

By: Thompson of Brazoria, Wu, VanDeaver,
Krause, Flynn, et al.

H.B. No. 1755

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;

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

4 (iii) assembled from a kit.

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

7 (3) "Hobbyist" means a person who:

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

10 (B) is the owner of the assembled vehicle.

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

14 (5) "Owner" has the meaning assigned by Section
15 541.001.

16 (6) "Title" has the meaning assigned by Section
17 501.002.

18 (b) For purposes of Subsection (a)(1), the term "assembled
19 vehicle" includes the following types of assembled vehicles:

20 (1) kit vehicles;

21 (2) dune buggies;

22 (3) sand rails;

23 (4) glider kits;

24 (5) replicas; and

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

27 Sec. 731.002. RULES. The board may adopt rules as necessary

1 to implement and administer this chapter.

2 Sec. 731.003. CONFLICT OF LAW. To the extent of a conflict
3 between this chapter, including a rule adopted under this chapter,
4 and another law, this chapter controls.

5 SUBCHAPTER B. TITLE AND REGISTRATION

6 Sec. 731.051. ELIGIBILITY FOR TITLE AND REGISTRATION. (a)
7 Except as provided by Subsection (b), an owner of an assembled
8 vehicle shall title and register the vehicle as provided by
9 Chapters 501 and 502, as applicable, and in accordance with rules
10 adopted under this chapter, regardless of whether the vehicle has a
11 manufacturer's statement of origin, as defined by Section 2301.002,
12 Occupations Code, or manufacturer's certificate of origin.

13 (b) An assembled vehicle may not be titled or registered in
14 this state if the vehicle:

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

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

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

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

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

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

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

1 those parts.

2 Sec. 731.052. PROCEDURES AND REQUIREMENTS FOR TITLE AND
3 REGISTRATION. (a) The board by rule shall establish procedures and
4 requirements for:

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

6 (2) registration of an assembled vehicle.

7 (b) Rules adopted under Subsection (a):

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

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

14 (3) must exempt an assembled vehicle or a type of
15 assembled vehicle from any provision of Chapter 501 or 502 that an
16 assembled vehicle or type of assembled vehicle, by its nature,
17 cannot comply with or otherwise meet the requirements of; and

18 (4) may require the owner of an assembled vehicle to
19 provide proof that the vehicle passed an inspection or reinspection
20 conducted by a master technician in addition to passing any
21 inspection or reinspection required under Chapter 548.

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

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

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

1 vehicle;

2 (3) must require a master technician conducting the
3 inspection to evaluate the structural integrity of the assembled
4 vehicle, including the connection points of the:

5 (A) frame, chassis, or body;

6 (B) steering system;

7 (C) drive train; and

8 (D) suspension; and

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

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

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

20 (1-a) "Certificate of title" means a printed record of
21 title issued under Section 501.021.

22 (8) "First sale" means:

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

1 (B) the registration or titling of that vehicle.

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

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

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

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

14 (C) the motor number; [~~or~~]

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

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

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

23 (32) "Vehicle identification number" means:

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

1 or

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

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

6 (ii) the motor number; ~~or~~

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

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

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

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

21 SECTION 5. Section 501.145(a), Transportation Code, is
22 amended to read as follows:

23 (a) Not later than the later of the 30th day after the date
24 of assignment on the documents or the date provided by Section
25 152.069, Tax Code, the purchaser of the used motor vehicle or
26 assembled vehicle shall file with the county assessor-collector:

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

1 title; or

2 (2) if appropriate, a document described by Section
3 [502.457](#) and the title or other evidence of ownership.

4 SECTION 6. Subchapter A, Chapter [503](#), Transportation Code,
5 is amended by adding Section 503.013 to read as follows:

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

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

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

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

18 SECTION 7. Subchapter C, Chapter [547](#), Transportation Code,
19 is amended by adding Section 547.209 to read as follows:

20 Sec. 547.209. NONAPPLICABILITY OF SUBCHAPTER TO ASSEMBLED
21 VEHICLES. This subchapter does not apply to an item of vehicle
22 equipment intended for an assembled vehicle, as defined by Section
23 [731.001](#).

24 SECTION 8. Subchapter A, Chapter [548](#), Transportation Code,
25 is amended by adding Section 548.009 to read as follows:

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

1 (b) A provision of this chapter does not apply to an
2 assembled vehicle if the provision:

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

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

7 SECTION 9. As soon as practicable after the effective date
8 of this Act, the board of the Texas Department of Motor Vehicles
9 shall:

10 (1) adopt the rules required by Chapter 731,
11 Transportation Code, as added by this Act; and

12 (2) adopt or modify any rules necessary to implement
13 the changes in law made by this Act.

14 SECTION 10. This Act takes effect September 1, 2019.