H.B. No. 3842

AN ACT

relating to the regulation of certain motor vehicle dealers; waiving certain fees.

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

SECTION 1.  Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.0236 to read as follows:

Sec. 501.0236.  ISSUANCE OF TITLE AND PERMITS WHEN DEALER GOES OUT OF BUSINESS. (a) This section applies only to a person who is the purchaser of a motor vehicle for which the dealer:

(1)  is required to apply for a title for the vehicle under Section 501.0234; and

(2)  does not apply for the title because the dealer has gone out of business.

(b)  A purchaser to whom this section applies may apply for:

(1)  a title in the manner prescribed by the department by rule; and

(2)  on expiration of the buyer's tag issued to the purchaser under Section 503.063, a 30-day permit under Section 502.095.

(c)  An application for a title under this section must include a release of any recorded lien on the motor vehicle unless the only recorded lienholder is a dealer described by Subsection (a).

(d)  The department shall waive the payment of fees for:

(1)  a title issued to a purchaser described by this section, if the purchaser can show that fees for a title were paid to the dealer; and

(2)  one 30-day permit issued to a purchaser described by this section.

(e)  Notwithstanding Section 503.033(e), the department may recover against the surety bond executed by the dealer under Section 503.033 the amount of any fee waived for a title or permit issued under this section.

(f)  The department shall adopt the rules necessary to implement this section.

SECTION 2.  Section 503.027(a), Transportation Code, is amended to read as follows:

(a)  A [~~If a dealer consigns for sale more than five vehicles in a calendar year from a location other than the location for which the dealer holds a general distinguishing number, the~~] dealer must [~~also~~] hold a general distinguishing number for a [~~the~~] consignment location unless the consignment location is a wholesale motor vehicle auction.

SECTION 3.  This Act takes effect September 1, 2019.

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  President of the Senate Speaker of the House

I certify that H.B. No. 3842 was passed by the House on April 30, 2019, by the following vote:  Yeas 131, Nays 15, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3842 on May 24, 2019, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3842 on May 26, 2019, by the following vote:  Yeas 128, Nays 14, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3842 was passed by the Senate, with amendments, on May 22, 2019, by the following vote:  Yeas 27, Nays 4; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3842 on May 25, 2019, by the following vote:  Yeas 29, Nays 1.

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Secretary of the Senate

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                 Date

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               Governor