86R20421 JRR-F

By:  Thompson of Brazoria, Wu, VanDeaver, H.B. No. 1755

     Krause, Flynn, et al.

Substitute the following for H.B. No. 1755:

By:  Landgraf C.S.H.B. No. 1755

A BILL TO BE ENTITLED

AN ACT

relating to assembled vehicles, including the titling and registration of those vehicles.

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

SECTION 1.  Subchapter A, Chapter 2301, Occupations Code, is amended by adding Section 2301.0045 to read as follows:

Sec. 2301.0045.  NONAPPLICABILITY OF CHAPTER TO ASSEMBLED VEHICLES AND HOBBYIST. This chapter does not apply to an assembled vehicle or a hobbyist, as those terms are defined by Section 731.001, Transportation Code.

SECTION 2.  Subtitle J, Title 7, Transportation Code, is amended by adding Chapter 731 to read as follows:

CHAPTER 731. ASSEMBLED VEHICLES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 731.001.  DEFINITIONS. (a) In this chapter:

(1)  "Assembled vehicle" means a vehicle that:

(A)  is assembled from the following three basic component parts:

(i)  motor;

(ii)  frame; and

(iii)  body; and

(B)  is:

(i)  built, assembled, constructed, or reconstructed from new or used materials and parts by a hobbyist;

(ii)  altered or modified to the extent that the vehicle no longer reflects the original manufacturer's configuration; or

(iii)  assembled from a kit.

(2)  "Board" means the board of the Texas Department of Motor Vehicles.

(3)  "Hobbyist" means a person who:

(A)  assembles, constructs, or reconstructs an assembled vehicle; and

(B)  is the owner of the assembled vehicle.

(4)  "Master technician" means a person who holds a master technician certification issued by the National Institute for Automotive Service Excellence.

(5)  "Owner" has the meaning assigned by Section 541.001.

(6)  "Title" has the meaning assigned by Section 501.002.

(b)  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; and

(6)  custom vehicles and street rods, as those terms are defined by Section 504.501.

Sec. 731.002.  RULES. The board may adopt rules as necessary to implement and administer this chapter.

Sec. 731.003.  CONFLICT OF LAW. 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) Except as provided by Subsection (b), an owner of an assembled vehicle shall title and register the vehicle as provided by Chapters 501 and 502, 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, Occupations Code, or manufacturer's certificate of origin.

(b)  An assembled vehicle may not be 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;

(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) The board by rule shall establish procedures and requirements for:

(1)  issuance of a title for an assembled vehicle; and

(2)  registration of an assembled vehicle.

(b)  Rules adopted under Subsection (a):

(1)  may not exclude a type of assembled vehicle, other than an assembled vehicle described by Section 731.051(b), from eligibility for title and registration;

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

(3)  must 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)  may 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.

(c)  A rule described by Subsection (b)(4):

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

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

(3)  must require a master technician conducting the inspection to evaluate the structural integrity of the assembled vehicle, including 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 for an inspection or reinspection conducted under that chapter.

SECTION 3.  Section 501.002, Transportation Code, is amended by amending Subdivisions (1), (8), (15), (24), (31), and (32) and adding Subdivision (1-a) to read as follows:

(1)  "Assembled vehicle" has the meaning assigned by Section 731.001.

(1-a)  "Certificate of title" means a printed record of title issued under Section 501.021.

(8)  "First sale" means:

(A)  the bargain, sale, transfer, or delivery of a motor vehicle, other than an assembled vehicle, that has not been previously registered or titled, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B)  the registration or titling of that vehicle.

(15)  "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle, other than an assembled vehicle, in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle.

(24)  "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A)  the manufacturer's permanent vehicle identification number;

(B)  a derivative number of the manufacturer's permanent vehicle identification number;

(C)  the motor number; [~~or~~]

(D)  the vehicle identification number assigned by the department; or

(E)  the vehicle identification number assigned by the maker of a kit, if the vehicle is an assembled vehicle that is assembled from a kit.

(31)  "Used motor vehicle" means a motor vehicle, other than an assembled vehicle, that has been the subject of a first sale.

(32)  "Vehicle identification number" means:

(A)  the manufacturer's permanent vehicle identification number affixed by the manufacturer to the motor vehicle that is easily accessible for physical examination and permanently affixed on one or more removable parts of the vehicle; or

(B)  a serial number affixed to a part of a motor vehicle that is:

(i)  a derivative number of the manufacturer's permanent vehicle identification number;

(ii)  the motor number; [~~or~~]

(iii)  a vehicle identification number assigned by the department; or

(iv)  the vehicle identification number assigned by the maker of a kit, if the vehicle is an assembled vehicle that is assembled from a kit.

SECTION 4.  Section 501.0721, Transportation Code, is amended to read as follows:

Sec. 501.0721.  DELIVERY OF RECEIPT AND TITLE TO PURCHASER OF USED MOTOR VEHICLE OR ASSEMBLED VEHICLE. A person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle or an assembled vehicle shall 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 5.  Section 501.145(a), Transportation Code, is amended to read as follows:

(a)  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, Tax Code, the purchaser of the used motor vehicle or assembled vehicle shall file with the county assessor-collector:

(1)  the certificate of title or other evidence of title; or

(2)  if appropriate, a document described by Section 502.457 and the title or other evidence of ownership.

SECTION 6.  Subchapter A, Chapter 503, Transportation Code, is amended by adding Section 503.013 to read as follows:

Sec. 503.013.  DEALER TRANSFER OF CERTAIN ASSEMBLED VEHICLES PROHIBITED. (a) In this section:

(1)  "Assembled vehicle" has the meaning assigned by Section 731.001.

(2)  "Replica" means an assembled vehicle that uses a manufactured prefabricated body or a body constructed from materials not original to the vehicle and that resembles an established make of a previous year vehicle model. The term may include a custom vehicle or street rod, as those terms are defined by Section 504.501.

(b)  Ownership of an assembled vehicle, other than a replica, may not be transferred to or by a dealer under this chapter.

SECTION 7.  Subchapter C, Chapter 547, Transportation Code, is amended by adding Section 547.209 to read as follows:

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

SECTION 8.  Subchapter A, Chapter 548, Transportation Code, is amended by adding Section 548.009 to read as follows:

Sec. 548.009.  ASSEMBLED VEHICLES. (a) In this section, "assembled vehicle" has the meaning assigned by Section 731.001.

(b)  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 9.  As soon as practicable after the effective date of this Act, the board of the Texas Department of Motor Vehicles shall:

(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 10.  This Act takes effect September 1, 2019.