

By: West

S.B. No. 2240

A BILL TO BE ENTITLED

AN ACT

relating to an exception to the titling requirement for certain vehicles; creating a criminal offense.

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

SECTION 1. Subchapter E, Chapter 501, Transportation Code, is amended by adding Section 501.098 to read as follows:

Sec. 501.098. EXCEPTION TO TITLE REQUIREMENT FOR CERTAIN VEHICLES. (a) Notwithstanding any other law, a metal recycler, salvage vehicle dealer, or used automotive parts recycler may purchase a motor vehicle without obtaining a title to the vehicle if:

(1) the vehicle is at least 10 years old and is purchased solely for parts, dismantling, or scrap;

(2) the recycler or dealer does not dismantle, crush, or shred the vehicle before the second business day after the date of purchase; and

(3) except as provided by Subsection (1), the recycler or dealer complies with Subsections (b) and (c).

(b) A metal recycler, salvage vehicle dealer, or used automotive parts recycler who purchases a motor vehicle under this section shall obtain the following information:

(1) the name, address, and National Motor Vehicle Title Information System identification number of the recycler or dealer;

- 1           (2) the name, initials, or other identification of the  
2 individual recording the information required by this subsection;  
3           (3) the date of the transaction;  
4           (4) a description of the vehicle, including the make  
5 and model to the extent practicable;  
6           (5) the vehicle identification number of the vehicle  
7 to the extent practicable;  
8           (6) the license plate number of any vehicle  
9 transporting the vehicle being sold;  
10           (7) the amount of consideration given for the vehicle;  
11           (8) a written statement signed by the seller or an  
12 agent acting on behalf of the seller:  
13                   (A) certifying that the seller or agent has the  
14 lawful right to sell the vehicle;  
15                   (B) certifying that the vehicle is not subject to  
16 any security interest or lien;  
17                   (C) acknowledging that a person who falsifies  
18 information contained in the written statement is subject to  
19 criminal penalties and restitution for losses incurred as a result  
20 of the sale of the vehicle based on falsified information contained  
21 in the statement; and  
22                   (D) certifying that the vehicle:  
23                           (i) will not be titled again; and  
24                           (ii) will be dismantled or destroyed;  
25           (9) the name and address of the seller, and the  
26 seller's agent if applicable;  
27           (10) a photocopy or electronic scan of:

1           (A) a valid driver's license of the seller or the  
2 seller's agent; or

3           (B) any other photographic identification card  
4 of the seller or the seller's agent issued by any state or federal  
5 agency; and

6           (11) proof demonstrating that the recycler or dealer  
7 has reported the vehicle to the department as provided by  
8 Subsection (c).

9           (c) A metal recycler, salvage vehicle dealer, or used  
10 automotive parts recycler who purchases a motor vehicle under this  
11 section shall submit to the department information necessary to  
12 satisfy any applicable requirement for reporting information to the  
13 National Motor Vehicle Title Information System in accordance with  
14 rules adopted under 28 C.F.R. Section 25.56 not later than 48 hours,  
15 not counting weekends or official state holidays, after the close  
16 of business on the day the vehicle was received. The department  
17 shall report information received under this subsection to the  
18 National Motor Vehicle Title Information System on behalf of the  
19 recycler or dealer.

20           (d) Not later than 24 hours after receiving information from  
21 a recycler or dealer under Subsection (c) about a motor vehicle, the  
22 department shall notify the recycler or dealer whether the vehicle  
23 has been reported stolen.

24           (e) If the department notifies a recycler or dealer under  
25 Subsection (d) that a motor vehicle has been reported stolen, the  
26 recycler or dealer shall notify the appropriate local law  
27 enforcement agency of the current location of the vehicle and

1 provide to the agency identifying information of the person who  
2 sold the vehicle.

3 (f) The department shall cancel the title of a motor vehicle  
4 purchased under this section.

5 (g) A person who purchases a motor vehicle under this  
6 section that is later determined by the department or another  
7 governmental entity to have been reported stolen is not criminally  
8 or civilly liable unless the person had knowledge that the vehicle  
9 was a stolen vehicle or failed to comply with the requirements of  
10 Subsection (b) or (c).

11 (h) If the department has not received information from a  
12 federal, state, or local department or independent source that a  
13 motor vehicle purchased under this section has been reported stolen  
14 before the time the department is required to notify a recycler or  
15 dealer of whether the vehicle has been reported stolen under  
16 Subsection (d), the department shall continue to check with the  
17 National Crime Information Center for a period of 30 days. If the  
18 vehicle is not reported stolen, any person damaged by the purchase  
19 may not bring a cause of action against the department.

20 (i) A court shall order a person who sells a motor vehicle  
21 under this section to make restitution, including attorney's fees,  
22 to the owner or lienholder of the vehicle, or to a metal recycler,  
23 salvage vehicle dealer, or used automotive parts recycler, for any  
24 damage or loss caused by an offense committed by the seller related  
25 to the vehicle.

26 (j) The records required to be maintained under this section  
27 must be open to inspection by a representative of the department or

1 a law enforcement officer during reasonable business hours.

2 (k) The department may satisfy its responsibilities under  
3 this section through a contract with a United States Department of  
4 Justice approved third-party data consolidator, pursuant to 28  
5 C.F.R. Part 25.

6 (l) A metal recycler, salvage vehicle dealer, or used  
7 automotive parts recycler may purchase a vehicle under this section  
8 without complying with Subsections (b) and (c) if:

9 (1) the vehicle has been flattened, crushed, baled, or  
10 logged such that the vehicle is less than 50 percent of its original  
11 volume and is no longer the vehicle described by the certificate of  
12 title;

13 (2) the vehicle is purchased for purposes of scrap  
14 metal only; and

15 (3) the seller or an agent acting on behalf of the  
16 seller of the vehicle certifies to the purchaser that all vehicles  
17 included in the sale were reported to the department or the National  
18 Motor Vehicle Title Information System.

19 (m) This section preempts all requirements that are  
20 inconsistent with specific provisions of this section relating to  
21 the purchase and dismantling, crushing, or shredding of a motor  
22 vehicle without obtaining the title to the vehicle.

23 SECTION 2. Section 501.109, Transportation Code, is amended  
24 by adding Subsections (c-1) and (i) and amending Subsections (d)  
25 and (e) to read as follows:

26 (c-1) A person commits an offense if the person knowingly:

27 (1) fails to submit information required under Section

1 501.098(c);

2 (2) falsifies the information required under Section

3 501.098(b);

4 (3) falsifies the statement required under Section

5 501.098(b)(8);

6 (4) sells a vehicle under Section 501.098 that is the  
7 subject of a security interest or lien; or

8 (5) otherwise violates Section 501.098.

9 (d) Except as provided by Subsection (e), an offense under  
10 Subsection (a), (b), ~~(c)~~, or (c-1) is a Class C misdemeanor.

11 (e) If it is shown on the trial of an offense under  
12 Subsection (a), (b), ~~(c)~~, or (c-1) that the defendant has been  
13 previously convicted of:

14 (1) one offense under Subsection (a), (b), ~~(c)~~,  
15 or (c-1), the offense is a Class B misdemeanor; or

16 (2) two or more offenses under Subsection (a), (b),  
17 ~~(c)~~, or (c-1), the offense is a state jail felony.

18 (i) Money generated from penalties collected for offenses  
19 under Subsection (c-1) may be used only for enforcement,  
20 investigation, prosecution, and training activities related to  
21 motor vehicle related offenses.

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