) and SECTION 13 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 2301, Occupations Code, by adding Section 2301.0045, as follows:

Sec. 2301.0045. NONAPPLICABILITY OF CHAPTER TO ASSEMBLED VEHICLES AND HOBBYIST. Provides that this chapter (Sale or Lease of Motor Vehicles) does not apply to an assembled vehicle or a hobbyist, as those terms are defined by Section 731.001, Transportation Code.

SECTION 2. Amends Subtitle J, Title 7, Transportation Code, by adding Chapter 731, as follows:

CHAPTER 731. ASSEMBLED VEHICLES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 731.001. DEFINITIONS. (a) Defines "assembled vehicle," "board," "hobbyist," "master technician," "owner," and "title" for purposes of this chapter.

(b) Provides that for purposes of Subsection (a)(1), the term "assembled vehicle" includes the following types of assembled vehicles:

- (1) kit vehicles;
- (2) dune buggies;
- (3) sand rails;
- (4) glider kits;
- (5) replicas;

(6) custom vehicles and street rods, as those terms are defined by Section 504.501 (Classic Motor Vehicles and Travel Trailers; Custom Vehicles; Street Rods);

(7) assembled motorcycles;

(8) assembled trailers; and

(9) assembled semitrailers.

Sec. 731.002. RULES. Authorizes the board of the Texas Department of Motor Vehicles (board) to adopt rules as necessary to implement and administer this chapter.

Sec. 731.003. CONFLICT OF LAW. Provides that to the extent of a conflict between this chapter, including a rule adopted under this chapter, and another law, this chapter controls.

SUBCHAPTER B. TITLE AND REGISTRATION

Sec. 731.051. ELIGIBILITY FOR TITLE AND REGISTRATION. (a) Requires an owner of an assembled vehicle, except as provided by Subsection (b), to title and register the vehicle as provided by Chapters 501 (Certificate of Title Act) and 502 (Registration of Vehicles), as applicable, and in accordance with rules adopted under this chapter, regardless of whether the vehicle has a manufacturer's statement of origin, as defined by Section 2301.002 (Definitions), Occupations Code, or manufacturer's certificate of origin.

(b) Prohibits an assembled vehicle from being titled or registered in this state if the vehicle:

(1) is assembled, constructed, or reconstructed from the merging of two or more vehicle classes;

(2) uses the frame or body of a vehicle that has been declared nonrepairable or junked;

(3) contains any electrical or mechanical components from a flood-damaged vehicle;

(4) is designed for off-highway use only;

(5) is designed by the manufacturer for on-track racing only;

(6) has been stripped to the extent that the vehicle loses its original identity; or

(7) uses any parts that do not meet federal motor vehicle safety standards, if standards have been developed for those parts.

Sec. 731.052. PROCEDURES AND REQUIREMENTS FOR TITLE AND REGISTRATION. (a) Requires the board by rule to establish procedures and requirements for issuance of a title for an assembled vehicle and registration of an assembled vehicle.

(b) Provides that rules adopted under Subsection (a):

(1) are prohibited from excluding a type of assembled vehicle, other than an assembled vehicle described by Section 731.051(b), from eligibility for title and registration;

(2) are required to establish the form of a title issued for an assembled vehicle, including the information contained on the title;

(3) are required to exempt an assembled vehicle or a type of assembled vehicle from any provision of Chapter 501 or 502 that an assembled vehicle or type of assembled vehicle, by its nature, cannot comply with or otherwise meet the requirements of; and

(4) are authorized to require the owner of an assembled vehicle to provide proof that the vehicle passed an inspection or reinspection conducted by a master technician in addition to passing any inspection or reinspection required under Chapter 548 (Compulsory Inspection of Vehicles).

(c) Provides that a rule described by Subsection (b)(4):

(1) is authorized to apply to all assembled vehicles or may apply only to certain types of assembled vehicles;

(2) is required to specify the items of equipment that must be inspected by a master technician and may specify different items of equipment that are required to be inspected based on the type of assembled vehicle;

(3) is required to require a master technician conducting the inspection to evaluate the structural integrity of the assembled vehicle, including, as applicable, the connection points of the:

(A) frame, chassis, or body;

(B) steering system;

(C) drive train; and

(D) suspension; and

(4) must require an owner of an assembled vehicle that is required to have the vehicle inspected or reinspected by a master technician to pay all fees required for the inspection or reinspection in addition to all applicable fees required under Chapter 548 (Compulsory Inspection of Vehicles) for an inspection or reinspection conducted under that chapter.

SECTION 3. Amends Section 501.002, Transportation Code, by amending Subdivisions (1), (8), (24), and (32) and adding Subdivision (1-a) to define "assembled vehicle" and redefine "certificate of title," "first sale," "serial number," and "vehicle identification number."

SECTION 4. Amends Section 501.035(b), Transportation Code to redefine "former military vehicle" for purposes of this section.

SECTION 5. Amends Section 501.0721, Transportation Code, as follows:

Sec. 501.0721. New heading: DELIVERY OF RECEIPT AND TITLE TO PURCHASER OF USED MOTOR VEHICLE OR ASSEMBLED VEHICLE. Requires a person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle or an assembled vehicle to deliver to the purchaser at the time of delivery of the vehicle a properly assigned title or other evidence of title as required under this chapter.

SECTION 6. Amends Section 501.145(a), Transportation Code to require the purchaser of the used motor vehicle or assembled vehicle, not later than the later of the 30th day after the date of assignment on the documents or the date provided by Section 152.069 (Registration of Motor

Vehicle Using Seller-Financing), Tax Code, to file certain documents with the county assessor-collector.

SECTION 7. Amends Section 502.001, Transportation Code, by adding Subdivision (17-a) to define "former military vehicle."

SECTION 8. Amends Subchapter D, Chapter 502, Transportation Code, by adding Section 502.141, as follows:

Sec. 502.141. OFF-HIGHWAY FORMER MILITARY VEHICLES. (a) Prohibits a person, except as provided by Subsections (b) and (c), from registering a former military vehicle designated for off-highway use, with or without design alterations, for operation on a public highway.

(b) Authorizes a former military vehicle to be registered for on-road use if the vehicle:

(1) is a high mobility multipurpose wheeled vehicle designated for off-highway use; and

(2) has a gross vehicle weight rating of less than 10,000 pounds.

(c) Authorizes a former military vehicle issued specialty license plates under Section 504.502 (Certain Exhibition Vehicles) to be operated on a public highway in accordance with that section.

SECTION 9. Amends Subchapter A, Chapter 503, Transportation Code, by adding Section 503.013, as follows:

Sec. 503.013. DEALER TRANSFER OF CERTAIN ASSEMBLED VEHICLES PROHIBITED. (a) Defines "assembled vehicle" and "replica" for purposes of this section.

(b) Prohibits ownership of an assembled vehicle, other than a replica, from being transferred to or by a dealer under this chapter (Dealer's and Manufacturer's Vehicle License Plates).

SECTION 10. Amends Section 504.502(i), Transportation Code to redefine "former military vehicle" for purposes of this section

SECTION 11. Amends Subchapter C, Chapter 547, Transportation Code, by adding Section 547.209, as follows:

Sec. 547.209. NONAPPLICABILITY OF SUBCHAPTER TO ASSEMBLED VEHICLES. Provides that this subchapter does not apply to an item of vehicle equipment intended for an assembled vehicle, as defined by Section 731.001.

SECTION 12. Amends Subchapter A, Chapter 548, Transportation Code, by adding Section 548.009, as follows:

Sec. 548.009. ASSEMBLED VEHICLES. (a) Defines "assembled vehicle" for purposes of this section.

(b) Provides that a provision of this chapter does not apply to an assembled vehicle if the provision:

(1) conflicts with Chapter 731 or a rule adopted under that chapter; or

(2) is a provision that an assembled vehicle, by its nature, cannot comply with or otherwise meet.

SECTION 13. Requires the board of the Texas Department of Motor Vehicles, as soon as practicable after the effective date of this Act to:

- (1) adopt the rules required by Chapter 731, Transportation Code, as added by this Act; and
- (2) adopt or modify any rules necessary to implement the changes in law made by this Act.

SECTION 14. Effective date: September 1, 2019.