

1-1 By: Flores S.B. No. 1193  
 1-2 (In the Senate - Filed February 27, 2019; March 7, 2019,  
 1-3 read first time and referred to Committee on Transportation;  
 1-4 April 23, 2019, reported favorably by the following vote: Yeas 9,  
 1-5 Nays 0; April 23, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the liability of and issuance of titles and permits for  
 1-20 motor vehicles purchased from motor vehicle dealers that go out of  
 1-21 business.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subchapter B, Chapter 501, Transportation Code,  
 1-24 is amended by adding Section 501.0236 to read as follows:

1-25 Sec. 501.0236. ISSUANCE OF TITLE AND PERMITS WHEN DEALER  
 1-26 GOES OUT OF BUSINESS. (a) This section applies only to a person  
 1-27 who is the purchaser of a motor vehicle for which the dealer:

1-28 (1) is required to apply for a title for the vehicle  
 1-29 under Section 501.0234; and

1-30 (2) does not apply for the title because the dealer has  
 1-31 gone out of business.

1-32 (b) A purchaser to whom this section applies may apply for:

1-33 (1) a title in the manner prescribed by the department  
 1-34 by rule; and

1-35 (2) on expiration of the buyer's tag issued to the  
 1-36 purchaser under Section 503.063, a 30-day permit under Section  
 1-37 502.095.

1-38 (c) An application for a title under this section must  
 1-39 include a release of any recorded lien on the motor vehicle unless  
 1-40 the only recorded lienholder is a dealer described by Subsection  
 1-41 (a).

1-42 (d) The department shall waive the payment of fees for:

1-43 (1) a title issued to a purchaser described by this  
 1-44 section, if the purchaser can show that fees for a title were paid  
 1-45 to the dealer; and

1-46 (2) one 30-day permit issued to a purchaser described  
 1-47 by this section.

1-48 (e) Notwithstanding Section 503.033(e), the department may  
 1-49 recover against the surety bond executed by the dealer under  
 1-50 Section 503.033 the amount of any fee waived for a title or permit  
 1-51 issued under this section.

1-52 (f) The department shall adopt the rules necessary to  
 1-53 implement this section.

1-54 SECTION 2. The heading to Section 503.033, Transportation  
 1-55 Code, is amended to read as follows:

1-56 Sec. 503.033. SURETY BOND REQUIRED; LIABILITY OF SURETY  
 1-57 [SECURITY REQUIREMENT].

1-58 SECTION 3. Sections 503.033(a) and (d), Transportation  
 1-59 Code, are amended to read as follows:

1-60 (a) The department may not issue or renew a motor vehicle  
 1-61 dealer general distinguishing number or a wholesale motor vehicle

2-1 auction general distinguishing number unless the applicant  
 2-2 provides to the department[+  
 2-3 [~~(1)~~] satisfactory proof that the applicant has  
 2-4 purchased a properly executed surety bond in the amount of \$50,000  
 2-5 [~~\$25,000~~] with a good and sufficient surety approved by the  
 2-6 department[~~+or~~  
 2-7 [~~(2) other security under Subsection (c)~~].  
 2-8 (d) A person may recover against a surety bond [~~or other~~  
 2-9 ~~security~~] if the person obtains against a person issued a motor  
 2-10 vehicle dealer general distinguishing number or a wholesale motor  
 2-11 vehicle auction general distinguishing number a judgment assessing  
 2-12 damages and reasonable attorney's fees based on an act or omission  
 2-13 on which the bond is conditioned that occurred during the term for  
 2-14 which the general distinguishing number was valid.  
 2-15 SECTION 4. This Act takes effect September 1, 2019.

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