

SENATE AMENDMENTS

2nd Printing

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

H.B. No. 1755

A BILL TO BE ENTITLED

1 AN ACT
2 relating to assembled vehicles and former military vehicles,
3 including the titling and registration of those vehicles.

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

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

7 Sec. 2301.0045. NONAPPLICABILITY OF CHAPTER TO ASSEMBLED
8 VEHICLES AND HOBBYIST. This chapter does not apply to an assembled
9 vehicle or a hobbyist, as those terms are defined by Section
10 731.001, Transportation Code.

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

13 CHAPTER 731. ASSEMBLED VEHICLES

14 SUBCHAPTER A. GENERAL PROVISIONS

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

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

17 (A) is assembled from two or more of the
18 following three basic component parts:

19 (i) motor;

20 (ii) frame; and

21 (iii) body; and

22 (B) is:

23 (i) built, assembled, constructed, or
24 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;

4 (iii) assembled from a kit; or

5 (iv) partially built, assembled,
6 constructed, or reconstructed by a manufacturer licensed under
7 Chapter 2301, Occupations Code, except for the electrical or
8 mechanical components, and sold to a hobbyist who completes the
9 vehicle.

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

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

13 (A) builds, assembles, constructs, or
14 reconstructs an assembled vehicle or completes an assembled vehicle
15 that was partially built, assembled, constructed, or reconstructed
16 by a manufacturer licensed under Chapter 2301, Occupations Code;
17 and

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

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

22 (5) "Owner" has the meaning assigned by Section
23 541.001.

24 (6) "Title" has the meaning assigned by Section
25 501.002.

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

- 1 (1) kit vehicles;
- 2 (2) dune buggies;
- 3 (3) sand rails;
- 4 (4) glider kits;
- 5 (5) replicas;
- 6 (6) custom vehicles and street rods, as those terms
7 are defined by Section 504.501;
- 8 (7) assembled motorcycles;
- 9 (8) assembled trailers; and
- 10 (9) assembled semitrailers.

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

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

16 SUBCHAPTER B. TITLE AND REGISTRATION

17 Sec. 731.051. ELIGIBILITY FOR TITLE AND REGISTRATION. (a)
18 Except as provided by Subsection (b), an owner of an assembled
19 vehicle shall title and register the vehicle as provided by
20 Chapters 501 and 502, as applicable, and in accordance with rules
21 adopted under this chapter, regardless of whether the vehicle has a
22 manufacturer's statement of origin, as defined by Section 2301.002,
23 Occupations Code, or manufacturer's certificate of origin.

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

- 26 (1) is assembled, constructed, or reconstructed from
27 the merging of two or more vehicle classes;

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

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

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

6 (5) is designed by the manufacturer for on-track
7 racing only;

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

10 (7) uses any parts that do not meet federal motor
11 vehicle safety standards, if standards have been developed for
12 those parts.

13 Sec. 731.052. PROCEDURES AND REQUIREMENTS FOR TITLE AND
14 REGISTRATION. (a) The board by rule shall establish procedures and
15 requirements for:

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

17 (2) registration of an assembled vehicle.

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

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

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

25 (3) must exempt an assembled vehicle or a type of
26 assembled vehicle from any provision of Chapter 501 or 502 that an
27 assembled vehicle or type of assembled vehicle, by its nature,

1 cannot comply with or otherwise meet the requirements of; and

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

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

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

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

13 (3) must require a master technician conducting the
14 inspection to evaluate the structural integrity of the assembled
15 vehicle, including, as applicable, the connection points of the:

16 (A) frame, chassis, or body;

17 (B) steering system;

18 (C) drive train; and

19 (D) suspension; and

20 (4) must require an owner of an assembled vehicle that
21 is required to have the vehicle inspected or reinspected by a master
22 technician to pay all fees required for the inspection or
23 reinspection in addition to all applicable fees required under
24 Chapter 548 for an inspection or reinspection conducted under that
25 chapter.

26 SECTION 3. Section 501.002, Transportation Code, is amended
27 by amending Subdivisions (1), (8), (24), and (32) and adding

1 Subdivision (1-a) to read as follows:

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

4 (1-a) "Certificate of title" means a printed record of
5 title issued under Section 501.021.

6 (8) "First sale" means:

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

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

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

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

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

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

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

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

25 (32) "Vehicle identification number" means:

26 (A) the manufacturer's permanent vehicle
27 identification number affixed by the manufacturer to the motor

1 vehicle that is easily accessible for physical examination and
2 permanently affixed on one or more removable parts of the vehicle;
3 or

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

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

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

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

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

14 SECTION 4. Section 501.035(b), Transportation Code, is
15 amended to read as follows:

16 (b) In this section, "former military vehicle" has the
17 meaning assigned by Section 502.001 ~~[504.502(i)]~~.

18 SECTION 5. Section 501.0721, Transportation Code, is
19 amended to read as follows:

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

27 SECTION 6. Section 501.145(a), Transportation Code, is

1 amended to read as follows:

2 (a) Not later than the later of the 30th day after the date
3 of assignment on the documents or the date provided by Section
4 152.069, Tax Code, the purchaser of the used motor vehicle or
5 assembled vehicle shall file with the county assessor-collector:

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

8 (2) if appropriate, a document described by Section
9 502.457 and the title or other evidence of ownership.

10 SECTION 7. Section 502.001, Transportation Code, is amended
11 by adding Subdivision (17-a) to read as follows:

12 (17-a) "Former military vehicle" means a vehicle,
13 including a trailer, that:

14 (A) was manufactured for use in any country's
15 military forces; and

16 (B) is not operated on continuous tracks.

17 SECTION 8. Subchapter D, Chapter 502, Transportation Code,
18 is amended by adding Section 502.141 to read as follows:

19 Sec. 502.141. OFF-HIGHWAY FORMER MILITARY VEHICLES. (a)
20 Except as provided by Subsections (b) and (c), a person may not
21 register a former military vehicle designated for off-highway use,
22 with or without design alterations, for operation on a public
23 highway.

24 (b) A former military vehicle may be registered for on-road
25 use if the vehicle:

26 (1) is a high mobility multipurpose wheeled vehicle
27 designated for off-highway use; and

1 (2) has a gross vehicle weight rating of less than
2 10,000 pounds.

3 (c) A former military vehicle issued specialty license
4 plates under Section 504.502 may be operated on a public highway in
5 accordance with that section.

6 SECTION 9. Subchapter A, Chapter 503, Transportation Code,
7 is amended by adding Section 503.013 to read as follows:

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

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

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

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

20 SECTION 10. Section 504.502(i), Transportation Code, is
21 amended to read as follows:

22 (i) In this section, "former military vehicle" means a
23 vehicle, including a trailer, regardless of the vehicle's size,
24 weight, or year of manufacture, that:

25 (1) was manufactured for use in any country's military
26 forces; ~~and~~

27 (2) is maintained to represent its military design and

1 markings accurately; and

2 (3) is not operated on continuous tracks.

3 SECTION 11. Subchapter C, Chapter 547, Transportation Code,
4 is amended by adding Section 547.209 to read as follows:

5 Sec. 547.209. NONAPPLICABILITY OF SUBCHAPTER TO ASSEMBLED
6 VEHICLES. This subchapter does not apply to an item of vehicle
7 equipment intended for an assembled vehicle, as defined by Section
8 731.001.

9 SECTION 12. Subchapter A, Chapter 548, Transportation Code,
10 is amended by adding Section 548.009 to read as follows:

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

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

15 (1) conflicts with Chapter 731 or a rule adopted under
16 that chapter; or

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

19 SECTION 13. As soon as practicable after the effective date
20 of this Act, the board of the Texas Department of Motor Vehicles
21 shall:

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

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

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

ADOPTED

MAY 22 2019

Leta Starn
Secretary of the Senate

By: Thompson/Hughes

H.B. No. 1755

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

By: [Signature]

C.S. H.B. No. 1755

A BILL TO BE ENTITLED

AN ACT

relating to assembled vehicles and former military 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. Subchapter A, Chapter 2302, Occupations Code, is
amended by adding Section 2302.009 to read as follows:

Sec. 2302.009. REBUILDING OF ASSEMBLED VEHICLE PROHIBITED.
A salvage vehicle dealer may not, as part of engaging in a business
or activity regulated under this chapter, rebuild an assembled
vehicle, as defined by Section 731.001, Transportation Code.

SECTION 3. 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 motorcycle" means a motorcycle, as
defined by Section 541.201, that is built or assembled by a
hobbyist.

1 (2) "Assembled motor vehicle" means a motor vehicle,
2 as defined by Section 501.002(17)(A), that:

3 (A) has a motor, body, and frame; and

4 (B) is built or assembled by a hobbyist.

5 (3) "Assembled trailer" means a trailer, semitrailer,
6 or travel trailer, as those terms are defined by Section 501.002,
7 that is built or assembled by a hobbyist.

8 (4) "Assembled vehicle" means:

9 (A) an assembled motor vehicle;

10 (B) an assembled motorcycle;

11 (C) an assembled trailer;

12 (D) a custom vehicle;

13 (E) a street rod;

14 (F) a replica; or

15 (G) a glider kit.

16 (5) "Board" means the board of the Texas Department of
17 Motor Vehicles.

18 (6) "Custom vehicle" and "street rod" have the
19 meanings assigned by Section 504.501.

20 (7) "Glider kit" means a truck tractor, as defined by
21 Section 541.201, that is built or assembled using:

22 (A) a kit that typically consists of a new cab,
23 frame, and front axle and new accessories; and

24 (B) a used powertrain.

25 (8) "Hobbyist" means a person who:

26 (A) builds or assembles an assembled vehicle for
27 personal use;

1 (B) does not engage in the continuous sale of
2 vehicles, as defined by the department; and

3 (C) is not the maker of a kit or a manufacturer,
4 as defined by Section 2301.002, Occupations Code.

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

8 (10) "Owner" has the meaning assigned by Section
9 541.001.

10 (11) "Replica" means a 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.

15 (12) "Title" and "vehicle identification number" have
16 the meanings assigned by Section 501.002.

17 (13) "Vehicle" has the meaning assigned by Section
18 502.001.

19 (b) For purposes of Subsection (a)(4), the term "assembled
20 vehicle" does not include a golf cart, as defined by Section
21 551.401, or an off-highway vehicle, as defined by Section 663.001,
22 regardless of whether the vehicle is built or assembled by a
23 hobbyist.

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

26 Sec. 731.003. CONFLICT OF LAW. To the extent of a conflict
27 between this chapter, including a rule adopted under this chapter,

1 and another law, this chapter controls.

2 SUBCHAPTER B. TITLE AND REGISTRATION

3 Sec. 731.051. ELIGIBILITY FOR TITLE AND REGISTRATION. (a)

4 Except as provided by Subsection (b), an owner of an assembled
5 vehicle shall apply for a title for the vehicle and register the
6 vehicle as provided by Chapters 501 and 502, as applicable, and in
7 accordance with rules adopted under this chapter, regardless of
8 whether the assembled vehicle was built or assembled using a
9 vehicle that was previously titled in this state or another
10 jurisdiction.

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

13 (1) is built or assembled from the merging of two or
14 more vehicle classes, provided that component parts from the
15 following vehicle classes may be interchanged:

16 (A) two-axle, four-tire passenger cars;

17 (B) two-axle, four-tire pickups, panels, and
18 vans; and

19 (C) six-tire dually pickups, of which the rear
20 tires are dual tires;

21 (2) uses the frame or body of a nonrepairable motor
22 vehicle, as defined by Section 501.091;

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

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

26 (5) is designed by the manufacturer for on-track
27 racing only;

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

3 (7) uses any parts that do not meet federal motor
4 vehicle safety standards, if standards have been developed for
5 those parts.

6 Sec. 731.052. PROCEDURES AND REQUIREMENTS FOR TITLE AND
7 REGISTRATION. (a) The board by rule shall establish procedures and
8 requirements for:

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

10 (2) registration of an assembled vehicle.

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

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

15 (2) must establish the form of a title issued for an
16 assembled vehicle; and

17 (3) must exempt an assembled vehicle or a type of
18 assembled vehicle from any provision of Chapter 501 or 502 that an
19 assembled vehicle or type of assembled vehicle, by its nature,
20 cannot comply with or otherwise meet the requirements of.

21 Sec. 731.053. CERTIFICATE OF TITLE REQUIREMENTS. (a) The
22 title for an assembled vehicle that has never been titled in this
23 state or any other jurisdiction must:

24 (1) list the owner of the assembled vehicle as the
25 purchaser;

26 (2) contain the notation "NONE" in the space for the
27 seller's name;

1 (3) list the municipality and state in which the
2 vehicle was completed in the space for the seller's municipality
3 and state; and

4 (4) contain the odometer reading and the notation "NOT
5 ACTUAL MILEAGE".

6 (b) Except as provided by Subsection (a), a title issued for
7 an assembled vehicle must contain all of the information required
8 under Section 501.021.

9 Sec. 731.054. ASSIGNMENT OF VEHICLE IDENTIFICATION NUMBER.
10 The department shall assign a vehicle identification number under
11 Section 501.033 to an assembled vehicle unless the vehicle has a
12 discernible vehicle identification number assigned by:

13 (1) the manufacturer of the component part by which
14 the vehicle may be identified; or

15 (2) the maker of the kit from which the vehicle is
16 built or assembled.

17 SUBCHAPTER C. INSPECTION BY MASTER TECHNICIAN

18 Sec. 731.101. INSPECTION REQUIRED FOR ISSUANCE OF TITLE.

19 (a) In addition to the inspection required under Chapter 548, an
20 assembled vehicle must pass an inspection conducted by a master
21 technician for the type of assembled vehicle being inspected. The
22 inspection must be conducted before issuance of a title for the
23 assembled vehicle.

24 (b) On application for title for an assembled vehicle, the
25 owner of the assembled vehicle must provide:

26 (1) proof acceptable to the department that the
27 vehicle passed an inspection conducted under this section; and

1 (2) a copy of the master technician's Automobile and
2 Light Truck certification or a successor certification.

3 (c) The board by rule shall establish procedures and
4 requirements for the inspection required by this section. Rules
5 adopted under this subsection:

6 (1) must establish inspection criteria;

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

11 (3) must require an owner of an assembled vehicle that
12 is being inspected under this section to pay all fees required for
13 the inspection, including any reinspection, in addition to all
14 applicable fees required under Chapter 548 for an inspection or
15 reinspection conducted under that chapter.

16 Sec. 731.102. EQUIPMENT SUBJECT TO INSPECTION. An
17 inspection conducted under Section 731.101 must:

18 (1) as applicable, include the following items of an
19 assembled vehicle:

20 (A) frame, chassis, and any structural
21 components of the vehicle;

22 (B) wheel assembly;

23 (C) brake system, including each brake and power
24 brake unit;

25 (D) steering system, including power steering;

26 and

27 (E) front seat belts in vehicles that contain

1 seat belt anchorages; and

2 (2) include an evaluation of the structural integrity
3 of the assembled vehicle and, as applicable, the connection points
4 of the:

5 (A) frame, chassis, or body;

6 (B) steering system;

7 (C) drive train; and

8 (D) suspension.

9 SECTION 4. Section 501.002, Transportation Code, is amended
10 by amending Subdivisions (1), (8), (24), (31), and (32) and adding
11 Subdivision (1-a) to read as follows:

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

14 (1-a) "Certificate of title" means a printed record of
15 title issued under Section 501.021.

16 (8) "First sale" means:

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

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

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

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

27 (B) a derivative number of the manufacturer's

1 permanent vehicle identification number;

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

3 (D) the vehicle identification number assigned

4 by the department; or

5 (E) the vehicle identification number assigned

6 by the maker of a kit, if the vehicle is an assembled vehicle that is

7 assembled from a kit.

8 (31) "Used motor vehicle" means:

9 (A) a motor vehicle that has been the subject of a

10 first sale; or

11 (B) an assembled vehicle that has been issued a

12 title.

13 (32) "Vehicle identification number" means:

14 (A) the manufacturer's permanent vehicle

15 identification number affixed by the manufacturer to the motor

16 vehicle that is easily accessible for physical examination and

17 permanently affixed on one or more removable parts of the vehicle;

18 or

19 (B) a serial number affixed to a part of a motor

20 vehicle that is:

21 (i) a derivative number of the

22 manufacturer's permanent vehicle identification number;

23 (ii) the motor number; [~~or~~]

24 (iii) a vehicle identification number

25 assigned by the department; or

26 (iv) the vehicle identification number

27 assigned by the maker of a kit, if the vehicle is an assembled

1 vehicle that is assembled from a kit.

2 SECTION 5. Section 501.035(b), Transportation Code, is
3 amended to read as follows:

4 (b) In this section, "former military vehicle" has the
5 meaning assigned by Section 502.001 [~~504.502(i)~~].

6 SECTION 6. Section 502.001, Transportation Code, is amended
7 by adding Subdivision (17-a) to read as follows:

8 (17-a) "Former military vehicle" means a vehicle,
9 including a trailer, that:

10 (A) was manufactured for use in any country's
11 military forces; and

12 (B) is not operated on continuous tracks.

13 SECTION 7. Subchapter D, Chapter 502, Transportation Code,
14 is amended by adding Section 502.141 to read as follows:

15 Sec. 502.141. OFF-HIGHWAY FORMER MILITARY VEHICLES. (a)
16 Except as provided by Subsections (b) and (c), a person may not
17 register a former military vehicle designated for off-highway use,
18 with or without design alterations, for operation on a public
19 highway.

20 (b) A former military vehicle may be registered for on-road
21 use if the vehicle:

22 (1) is a high mobility multipurpose wheeled vehicle
23 designated for off-highway use; and

24 (2) has a gross vehicle weight rating of less than
25 10,000 pounds.

26 (c) A former military vehicle issued specialty license
27 plates under Section 504.502 may be operated on a public highway in

1 accordance with that section.

2 SECTION 8. Subchapter A, Chapter 503, Transportation Code,
3 is amended by adding Section 503.013 to read as follows:

4 Sec. 503.013. DEALER TRANSFER OF CERTAIN ASSEMBLED VEHICLES
5 PROHIBITED. (a) In this section, "assembled vehicle" and
6 "replica" have the meanings assigned by Section 731.001.

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

9 SECTION 9. Section 504.502(i), Transportation Code, is
10 amended to read as follows:

11 (i) In this section, "former military vehicle" means a
12 vehicle, including a trailer, regardless of the vehicle's size,
13 weight, or year of manufacture, that:

14 (1) was manufactured for use in any country's military
15 forces; ~~and~~

16 (2) is maintained to represent its military design and
17 markings accurately; and

18 (3) is not operated on continuous tracks.

19 SECTION 10. Subchapter A, Chapter 548, Transportation Code,
20 is amended by adding Section 548.009 to read as follows:

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

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

25 (1) conflicts with Chapter 731 or a rule adopted under
26 that chapter; or

27 (2) is a provision that an assembled vehicle, by its

1 nature, cannot comply with or otherwise meet.

2 SECTION 11. Section 663.001, Transportation Code, is
3 amended by amending Subdivision (1-b) and adding Subdivision (3) to
4 read as follows:

5 (1-b) "Off-highway vehicle" means:

6 (A) an all-terrain vehicle or recreational
7 off-highway vehicle, as those terms are defined by Section 502.001;
8 ~~[or]~~

9 (B) a sand rail; or

10 (C) a utility vehicle.

11 (3) "Sand rail" means a vehicle, as defined by Section
12 502.001, that:

13 (A) is designed or built primarily for
14 off-highway use in sandy terrains, including for use on sand dunes;

15 (B) has a tubular frame, an integrated roll cage,
16 and an engine that is rear-mounted or placed midway between the
17 front and rear axles of the vehicle; and

18 (C) has a gross vehicle weight, as defined by
19 Section 541.401, of:

20 (i) not less than 700 pounds; and

21 (ii) not more than 2,000 pounds.

22 SECTION 12. As soon as practicable after the effective date
23 of this Act, the board of the Texas Department of Motor Vehicles
24 shall:

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

27 (2) adopt or modify any rules necessary to implement

1 the changes in law made by this Act.

2 SECTION 13. This Act takes effect September 1, 2019.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (Relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code by adding Chapter 731 relating to assembled vehicles and allow for the titling and registration of such vehicles. The bill would establish the definition of and other specifications relating to an "assembled vehicle." The bill would establish vehicle titling, registration, and inspection requirements and procedures for eligible assembled vehicle types. The bill would require the Department of Motor Vehicles (DMV) to adopt rules required by Chapter 731 as soon as practicable after the effective date of the bill. The bill would authorize certain former military vehicles designated for off-highway use that have a gross weight of less than 10,000 pounds to be registered for on-road use. The bill would take effect on September 1, 2019.

Based on the analysis provided by DMV, it is assumed provisions authorizing the titling and registration of certain assembled vehicles and the registration of certain military vehicles would result in an insignificant revenue gain to the State.

Based on LBB's analysis of information provided by DMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582
 Commission on Environmental Quality, 608 Department of Motor Vehicles

LBB Staff: WP, SD, JGAn, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 18, 2019

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code by adding Chapter 731 relating to assembled vehicles and allow for the titling and registration of such vehicles. The bill would establish the definition of and other specifications relating to an "assembled vehicle." The bill would establish vehicle titling, registration, and inspection requirements and procedures for eligible assembled vehicle types. The bill would require the Department of Motor Vehicles (DMV) to adopt rules required by Chapter 731 as soon as practicable after the effective date of the bill. The bill would authorize certain former military vehicles designated for off-highway use that have a gross weight of less than 10,000 pounds to be registered for on-road use. The bill would take effect on September 1, 2019.

Based on the analysis provided by DMV, it is assumed provisions authorizing the titling and registration of certain assembled vehicles and the registration of certain military vehicles would result in an insignificant revenue gain to the State.

Based on LBB's analysis of information provided by DMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582
Commission on Environmental Quality, 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (Relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code by adding Chapter 731 relating to assembled vehicles and allow for the titling and registration of such vehicles. The bill would establish the definition of an "assembled vehicle" as a vehicle that is assembled from two or more of three basic component parts, specified as a motor, a frame, and body and that meets other specifications established by the bill regarding the vehicle's assembly or construction. The bill would establish vehicle titling and registration requirements and procedures for eligible assembled vehicle types. The bill would require the Department of Motor Vehicles (DMV) to adopt rules required by Chapter 731 as soon as practicable after the effective date of the bill. The bill would authorize certain former military vehicles designated for off-highway use that have a gross weight of less than 10,000 pounds to be registered for on-road use. The bill would take effect on September 1, 2019.

Based on the analysis provided by DMV, it is assumed provisions authorizing the titling and registration of certain assembled vehicles and the registration of certain military vehicles would result in an insignificant revenue gain to the State.

Based on LBB's analysis of information provided by DMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582
Commission on Environmental Quality, 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

April 3, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (relating to assembled vehicles, including the titling and registration of those vehicles.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1755, Committee Report 1st House, Substituted: a negative impact of (\$23,490) through the biennium ending August 31, 2021. Additionally, a negative impact of \$15.4 million to other state funds is anticipated through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$10,915)
2021	(\$12,575)
2022	(\$12,770)
2023	(\$12,960)
2024	(\$13,155)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Tx Dept of Motor Vehicles Fnd</i> 10	Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365
2020	(\$10,915)	(\$7,164,641)	(\$416,296)	(\$43,660)
2021	(\$12,575)	(\$7,272,064)	(\$423,436)	(\$50,300)
2022	(\$12,770)	(\$7,381,159)	(\$429,793)	(\$51,080)
2023	(\$12,960)	(\$7,491,880)	(\$436,240)	(\$51,840)
2024	(\$13,155)	(\$7,604,247)	(\$442,783)	(\$52,620)

Fiscal Year	Probable Revenue Gain/(Loss) from Counties	Probable Savings/(Cost) from Clean Air Account 151
2020	(\$772,621)	(\$800,000)
2021	(\$785,702)	\$0
2022	(\$797,497)	\$0
2023	(\$809,459)	\$0
2024	(\$821,599)	\$0

Fiscal Analysis

The bill would amend the Transportation Code by adding Chapter 731 relating to "assembled vehicles" and allow for the titling and registration of such vehicles. The bill would establish the definition of an "assembled vehicle" as a vehicle that is assembled from a motor, a frame, and body and that meets other specifications established by the bill regarding the vehicle's assembly or construction. The bill would establish vehicle titling and registration requirements and procedures for eligible assembled vehicle types. The bill would require the Department of Motor Vehicles (DMV) to adopt rules required by Chapter 731 as soon as practicable after the effective date of the bill.

The bill would take effect on September 1, 2019.

Methodology

DMV reports that 1,181 assembled vehicles were titled in fiscal year 2018. Based on the information and analysis provided by DMV, it is assumed the new registration and titling requirements for eligible assembled vehicle types would result in increases in the number of applications for title and vehicle registrations and revenue gains to the state and the counties. Based on figures provided by DMV, it is assumed 300 additional assembled vehicles would be titled in fiscal year 2020 and approximately five additional titles would be issued each year thereafter. This analysis assumes a title fee of \$33.00, which would be allocated as follows: \$5.00 to the General Revenue Fund; \$20.00 to the Texas Mobility Fund (TMF); \$3.00 to the Texas Department of Motor Vehicles Fund (TxDMV Fund); and \$5.00 to the counties. Also based on the information provided by DMV, it is assumed 300 additional assembled vehicles would be registered in fiscal year 2020 with an annual base registration fee of \$50.75 (five percent of which would be retained by the counties) plus a processing and handling fee of \$4.75 (\$2.45 to the TxDMV Fund; \$2.30 to the counties), resulting in revenue gains to the State Highway Fund No. 0006 (SHF), TxDMV Fund, and the counties. This analysis assumes the number of additional assembled vehicle registrations and associated fee receipts would grow at a rate of 1.5% each year thereafter.

According to DMV, the definition of "assembled vehicle" established by the bill would preclude the titling and registration of homebuilt trailers and motorcycles, which would result in title and registration fee revenue losses to the state and counties. DMV estimates the numbers of applicable assembled trailers (gross vehicle weight of 6,000 pounds or less) and assembled motorcycles in fiscal year 2018 were 164,751 and 344, respectively. Applying DMV's estimated 1.5 percent annual growth rate, it is assumed approximately 2,478 assembled trailers 5 assembled motorcycles would be titled in fiscal year 2020 under current law. Therefore, at a title fee of \$33 (allocated to the state and counties as noted above), this analysis assumes losses of title fee revenue in the amounts of \$12,415 to the General Revenue Fund, \$49,660 to the TMF, \$7,449 to the TxDMV Fund, and \$12,415 to the counties beginning in fiscal year 2020, with losses continuing each year

thereafter at an annual growth rate of 1.5 percent. This analysis also assumes registration fee losses of \$45.00 per trailer and \$30.00 per motorcycle (five percent retained by the counties) based on figures provided by DMV. Based on the analysis provided by DMV, it is assumed the bill would result in losses of \$7.2 million to the SHF and \$358,328 to the counties beginning in fiscal year 2020. Revenue losses from the associated \$4.75 processing and handling fee are estimated to be \$410,482 to the TxDMV Fund and \$385,328 to the counties beginning in fiscal year 2020. This analysis assumes registration fee and processing and handling fee revenue losses would continue each year thereafter at an annual growth rate of 1.5 percent.

In addition, based on information provided by the Texas Commission on Environmental Quality (TCEQ), this estimate assumes TCEQ would be required to modify vehicle emissions analyzer software to align the safety inspection sequence to the items of inspection as provided in the bill for an estimated one-time cost of \$800,000 in fiscal year 2020.

Based on the information provided by DMV, it is assumed any costs associated with implementing the provisions of the bill by the effective date of September 1, 2019, would be absorbed within the agency's existing resources.

Note: The bill would reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund. Article 3, Section 49-k, of the Texas Constitution, specifies that while money in the Texas Mobility Fund is pledged for the payment of any outstanding debt obligations, the Legislature may not reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund unless the Legislature by law dedicates a substitute or different source of revenue that is projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed.

Technology

DMV and TCEQ anticipates one-time information technology programming costs for implementation of the bill.

Local Government Impact

Based on the information and analysis provided by DMV, the table above reflects an estimated net revenue loss from title fees and the base vehicle registration fees. The table above does not include the estimated impact to optional fees assessed by counties on vehicle registrations (e.g., optional road and bridge fee, child safety fee, and county mobility fees). Additional negative revenue impacts related to the optional fees would be incurred by counties depending on the fees and rates adopted by each county.

Source Agencies: 582 Commission on Environmental Quality, 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, SGr, TG, LBO, SD, GDz

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (relating to assembled vehicles, including the titling and registration of those vehicles.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1755, Committee Report 1st House, Substituted: a negative impact of (\$23,490) through the biennium ending August 31, 2021. Additionally, a negative impact of \$15.4 million to other state funds is anticipated through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$10,915)
2021	(\$12,575)
2022	(\$12,770)
2023	(\$12,960)
2024	(\$13,155)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Tx Dept of Motor Vehicles Fnd</i> 10	Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365
2020	(\$10,915)	(\$7,164,641)	(\$416,296)	(\$43,660)
2021	(\$12,575)	(\$7,272,064)	(\$423,436)	(\$50,300)
2022	(\$12,770)	(\$7,381,159)	(\$429,793)	(\$51,080)
2023	(\$12,960)	(\$7,491,880)	(\$436,240)	(\$51,840)
2024	(\$13,155)	(\$7,604,247)	(\$442,783)	(\$52,620)

Probable Revenue

Fiscal Year	Gain/(Loss) from Counties
2020	(\$772,621)
2021	(\$785,702)
2022	(\$797,497)
2023	(\$809,459)
2024	(\$821,599)

Fiscal Analysis

The bill would amend the Transportation Code by adding Chapter 731 relating to "assembled vehicles" and allow for the titling and registration of such vehicles. The bill would establish the definition of an "assembled vehicle" as a vehicle that is assembled from a motor, a frame, and body and that meets other specifications established by the bill regarding the vehicle's assembly or construction. The bill would establish vehicle titling and registration requirements and procedures for eligible assembled vehicle types. The bill would require the Department of Motor Vehicles (DMV) to adopt rules required by Chapter 731 as soon as practicable after the effective date of the bill.

The bill would take effect on September 1, 2019.

Methodology

DMV reports that 1,181 assembled vehicles were titled in fiscal year 2018. Based on the information and analysis provided by DMV, it is assumed the new registration and titling requirements for eligible assembled vehicle types would result in increases in the number of applications for title and vehicle registrations and revenue gains to the state and the counties. Based on figures provided by DMV, it is assumed 300 additional assembled vehicles would be titled in fiscal year 2020 and approximately five additional titles would be issued each year thereafter. This analysis assumes a title fee of \$33.00, which would be allocated as follows: \$5.00 to the General Revenue Fund; \$20.00 to the Texas Mobility Fund (TMF); \$3.00 to the Texas Department of Motor Vehicles Fund (TxDMV Fund); and \$5.00 to the counties. Also based on the information provided by DMV, it is assumed 300 additional assembled vehicles would be registered in fiscal year 2020 with an annual base registration fee of \$50.75 (five percent of which would be retained by the counties) plus a processing and handling fee of \$4.75 (\$2.45 to the TxDMV Fund; \$2.30 to the counties), resulting in revenue gains to the State Highway Fund No. 0006 (SHF), TxDMV Fund, and the counties. This analysis assumes the number of additional assembled vehicle registrations and associated fee receipts would grow at a rate of 1.5% each year thereafter.

According to DMV, the definition of "assembled vehicle" established by the bill would preclude the titling and registration of homebuilt trailers and motorcycles, which would result in title and registration fee revenue losses to the state and counties. DMV estimates the numbers of applicable assembled trailers (gross vehicle weight of 6,000 pounds or less) and assembled motorcycles in fiscal year 2018 were 164,751 and 344, respectively. Applying DMV's estimated 1.5 percent annual growth rate, it is assumed approximately 2,478 assembled trailers 5 assembled motorcycles would be titled in fiscal year 2020 under current law. Therefore, at a title fee of \$33 (allocated to the state and counties as noted above), this analysis assumes losses of title fee revenue in the amounts of \$12,415 to the General Revenue Fund, \$49,660 to the TMF, \$7,449 to the TxDMV Fund, and \$12,415 to the counties beginning in fiscal year 2020, with losses continuing each year thereafter at an annual growth rate of 1.5 percent. This analysis also assumes registration fee losses of \$45.00 per trailer and \$30.00 per motorcycle (five percent retained by the counties)

based on figures provided by DMV. Based on the analysis provided by DMV, it is assumed the bill would result in losses of \$7.2 million to the SHF and \$358,328 to the counties beginning in fiscal year 2020. Revenue losses from the associated \$4.75 processing and handling fee are estimated to be \$410,482 to the TxDMV Fund and \$385,328 to the counties beginning in fiscal year 2020. This analysis assumes registration fee and processing and handling fee revenue losses would continue each year thereafter at an annual growth rate of 1.5 percent.

Based on the information provided by DMV, it is assumed any costs associated with implementing the provisions of the bill by the effective date of September 1, 2019, would be absorbed within the agency's existing resources.

Note: The bill would reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund. Article 3, Section 49-k, of the Texas Constitution, specifies that while money in the Texas Mobility Fund is pledged for the payment of any outstanding debt obligations, the Legislature may not reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund unless the Legislature by law dedicates a substitute or different source of revenue that is projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed.

Technology

DMV anticipates one-time information technology programming costs for implementation of the bill.

Local Government Impact

Based on the information and analysis provided by DMV, the table above reflects an estimated net revenue loss from title fees and the base vehicle registration fees. The table above does not include the estimated impact to optional fees assessed by counties on vehicle registrations (e.g., optional road and bridge fee, child safety fee, and county mobility fees). Additional negative revenue impacts related to the optional fees would be incurred by counties depending on the fees and rates adopted by each county.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, SGr, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 20, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1755 by Thompson, Ed (Relating to the titling, registration, and inspection of assembled vehicles; imposing fees.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code relating to the titling, registration, and inspection of certain assembled vehicles as defined by the bill. The bill would direct the Department of Motor Vehicles (DMV) to establish procedures for the issuance of title for an assembled vehicle and require the owner of such a vehicle to present a title or satisfactory evidence that a title was previously issued to the owner in order to register the vehicle. The bill would require assembled vehicles to pass a safety inspection of certain items specified in the bill that would be conducted by a person certified by the National Institute for Automotive Service Excellence. Fees associated with inspections and applications for registration and title for an assembled vehicle would be collected and administered in the manner they are collected and administered in Chapters 501, 502, and 548 of the Transportation Code as applicable. The bill would take effect September 1, 2019.

Based on the information provided by DMV, it is assumed any revenue gains to the State and units of local government from assembled vehicle titling and registration fees and revenue gain to the State for inspection fees would not be significant.

Based on LBB staff analysis of information provided by DMV and the Department of Public Safety, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within the agencies' existing funding.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 608
Department of Motor Vehicles

LBB Staff: WP, JGAn, SGr, TG, SMi, AF