

BILL ANALYSIS

C.S.H.B. 1755
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Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.H.B. 1755 seeks to address this issue by providing for the titling, registration, and inspection of these vehicles.

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 rulemaking authority is expressly granted to board of the Texas Department of Motor Vehicles in SECTIONS 2 and 9 of this bill.

ANALYSIS

C.S.H.B. 1755 amends the Transportation Code to require the owner of an assembled vehicle to title and register the vehicle as provided by state law and in accordance with rules adopted under the bill's provisions, regardless of whether the vehicle has a manufacturer's statement of origin or certificate of origin. The bill sets out the conditions under which an assembled vehicle may not be titled or registered in Texas. The bill defines an "assembled vehicle" as a vehicle that is assembled from the three basic component parts of a motor, frame, and body and is:

- built, assembled, constructed, or reconstructed from new or used materials and parts by a hobbyist, as defined by the bill;
- altered or modified to the extent that the vehicle no longer reflects the original manufacturer's configuration; or
- assembled from a kit.

C.S.H.B. 1755 requires the board of the Texas Department of Motor Vehicles (TxDMV) to establish by rule procedures and requirements for the issuance of a title for an assembled vehicle and the registration of an assembled vehicle. The bill prohibits such rules from excluding a type of assembled vehicle from eligibility for title and registration, except for the vehicles excluded under the bill's provisions, and requires the rules to establish the form of a title issued for an assembled vehicle and to exempt an assembled vehicle or a type of assembled vehicle from any provision of the Certificate and Title Act or statutory provisions governing the registration of vehicles that an assembled vehicle or type of assembled vehicle, by its nature, cannot comply with or of which the vehicle cannot otherwise meet the requirements. The bill authorizes the rules 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 compulsory vehicle inspection or reinspection required by state law and sets out provisions further governing a rule requiring the owner to provide such proof.

C.S.H.B. 1755 authorizes the board of TxDMV to adopt rules as necessary to implement and administer the bill's provisions governing assembled vehicles. The bill establishes that, to the extent of a conflict between those provisions or a rule adopted under those provisions and another law, the bill's provisions control. The bill requires the board of TxDMV to adopt or modify any rules necessary to implement the changes in law made by the bill's provisions.

C.S.H.B. 1755 prohibits ownership of an assembled vehicle, other than a replica, from being transferred to or by a dealer under statutory provisions relating to dealer's and manufacturer's vehicle license plates. The bill exempts an item of vehicle equipment intended for an assembled vehicle from statutory provisions governing the offer, distribution, and sale of vehicle equipment.

C.S.H.B. 1755 amends the Occupations Code to exempt an assembled vehicle and a hobbyist from the applicability of statutory provisions relating to the regulation of the sale or lease of motor vehicles.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1755 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the definition of "assembled vehicle."

The substitute includes the following:

- the requirement for the board of the Texas Department of Motor Vehicles (TxDMV) to establish by rule procedures and requirements for the titling and registration of assembled vehicles;
- provisions establishing the eligibility of an assembled vehicle for titling and registration;
- the prohibition against ownership of an assembled vehicle, with certain exceptions, from being transferred to or by a dealer;
- provisions setting out the nonapplicability of other law in relation to an assembled vehicle; and
- additional rulemaking requirements for the board of TxDMV.

The substitute does not include the following:

- provisions relating to the establishment of titling, registration, and inspection requirements for assembled vehicles by TxDMV, including related fees;
- the authorization for an owner of an assembled vehicle to concurrently apply for a title and for registration of the vehicle;
- the designation of a registration year for an assembled vehicle of 12 consecutive months;
- the authorization for TxDMV to refuse to register an assembled vehicle or to cancel, suspend, or revoke a registration upon certain determinations made by TxDMV; and
- the requirement for the Department of Public Safety to adopt or modify rules necessary to implement provisions relating to the titling, registration, and inspection of assembled vehicles.