

BILL ANALYSIS

S.B. 1193
By: Flores
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the lack of protections afforded to the purchaser of a motor vehicle who has paid the requisite title fees only to find, before applying for the title, that the dealer from whom the vehicle was purchased has gone out of business. S.B. 1193 seeks to address this issue by providing for the liability of and issuance of titles and permits for motor vehicles purchased from motor vehicle dealers that go out of business

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 the Texas Department of Motor Vehicles in SECTION 1 of this bill.

ANALYSIS

S.B. 1193 amends the Transportation Code to authorize a person who is the purchaser of a motor vehicle for which the dealer is required to apply for a title for the vehicle under the Certificate of Title Act but does not apply for the title because the dealer has gone out of business to apply for a title in the manner prescribed by the Texas Department of Motor Vehicles (TxDMV) by rule and, on expiration of the buyer's temporary tag issued to the purchaser, a 30-day permit. The bill requires an application for such a title to include a release of any recorded lien on the motor vehicle unless the only recorded lienholder is such a dealer. The bill requires TxDMV to waive the payment of fees for such a title issued to the purchaser, if the purchaser can show that fees for a title were paid to the dealer, and for one 30-day permit issued to the purchaser. The bill authorizes TxDMV to recover against the surety bond executed by the dealer the amount of any fee waived for a title or permit issued under the bill's provisions. The bill requires TxDMV to adopt the rules necessary to implement these provisions.

S.B. 1193 increases from \$25,000 to \$50,000 the amount of the properly executed surety bond satisfactory proof of which is required by TxDMV from an applicant for a motor vehicle dealer general distinguishing number or a wholesale motor vehicle auction general distinguishing number or the renewal of such a number.

EFFECTIVE DATE

September 1, 2019.