

BILL ANALYSIS

C.S.S.B. 876
By: Hancock
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Motor vehicle dealers are typically required to title and register a purchased vehicle in the name of the purchaser. Currently, a dealer must apply for title and registration in the county in which the owner is domiciled or in which the motor vehicle is purchased or encumbered. If the tax assessor-collector's office is closed in the county in which the owner resides, the dealer may apply for title and registration in any county willing to accept the application. During the COVID-19 pandemic, when certain motor vehicle registration timing requirements were waived, many offices of tax assessor-collectors were closed for extended periods of time. Meanwhile, motor vehicle dealers were only able to use the flexibility provisions available in current law to get their transactions completed and receive funding from the lienholder. When the offices of county assessor-collectors reopened, there was a significant backlog of transactions in various counties, and dealers were subsequently limited in processing their transactions in a timely fashion. Given that motor vehicle dealers are looking for continued flexibility and efficiency in titling and registering sold motor vehicles, there have been calls to allow dealers the permanent option to title and register vehicles in any county willing to accept the application. C.S.S.B. 876 seeks to address this issue by providing for such an option.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 876 amends the Transportation Code to authorize the following entities to apply for a motor vehicle title or registration, as applicable, to any county assessor-collector who is willing to accept the application:

- the owner of a motor vehicle;
- the seller of a motor vehicle who applies for the registration or title at the first or subsequent sale of the vehicle and holds a general distinguishing number; and
- the owner of a motor vehicle brought into Texas by a person other than a manufacturer or importer, before the vehicle is encumbered by a lien or bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle.

C.S.S.B. 876 requires a system of extended registration of commercial fleet vehicles to allow the owner of a commercial fleet to register an entire commercial fleet in any county in which the county assessor-collector is willing to accept the registration. The bill authorizes a vehicle registration application to be made in a manner prescribed by the Texas Department of Motor

Vehicles (TxDMV) through any county assessor-collector who is willing to accept the application and authorizes the owner to concurrently apply for a title and for initial vehicle registration through such a county assessor-collector.

C.S.S.B. 876 revises the manner in which a county assessor-collector may collect and retain certain vehicle titling and registration fees by doing the following:

- requiring a county assessor-collector collecting fees on behalf of another county assessor-collector for purposes of a vehicle title or registration application under the bill's provisions to collect all taxes, fees, and other revenue based on the vehicle owner's county of residence;
- designating the vehicle owner's county of residence as the recipient of all taxes, fees, and other revenue collected as a result of the transaction; and
- authorizing the county processing the application to retain certain portions of the title application fee and the processing and handling fee.

C.S.S.B. 876 repeals the following requirements:

- the requirement for a title application electronically submitted to TxDMV to request the purchaser's choice of county as the recipient of all taxes, fees, and other revenue collected as a result of the transaction; and
- the requirement for TxDMV to develop, and for certain sellers to make available to a purchaser of a motor vehicle, a form or electronic process in which the purchaser must designate the purchaser's choice of the county with which the title application will be filed.

C.S.S.B. 876 repeals Sections 501.023(e) and 501.0234(e), Transportation Code.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

C.S.S.B. 876 differs from the engrossed only by including a Texas Legislative Council draft number in the footer.