

SENATE AMENDMENTS

2nd Printing

By: Martinez

H.B. No. 3531

A BILL TO BE ENTITLED

1 AN ACT
2 relating to motor vehicle titles, registration, and license plates.

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

4 SECTION 1. The heading to Subchapter B, Chapter 501,
5 Transportation Code, is amended to read as follows:

6 SUBCHAPTER B. [~~CERTIFICATE OF~~] TITLE REQUIREMENTS

7 SECTION 2. Section 501.0234(b), Transportation Code, is
8 amended to read as follows:

9 (b) This section does not apply to a motor vehicle:

10 (1) that has been declared a total loss by an insurance
11 company in the settlement or adjustment of a claim;

12 (2) for which the title has been surrendered in
13 exchange for:

14 (A) a salvage vehicle title [~~or salvage record of~~
15 ~~title~~] issued under this chapter;

16 (B) a nonrepairable vehicle title [~~or~~
17 ~~nonrepairable vehicle record of title~~] issued under this chapter or
18 a certificate of authority issued under Subchapter D, Chapter 683;

19 or

20 (C) an ownership document issued by another state
21 that is comparable to a document described by Paragraph (A) or (B);

22 (3) with a gross weight in excess of 11,000 pounds; or

23 (4) purchased by a commercial fleet buyer who:

24 (A) is a deputy authorized by rules adopted under

1 Section 520.0071;

2 (B) utilizes the dealer title application
3 process developed to provide a method to submit title transactions
4 to the county in which the commercial fleet buyer is a deputy; and

5 (C) has authority to accept an application for
6 registration and application for title transfer that the county
7 assessor-collector may accept.

8 SECTION 3. Section 501.0276, Transportation Code, is
9 amended to read as follows:

10 Sec. 501.0276. DENIAL OF TITLE RECEIPT OR [~~7~~] TITLE [~~7~~ OR
11 ~~RECORD OF TITLE~~] FOR FAILURE TO PROVIDE PROOF OF EMISSIONS
12 TESTING. A county assessor-collector may not issue a title receipt
13 and the department may not issue a [~~certificate of~~] title for a
14 vehicle subject to Section 548.3011 unless proof that the vehicle
15 has passed a vehicle emissions test as required by that section, in
16 a manner authorized by that section, is presented to the county
17 assessor-collector with the application for a title.

18 SECTION 4. Section 501.0301(b), Transportation Code, is
19 amended to read as follows:

20 (b) A county assessor-collector may not issue a title
21 receipt and the department may not issue a [~~certificate of~~] title
22 for an off-highway vehicle purchased from a retailer located
23 outside this state and designated by the manufacturer as a model
24 year that is not more than one year before the year in which the
25 application for title is made unless the applicant for the title
26 delivers to the assessor-collector or the department, as
27 applicable, satisfactory evidence showing that the applicant:

1 (1) has paid to the comptroller the applicable use tax
2 imposed on the vehicle under Subchapter D, Chapter 151, Tax Code; or

3 (2) is not required to pay any taxes described by
4 Subdivision (1).

5 SECTION 5. The heading to Section 501.038, Transportation
6 Code, is amended to read as follows:

7 Sec. 501.038. [~~CERTIFICATE OF~~] TITLE FOR CUSTOM VEHICLE OR
8 STREET ROD.

9 SECTION 6. Section 501.038(b), Transportation Code, is
10 amended to read as follows:

11 (b) Notwithstanding any other provision of this chapter, if
12 the department issues a [~~certificate of~~] title for a custom vehicle
13 or street rod, the model year and make of the vehicle must be listed
14 on the [~~certificate of~~] title and must be the model year and make
15 that the body of the vehicle resembles. The [~~certificate of~~] title
16 must also include the word "replica."

17 SECTION 7. The heading to Subchapter C, Chapter 501,
18 Transportation Code, is amended to read as follows:

19 SUBCHAPTER C. REFUSAL TO ISSUE, REVOCATION, SUSPENSION, OR
20 ALTERATION OF TITLE [~~CERTIFICATE~~]

21 SECTION 8. Section 501.051, Transportation Code, is amended
22 by adding Subsection (d) to read as follows:

23 (d) The department shall place a hold on processing a title
24 application for a motor vehicle if the department receives a
25 request for a hold accompanied by evidence of a lawsuit regarding
26 ownership of or a lien interest in the motor vehicle. The hold
27 shall continue until the lawsuit is concluded or the party

1 requesting the hold requests the hold be removed.

2 SECTION 9. Section 501.052, Transportation Code, is amended
3 by amending Subsection (e) and adding Subsection (f) to read as
4 follows:

5 (e) An applicant aggrieved by the determination under
6 Subsection (d) may appeal only to the county or district court of
7 the county of the applicant's residence. An applicant must file an
8 appeal not later than the fifth day after receipt [~~the date~~] of the
9 assessor-collector's determination. The judge shall try the
10 appeal in the manner of other civil cases. All rights and
11 immunities granted in the trial of a civil case are available to the
12 interested parties. If the department's action is not sustained,
13 the department shall promptly issue a title for the vehicle.

14 (f) A person may not apply for a hearing under this section
15 if the department's decision under Section 501.051 is related to a
16 title for a salvage motor vehicle or a nonrepairable motor vehicle,
17 as defined by Section 501.091.

18 SECTION 10. Section 501.053, Transportation Code, is
19 amended by adding Subsection (f) to read as follows:

20 (f) A person may not obtain a title under this section for a
21 salvage motor vehicle or a nonrepairable motor vehicle, as defined
22 by Section 501.091.

23 SECTION 11. Section 501.074(a), Transportation Code, is
24 amended to read as follows:

25 (a) The department shall issue a new title for a motor
26 vehicle registered in this state for which the ownership is
27 transferred by operation of law or other involuntary divestiture of

1 ownership after receiving:

2 (1) a certified copy of an order appointing a
3 temporary administrator or of the probate proceedings;

4 (2) letters testamentary or letters of
5 administration;

6 (3) if administration of an estate is not necessary,
7 an affidavit showing that administration is not necessary,
8 identifying all heirs, and including a statement by the heirs of the
9 name in which the title [~~certificate~~] shall be issued;

10 (4) a court order; or

11 (5) the bill of sale from an officer making a judicial
12 sale.

13 SECTION 12. Section 501.091, Transportation Code, is
14 amended by adding Subdivision (1-a) and amending Subdivisions (10)
15 and (16) to read as follows:

16 (1-a) "Auction sales receipt" means a document
17 certifying the sale of a motor vehicle at auction by a law
18 enforcement agency or public sale for a lien foreclosure.

19 (10) "Nonrepairable vehicle title" means a
20 nonrepairable record of title or printed document issued by the
21 department that evidences ownership of a nonrepairable motor
22 vehicle.

23 (16) "Salvage vehicle title" means a salvage record of
24 title or printed document issued by the department that evidences
25 ownership of a salvage motor vehicle.

26 SECTION 13. The heading to Section 501.09111,
27 Transportation Code, is amended to read as follows:

1 Sec. 501.09111. RIGHTS AND LIMITATIONS OF NONREPAIRABLE
2 VEHICLE TITLE OR [~~, NONREPAIRABLE RECORD OF TITLE,~~] SALVAGE VEHICLE
3 TITLE [~~, OR SALVAGE RECORD OF TITLE~~].

4 SECTION 14. Section 501.09111(b), Transportation Code, is
5 amended to read as follows:

6 (b) A person who holds a nonrepairable vehicle [~~certificate~~
7 ~~of~~] title issued prior to September 1, 2003, is entitled to the
8 same rights listed in Subsection (a) and may repair, rebuild, or
9 reconstruct the motor vehicle.

10 SECTION 15. Sections 501.09112(b), (d), (e), and (f),
11 Transportation Code, are amended to read as follows:

12 (b) A nonrepairable vehicle title must clearly indicate
13 that the motor vehicle:

14 (1) may not be:

15 (A) issued a [~~regular~~] title;

16 (B) registered in this state; or

17 (C) repaired, rebuilt, or reconstructed; and

18 (2) may be used only as a source for used parts or
19 scrap metal.

20 (d) A salvage vehicle title [~~or a salvage record of title~~]
21 for a vehicle that is a salvage motor vehicle because of damage
22 caused exclusively by flood must bear a notation that the
23 department considers appropriate. If the title for a motor vehicle
24 reflects the notation required by this subsection, the owner may
25 sell, transfer, or release the motor vehicle only as provided by
26 this subchapter.

27 (e) An electronic application for a nonrepairable vehicle

1 title or [~~, nonrepairable record of title,~~] salvage vehicle title
2 [~~, or salvage record of title~~] must clearly advise the applicant of
3 the same provisions required on a printed title.

4 (f) A nonrepairable vehicle title or [~~, nonrepairable~~
5 ~~record of title,~~] salvage vehicle title [~~, or salvage record of~~
6 ~~title~~] in the department's electronic database must include
7 appropriate remarks so that the vehicle record clearly shows the
8 status of the vehicle.

9 SECTION 16. The heading to Section 501.0925, Transportation
10 Code, is amended to read as follows:

11 Sec. 501.0925. INSURANCE COMPANY NOT REQUIRED TO SURRENDER
12 EVIDENCE OF OWNERSHIP [~~CERTIFICATES OF TITLE~~] IN CERTAIN
13 SITUATIONS.

14 SECTION 17. Sections 501.0925(a), (b), (c), (d), and (f),
15 Transportation Code, are amended to read as follows:

16 (a) An insurance company that acquires, through payment of a
17 claim, ownership or possession of a motor vehicle covered by a
18 [~~certificate of~~] title or a manufacturer's certificate of origin
19 that the company is unable to obtain may obtain from the department
20 not earlier than the 30th day after the date of payment of the
21 claim:

22 (1) a salvage vehicle title for a salvage motor
23 vehicle;

24 (2) a nonrepairable vehicle title for a nonrepairable
25 motor vehicle; or

26 (3) a [~~regular certificate of~~] title for a motor
27 vehicle other than a salvage motor vehicle or a nonrepairable motor

1 vehicle.

2 (b) An application for a title under Subsection (a) must be
3 ~~[submitted to the department]~~ on a form prescribed by the
4 department and include:

5 (1) a statement that the insurance company has
6 provided at least two written notices attempting to obtain the
7 evidence of ownership ~~[certificate of title]~~ for the motor vehicle;
8 and

9 (2) evidence acceptable to the department that the
10 insurance company has made payment of a claim involving the motor
11 vehicle.

12 (c) An insurance company that acquires, through payment of a
13 claim, ownership or possession of a motor vehicle covered by a
14 ~~[certificate of]~~ title or a manufacturer's certificate of origin
15 for which the company is unable to obtain proper assignment of the
16 title or manufacturer's certificate of origin ~~[certificate]~~ may
17 obtain from the department not earlier than the 30th day after the
18 date of payment of the claim:

19 (1) a salvage vehicle title for a salvage motor
20 vehicle;

21 (2) a nonrepairable vehicle title for a nonrepairable
22 motor vehicle; or

23 (3) a ~~[regular certificate of]~~ title for a motor
24 vehicle other than a salvage motor vehicle or a nonrepairable motor
25 vehicle.

26 (d) An application for a title under Subsection (c) must be
27 ~~[submitted to the department]~~ on a form prescribed by the

1 department and include:

2 (1) a statement that the insurance company has
3 provided at least two written notices attempting to obtain a proper
4 assignment of the evidence of ownership [~~certificate of title~~]; and

5 (2) the evidence of ownership [~~certificate of title~~].

6 (f) An insurance company that acquires, through payment of a
7 claim, ownership or possession of a motor vehicle, salvage motor
8 vehicle, or nonrepairable motor vehicle covered by an out-of-state
9 title or out-of-state ownership document may obtain from the
10 department a title, salvage vehicle title, or nonrepairable vehicle
11 title, as appropriate, if:

12 (1) the motor vehicle was damaged, stolen, or
13 recovered in this state;

14 (2) the motor vehicle owner from whom the company
15 acquired ownership resides in this state; or

16 (3) otherwise allowed by department rule.

17 SECTION 18. Sections 501.097(a) and (c-1), Transportation
18 Code, are amended to read as follows:

19 (a) An application for a nonrepairable vehicle title or [~~7~~
20 ~~nonrepairable record of title~~], salvage vehicle title [~~7~~ ~~or salvage~~
21 ~~record of title~~] must:

22 (1) be made in a manner prescribed by the department
23 and accompanied by a \$8 application fee;

24 (2) include, in addition to any other information
25 required by the department:

26 (A) the name and current address of the owner;

27 and

1 (B) a description of the motor vehicle, including
2 the make, style of body, model year, and vehicle identification
3 number; and

4 (3) include the name and address of:

5 (A) any currently recorded lienholder, if the
6 motor vehicle is a nonrepairable motor vehicle; or

7 (B) any currently recorded lienholder or a new
8 lienholder, if the motor vehicle is a salvage motor vehicle.

9 (c-1) The department's titling system must include a remark
10 that clearly identifies the vehicle as a salvage motor vehicle or
11 nonrepairable motor vehicle.

12 SECTION 19. The heading to Section 501.100, Transportation
13 Code, is amended to read as follows:

14 Sec. 501.100. APPLICATION FOR [~~REGULAR CERTIFICATE OF~~]
15 TITLE FOR SALVAGE VEHICLE.

16 SECTION 20. Sections 501.100(a) and (f), Transportation
17 Code, are amended to read as follows:

18 (a) The owner of a motor vehicle for which a nonrepairable
19 vehicle title issued prior to September 1, 2003, [~~or~~] for which a
20 salvage vehicle title [~~or salvage record of title~~] has been issued,
21 or for which a comparable out-of-state ownership document for a
22 salvage motor vehicle has been issued may apply for a title under
23 Section 501.023 after the motor vehicle has been repaired, rebuilt,
24 or reconstructed and, in addition to any other requirement of law,
25 only if the application:

26 (1) describes each major component part used to
27 repair, rebuild, or reconstruct the motor vehicle;

1 (2) states the name of each person from whom the parts
2 used in repairing, rebuilding, or reconstructing [~~assembling~~] the
3 vehicle were obtained; and

4 (3) shows the identification number required by
5 federal law to be affixed to or inscribed on the part.

6 (f) The department may not issue a [~~regular~~] title for a
7 motor vehicle based on a:

8 (1) nonrepairable vehicle title issued on or after
9 September 1, 2003, or comparable out-of-state ownership document or
10 record, or evidence of a notation described by Section
11 501.09113(a)(2) on an out-of-state ownership document or record in
12 the National Motor Vehicle Title Information System;

13 (2) receipt issued under Section 501.1003(b); or

14 (3) certificate of authority issued under Chapter 683.

15 SECTION 21. Sections 501.1001(b), (c), and (d),
16 Transportation Code, are amended to read as follows:

17 (b) For a salvage motor vehicle, the insurance company shall
18 apply for a salvage vehicle title [~~or salvage record of~~
19 ~~title~~]. For a nonrepairable motor vehicle, the insurance company
20 shall apply for a nonrepairable vehicle title [~~or nonrepairable~~
21 ~~record of title~~].

22 (c) An insurance company or other person who acquires
23 ownership of a motor vehicle other than a nonrepairable motor
24 vehicle or salvage motor vehicle may voluntarily and on proper
25 application obtain a salvage vehicle title or [~~salvage record of~~
26 ~~title,~~] nonrepairable vehicle title [~~or nonrepairable record of~~
27 ~~title~~] for the vehicle.

1 (d) This subsection applies only to a motor vehicle in this
2 state that is a self-insured motor vehicle and that is damaged to
3 the extent it becomes a nonrepairable motor vehicle or salvage
4 motor vehicle. The owner of a motor vehicle to which this
5 subsection applies shall submit to the department before the 31st
6 business day after the date of the damage, in a manner prescribed by
7 the department, a statement that the motor vehicle was self-insured
8 and damaged. When the owner submits a report, the owner shall
9 surrender the ownership document and apply for a nonrepairable
10 vehicle title or [~~, nonrepairable record of title,~~] salvage vehicle
11 title [~~, or salvage record of title~~].

12 SECTION 22. Section 501.1002(b), Transportation Code, is
13 amended to read as follows:

14 (b) The owner of a salvage motor vehicle or nonrepairable
15 motor vehicle may not transfer ownership of the motor vehicle by
16 sale or otherwise unless the department has issued a salvage
17 vehicle title or [~~, salvage record of title,~~] nonrepairable vehicle
18 title [~~, or nonrepairable record of title~~] for the motor vehicle or
19 a comparable ownership document has been issued by another state or
20 jurisdiction for the motor vehicle in the name of the owner.

21 SECTION 23. Section 501.1003, Transportation Code, is
22 amended to read as follows:

23 Sec. 501.1003. SALVAGE VEHICLE DEALER RESPONSIBILITIES.

24 (a) If a salvage vehicle dealer acquires ownership of a
25 nonrepairable motor vehicle or salvage motor vehicle for the
26 purpose of dismantling, scrapping, or destroying the motor vehicle,
27 the dealer shall, before the 31st day after the date the dealer

1 acquires the motor vehicle, submit to the department a report
2 stating that the motor vehicle will be dismantled, scrapped, or
3 destroyed. The dealer shall:

4 (1) make the report in a manner prescribed by the
5 department; and

6 (2) submit with the report a properly assigned
7 manufacturer's certificate of origin, [~~regular certificate of~~
8 title, nonrepairable vehicle title, salvage vehicle title, auction
9 sales receipt, or comparable out-of-state ownership document for
10 the motor vehicle.

11 (b) After receiving the report and title, manufacturer's
12 certificate of origin, auction sales receipt, or document, the
13 department shall issue the salvage vehicle dealer a receipt for the
14 manufacturer's certificate of origin, [~~regular certificate of~~
15 title, nonrepairable vehicle title, salvage vehicle title, auction
16 sales receipt, or comparable out-of-state ownership document.

17 (c) The department shall adopt rules to notify the salvage
18 vehicle dealer if the vehicle was not issued a printed title, but
19 has a record of title in the department's titling system.

20 SECTION 24. Section 501.107(b), Transportation Code, is
21 amended to read as follows:

22 (b) A metal recycler shall submit to the department the
23 properly assigned manufacturer's certificate of origin, [~~regular~~
24 ~~certificate of~~] title, nonrepairable vehicle title, salvage
25 vehicle title, or comparable out-of-state ownership document that
26 the person receives in conjunction with the purchase of a motor
27 vehicle not later than the 60th day after the date the metal

1 recycler receives the title or out-of-state ownership document.

2 SECTION 25. Section 501.109(c), Transportation Code, is
3 amended to read as follows:

4 (c) A person commits an offense if the person knowingly
5 fails or refuses to surrender a [~~regular~~] certificate of title
6 after the person:

7 (1) receives a notice from an insurance company that
8 the motor vehicle is a nonrepairable motor vehicle or salvage motor
9 vehicle; or

10 (2) knows the vehicle has become a nonrepairable motor
11 vehicle or salvage motor vehicle under Section 501.1001.

12 SECTION 26. Section 501.110(b), Transportation Code, is
13 amended to read as follows:

14 (b) The department, an agent, officer, or employee of the
15 department, or another person enforcing this subchapter is not
16 liable to a person damaged or injured by an act or omission relating
17 to the issuance or revocation of a title, nonrepairable vehicle
18 title, or [~~nonrepairable record of title,~~] salvage vehicle title [~~7~~
19 ~~or salvage record of title~~] under this subchapter.

20 SECTION 27. Section 501.152(a), Transportation Code, is
21 amended to read as follows:

22 (a) Except as provided by this section, a person commits an
23 offense if the person:

24 (1) sells, offers to sell, or offers as security for an
25 obligation a motor vehicle registered in this state; and

26 (2) does not possess or have electronic access to the
27 title receipt or [~~certificate of~~] title for the vehicle.

1 SECTION 28. Section 502.094, Transportation Code, is
2 amended by adding Subsection (i) to read as follows:

3 (i) A permit issued under this section must be carried in
4 the vehicle, or, if the vehicle is a trailer or semitrailer, in the
5 motor vehicle pulling the trailer or semitrailer, at all times
6 during the period in which the permit is valid, including when the
7 vehicle is being operated.

8 SECTION 29. Section 502.095(f), Transportation Code, is
9 amended to read as follows:

10 (f) A registration receipt shall be carried in the vehicle
11 at all times during the period in which it is valid. The permit
12 ~~[temporary tag]~~ must contain all pertinent information required by
13 this section and must be attached to the vehicle in the license
14 plate display area located at the rear of the vehicle, so that the
15 entire permit is visible and legible at all times, including when
16 the vehicle is being operated. If the vehicle does not have a
17 license plate display area at the rear of the vehicle, the permit
18 ~~[displayed in the rear window of the vehicle so that the tag is~~
19 ~~clearly visible and legible when viewed from the rear of the~~
20 ~~vehicle. If the vehicle does not have a rear window, the temporary~~
21 ~~tag]~~ must be attached to ~~[on or carried in]~~ the vehicle to allow
22 ready inspection. The registration receipt must be carried, in a
23 manner prescribed by the department, in the vehicle at all times
24 during the period in which it is valid.

25 SECTION 30. Sections 502.454(a), (b), and (f),
26 Transportation Code, are amended to read as follows:

27 (a) The owner of a commercial motor vehicle, trailer, or

1 semitrailer may apply for registration under Section 502.451 and is
2 exempt from the payment of the registration fee that would
3 otherwise be required by this chapter if the vehicle is:

4 (1) owned [and used exclusively for emergencies] by a
5 nonprofit disaster relief organization; and

6 (2) used by the organization exclusively for
7 emergencies, training, equipment maintenance, transportation of
8 disaster relief supplies, or other activities related to disaster
9 relief.

10 (b) An application for registration under this section must
11 include:

12 (1) a statement by the owner of the vehicle that the
13 vehicle is used exclusively as described by Subsection (a) [~~for~~
14 ~~emergencies~~] and has not been used for any other purpose;

15 (2) a statement signed by an officer of the nonprofit
16 disaster relief organization that the vehicle has [~~not~~] been used
17 exclusively as described by Subsection (a) [~~for any purpose other~~
18 ~~than emergencies~~] and qualifies for registration under this
19 section; and

20 (3) a reasonable description of the vehicle and the
21 emergency equipment included in the vehicle.

22 (f) A vehicle registered under this section that is used
23 [~~for any purpose~~] other than as described by Subsection (a) [~~an~~
24 ~~emergency~~] may not again be registered under this section.

25 SECTION 31. Section 502.474, Transportation Code, is
26 amended to read as follows:

27 Sec. 502.474. OPERATION OF ONE-TRIP PERMIT VEHICLE. A

1 person commits an offense if the person operates a vehicle for which
2 a one-trip permit is required without the registration receipt and
3 properly displayed permit [~~temporary tag~~].

4 SECTION 32. Section 504.202(e-1), Transportation Code, is
5 amended to read as follows:

6 (e-1) Other than license plates issued under Subsection
7 (h), license plates issued under this section may include, on
8 request, [÷

9 [~~(1) the emblem of the veteran's branch of service; or~~
10 [~~(2)~~] one emblem or design from another license plate
11 to which the person is entitled under Subchapter D [~~Section~~
12 ~~504.308, 504.309, 504.310(b), 504.311, 504.312, 504.313, 504.3135,~~
13 ~~504.314, 504.315, 504.316, 504.3161, 504.318, 504.319, 504.320,~~
14 ~~504.323, as added by Chapter 1085 (H.B. 3567), Acts of the 85th~~
15 ~~Legislature, Regular Session, 2017, or 504.325].~~

16 SECTION 33. Section 504.3015(a), Transportation Code, is
17 amended to read as follows:

18 (a) A person applying for a set of license plates under this
19 subchapter shall pay the registration fee required under Chapter
20 502 and the applicable special plate fee required under this
21 section, except that one set of license plates shall be issued
22 without the payment of the registration fee under:

- 23 (1) Section 504.308;
24 (2) Section 504.310(b);
25 (3) Section 504.315, other than Subsections (c) and
26 (q) of that section; [~~and~~]
27 (4) Section 504.316; and

1 (5) Section 504.319.

2 SECTION 34. Section 504.403, Transportation Code, as
3 amended by Chapter 1296 (H.B. 2357), Acts of the 82nd Legislature,
4 Regular Session, 2011, and repealed by Chapter 1290 (H.B. 2017),
5 Acts of the 82nd Legislature, Regular Session, 2011, is reenacted
6 and amended to read as follows:

7 Sec. 504.403. STATE AND FEDERAL JUDGES. (a) The department
8 shall issue specialty license plates for a current or visiting
9 state or federal judge. Except as provided by Subsection (b), the
10 ~~[The]~~ license plates must include the words "State Judge" or "U.S.
11 Judge," as appropriate.

12 (b) A person entitled to license plates under this section
13 may elect to receive license plates that do not include the words
14 "State Judge" or "U.S. Judge."

15 (c) [~~(d)~~] In this section, "state~~[+]~~

16 ~~[(2) "State]~~ judge" means:

17 (1) [~~(A)~~] a justice of the supreme court;

18 (2) [~~(B)~~] a judge of the court of criminal appeals;

19 (3) [~~(C)~~] a judge of a court of appeals of this state;

20 (4) [~~(D)~~] a district court judge;

21 (5) [~~(E)~~] a presiding judge of an administrative
22 judicial district; or

23 (6) [~~(F)~~] a statutory county court judge.

24 SECTION 35. Section 504.943(b), Transportation Code, is
25 amended to read as follows:

26 (b) A person commits an offense if the person operates on a
27 public highway during a registration period a road tractor, truck

1 tractor, motorcycle, trailer, or semitrailer that does not display
2 a license plate that:

3 (1) has been assigned by the department for the
4 period; and

5 (2) complies with department rules regarding the
6 placement of license plates.

7 SECTION 36. Sections 504.654, 504.660, and 504.664,
8 Transportation Code, are repealed.

9 SECTION 37. To the extent of any conflict, this Act prevails
10 over another Act of the 87th Legislature, Regular Session, 2021,
11 relating to nonsubstantive additions to and corrections in enacted
12 codes.

13 SECTION 38. This Act takes effect September 1, 2021.

ADOPTED

MAY 22 2021

Lacey Law
Secretary of the Senate

By: Martinez / Seliger

H.B. No. 3531

Substitute the following for H.B. No. 3531:

By: [Signature]

C.S. H.B. No. 3531

A BILL TO BE ENTITLED

AN ACT

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relating to motor vehicle titles, registration, and license plates.

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

SECTION 1. The heading to Subchapter B, Chapter 501, Transportation Code, is amended to read as follows:

SUBCHAPTER B. [~~CERTIFICATE OF~~] TITLE REQUIREMENTS

SECTION 2. Section 501.0234(b), Transportation Code, is amended to read as follows:

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the title has been surrendered in exchange for:

(A) a salvage vehicle title [~~or salvage record of title~~] issued under this chapter;

(B) a nonrepairable vehicle title [~~or nonrepairable vehicle record of title~~] issued under this chapter or a certificate of authority issued under Subchapter D, Chapter 683;

or

(C) an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B);

(3) with a gross weight in excess of 11,000 pounds; or

(4) purchased by a commercial fleet buyer who:

(A) is a deputy authorized by rules adopted under

1 Section 520.0071;

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3 process developed to provide a method to submit title transactions
4 to the county in which the commercial fleet buyer is a deputy; and

5 (C) has authority to accept an application for
6 registration and application for title transfer that the county
7 assessor-collector may accept.

8 SECTION 3. Section 501.0276, Transportation Code, is
9 amended to read as follows:

10 Sec. 501.0276. DENIAL OF TITLE RECEIPT OR [~~7~~] TITLE [~~7~~ ~~OR~~
11 ~~RECORD OF TITLE~~] FOR FAILURE TO PROVIDE PROOF OF EMISSIONS
12 TESTING. A county assessor-collector may not issue a title receipt
13 and the department may not issue a [~~certificate of~~] title for a
14 vehicle subject to Section 548.3011 unless proof that the vehicle
15 has passed a vehicle emissions test as required by that section, in
16 a manner authorized by that section, is presented to the county
17 assessor-collector with the application for a title.

18 SECTION 4. Section 501.0301(b), Transportation Code, is
19 amended to read as follows:

20 (b) A county assessor-collector may not issue a title
21 receipt and the department may not issue a [~~certificate of~~] title
22 for an off-highway vehicle purchased from a retailer located
23 outside this state and designated by the manufacturer as a model
24 year that is not more than one year before the year in which the
25 application for title is made unless the applicant for the title
26 delivers to the assessor-collector or the department, as
27 applicable, satisfactory evidence showing that the applicant:

1 (1) has paid to the comptroller the applicable use tax
2 imposed on the vehicle under Subchapter D, Chapter 151, Tax Code; or

3 (2) is not required to pay any taxes described by
4 Subdivision (1).

5 SECTION 5. The heading to Section 501.038, Transportation
6 Code, is amended to read as follows:

7 Sec. 501.038. [~~CERTIFICATE OF~~] TITLE FOR CUSTOM VEHICLE OR
8 STREET ROD.

9 SECTION 6. Section 501.038(b), Transportation Code, is
10 amended to read as follows:

11 (b) Notwithstanding any other provision of this chapter, if
12 the department issues a [~~certificate of~~] title for a custom vehicle
13 or street rod, the model year and make of the vehicle must be listed
14 on the [~~certificate of~~] title and must be the model year and make
15 that the body of the vehicle resembles. The [~~certificate of~~] title
16 must also include the word "replica."

17 SECTION 7. The heading to Subchapter C, Chapter 501,
18 Transportation Code, is amended to read as follows:

19 SUBCHAPTER C. REFUSAL TO ISSUE, REVOCATION, SUSPENSION, OR
20 ALTERATION OF TITLE [~~CERTIFICATE~~]

21 SECTION 8. Section 501.051, Transportation Code, is amended
22 by adding Subsection (d) to read as follows:

23 (d) The department shall place a hold on processing a title
24 application for a motor vehicle if the department receives a
25 request for a hold accompanied by evidence of a legal action
26 regarding ownership of or a lien interest in the motor vehicle. The
27 hold shall continue until a final, nonappealable judgment is

1 entered in the action or the party requesting the hold requests that
2 the hold be removed.

3 SECTION 9. Section 501.052, Transportation Code, is amended
4 by amending Subsection (e) and adding Subsection (f) to read as
5 follows:

6 (e) An applicant aggrieved by the determination under
7 Subsection (d) may appeal only to the county or district court of
8 the county of the applicant's residence. An applicant must file an
9 appeal not later than the fifth day after receipt [~~the date~~] of the
10 assessor-collector's determination. The judge shall try the
11 appeal in the manner of other civil cases. All rights and
12 immunities granted in the trial of a civil case are available to the
13 interested parties. If the department's action is not sustained,
14 the department shall promptly issue a title for the vehicle.

15 (f) A person may not apply for a hearing under this section
16 if the department's decision under Section 501.051 is related to a
17 title for a salvage motor vehicle or a nonrepairable motor vehicle,
18 as defined by Section 501.091.

19 SECTION 10. Section 501.053, Transportation Code, is
20 amended by adding Subsection (f) to read as follows:

21 (f) A person may not obtain a title under this section for a
22 salvage motor vehicle or a nonrepairable motor vehicle, as defined
23 by Section 501.091.

24 SECTION 11. Section 501.074(a), Transportation Code, is
25 amended to read as follows:

26 (a) The department shall issue a new title for a motor
27 vehicle registered in this state for which the ownership is

1 transferred by operation of law or other involuntary divestiture of
2 ownership after receiving:

3 (1) a certified copy of an order appointing a
4 temporary administrator or of the probate proceedings;

5 (2) letters testamentary or letters of
6 administration;

7 (3) if administration of an estate is not necessary,
8 an affidavit showing that administration is not necessary,
9 identifying all heirs, and including a statement by the heirs of the
10 name in which the title [~~certificate~~] shall be issued;

11 (4) a court order; or

12 (5) the bill of sale from an officer making a judicial
13 sale.

14 SECTION 12. Section 501.091, Transportation Code, is
15 amended by adding Subdivision (1-a) and amending Subdivisions (10)
16 and (16) to read as follows:

17 (1-a) "Auction sales receipt" means a document
18 certifying the sale of a motor vehicle at auction by a law
19 enforcement agency or public sale for a lien foreclosure.

20 (10) "Nonrepairable vehicle title" means a
21 nonrepairable record of title or printed document issued by the
22 department that evidences ownership of a nonrepairable motor
23 vehicle.

24 (16) "Salvage vehicle title" means a salvage record of
25 title or printed document issued by the department that evidences
26 ownership of a salvage motor vehicle.

27 SECTION 13. The heading to Section 501.09111,

1 Transportation Code, is amended to read as follows:

2 Sec. 501.09111. RIGHTS AND LIMITATIONS OF NONREPAIRABLE
3 VEHICLE TITLE OR [~~NONREPAIRABLE RECORD OF TITLE,~~] SALVAGE VEHICLE
4 TITLE [~~OR SALVAGE RECORD OF TITLE~~].

5 SECTION 14. Section 501.09111(b), Transportation Code, is
6 amended to read as follows:

7 (b) A person who holds a nonrepairable vehicle [~~certificate~~
8 ~~of~~] title issued prior to September 1, 2003, is entitled to the
9 same rights listed in Subsection (a) and may repair, rebuild, or
10 reconstruct the motor vehicle.

11 SECTION 15. Sections 501.09112(b), (d), (e), and (f),
12 Transportation Code, are amended to read as follows:

13 (b) A nonrepairable vehicle title must clearly indicate
14 that the motor vehicle:

15 (1) may not be:

16 (A) issued a [~~regular~~] title;

17 (B) registered in this state; or

18 (C) repaired, rebuilt, or reconstructed; and

19 (2) may be used only as a source for used parts or
20 scrap metal.

21 (d) A salvage vehicle title [~~or a salvage record of title~~]
22 for a vehicle that is a salvage motor vehicle because of damage
23 caused exclusively by flood must bear a notation that the
24 department considers appropriate. If the title for a motor vehicle
25 reflects the notation required by this subsection, the owner may
26 sell, transfer, or release the motor vehicle only as provided by
27 this subchapter.

1 (e) An electronic application for a nonrepairable vehicle
2 title or [~~, nonrepairable record of title,~~] salvage vehicle title
3 [~~, or salvage record of title~~] must clearly advise the applicant of
4 the same provisions required on a printed title.

5 (f) A nonrepairable vehicle title or [~~, nonrepairable~~
6 ~~record of title,~~] salvage vehicle title [~~, or salvage record of~~
7 ~~title~~] in the department's electronic database must include
8 appropriate remarks so that the vehicle record clearly shows the
9 status of the vehicle.

10 SECTION 16. The heading to Section 501.0925, Transportation
11 Code, is amended to read as follows:

12 Sec. 501.0925. INSURANCE COMPANY NOT REQUIRED TO SURRENDER
13 EVIDENCE OF OWNERSHIP [~~CERTIFICATES OF TITLE~~] IN CERTAIN
14 SITUATIONS.

15 SECTION 17. Sections 501.0925(a), (b), (c), (d), and (f),
16 Transportation Code, are amended to read as follows:

17 (a) An insurance company that acquires, through payment of a
18 claim, ownership or possession of a motor vehicle covered by a
19 [~~certificate of~~] title or a manufacturer's certificate of origin
20 that the company is unable to obtain may obtain from the department
21 not earlier than the 30th day after the date of payment of the
22 claim:

23 (1) a salvage vehicle title for a salvage motor
24 vehicle;

25 (2) a nonrepairable vehicle title for a nonrepairable
26 motor vehicle; or

27 (3) a [~~regular certificate of~~] title for a motor

1 vehicle other than a salvage motor vehicle or a nonrepairable motor
2 vehicle.

3 (b) An application for a title under Subsection (a) must be
4 [~~submitted to the department~~] on a form prescribed by the
5 department and include:

6 (1) a statement that the insurance company has
7 provided at least two written notices attempting to obtain the
8 evidence of ownership [~~certificate of title~~] for the motor vehicle;
9 and

10 (2) evidence acceptable to the department that the
11 insurance company has made payment of a claim involving the motor
12 vehicle.

13 (c) An insurance company that acquires, through payment of a
14 claim, ownership or possession of a motor vehicle covered by a
15 [~~certificate of~~] title or a manufacturer's certificate of origin
16 for which the company is unable to obtain proper assignment of the
17 title or manufacturer's certificate of origin [~~certificate~~] may
18 obtain from the department not earlier than the 30th day after the
19 date of payment of the claim:

20 (1) a salvage vehicle title for a salvage motor
21 vehicle;

22 (2) a nonrepairable vehicle title for a nonrepairable
23 motor vehicle; or

24 (3) a [~~regular certificate of~~] title for a motor
25 vehicle other than a salvage motor vehicle or a nonrepairable motor
26 vehicle.

27 (d) An application for a title under Subsection (c) must be

1 [~~submitted to the department~~] on a form prescribed by the
2 department and include:

3 (1) a statement that the insurance company has
4 provided at least two written notices attempting to obtain a proper
5 assignment of the evidence of ownership [~~certificate of title~~]; and

6 (2) the evidence of ownership [~~certificate of title~~].

7 (f) An insurance company that acquires, through payment of a
8 claim, ownership or possession of a motor vehicle, salvage motor
9 vehicle, or nonrepairable motor vehicle covered by an out-of-state
10 title or out-of-state ownership document may obtain from the
11 department a title, salvage vehicle title, or nonrepairable vehicle
12 title, as appropriate, if:

13 (1) the motor vehicle was damaged, stolen, or
14 recovered in this state;

15 (2) the motor vehicle owner from whom the company
16 acquired ownership resides in this state; or

17 (3) otherwise allowed by department rule.

18 SECTION 18. Sections 501.097(a) and (c-1), Transportation
19 Code, are amended to read as follows:

20 (a) An application for a nonrepairable vehicle title or [~~7~~
21 ~~nonrepairable record of title~~], salvage vehicle title [~~7~~ ~~or salvage~~
22 ~~record of title~~] must:

23 (1) be made in a manner prescribed by the department
24 and accompanied by a \$8 application fee;

25 (2) include, in addition to any other information
26 required by the department:

27 (A) the name and current address of the owner;

1 and

2 (B) a description of the motor vehicle, including
3 the make, style of body, model year, and vehicle identification
4 number; and

5 (3) include the name and address of:

6 (A) any currently recorded lienholder, if the
7 motor vehicle is a nonrepairable motor vehicle; or

8 (B) any currently recorded lienholder or a new
9 lienholder, if the motor vehicle is a salvage motor vehicle.

10 (c-1) The department's titling system must include a remark
11 that clearly identifies the vehicle as a salvage motor vehicle or
12 nonrepairable motor vehicle.

13 SECTION 19. The heading to Section 501.100, Transportation
14 Code, is amended to read as follows:

15 Sec. 501.100. APPLICATION FOR [~~REGULAR CERTIFICATE OF~~]
16 TITLE FOR SALVAGE VEHICLE.

17 SECTION 20. Sections 501.100(a) and (f), Transportation
18 Code, are amended to read as follows:

19 (a) The owner of a motor vehicle for which a nonrepairable
20 vehicle title issued prior to September 1, 2003, [~~or~~] for which a
21 salvage vehicle title [~~or salvage record of title~~] has been issued,
22 or for which a comparable out-of-state ownership document for a
23 salvage motor vehicle has been issued may apply for a title under
24 Section 501.023 after the motor vehicle has been repaired, rebuilt,
25 or reconstructed and, in addition to any other requirement of law,
26 only if the application:

27 (1) describes each major component part used to

1 repair, rebuild, or reconstruct the motor vehicle;

2 (2) states the name of each person from whom the parts
3 used in repairing, rebuilding, or reconstructing [~~assembling~~] the
4 vehicle were obtained; and

5 (3) shows the identification number required by
6 federal law to be affixed to or inscribed on the part.

7 (f) The department may not issue a [~~regular~~] title for a
8 motor vehicle based on a:

9 (1) nonrepairable vehicle title issued on or after
10 September 1, 2003, or comparable out-of-state ownership document or
11 record, or evidence of a notation described by Section
12 501.09113(a)(2) on an out-of-state ownership document or record in
13 the National Motor Vehicle Title Information System;

14 (2) receipt issued under Section 501.1003(b); or

15 (3) certificate of authority issued under Chapter 683.

16 SECTION 21. Sections 501.1001(b), (c), and (d),
17 Transportation Code, are amended to read as follows:

18 (b) For a salvage motor vehicle, the insurance company shall
19 apply for a salvage vehicle title [~~or salvage record of~~
20 ~~title~~]. For a nonrepairable motor vehicle, the insurance company
21 shall apply for a nonrepairable vehicle title [~~or nonrepairable~~
22 ~~record of title~~].

23 (c) An insurance company or other person who acquires
24 ownership of a motor vehicle other than a nonrepairable motor
25 vehicle or salvage motor vehicle may voluntarily and on proper
26 application obtain a salvage vehicle title or [~~, salvage record of~~
27 ~~title,~~] nonrepairable vehicle title [~~, or nonrepairable record of~~

1 ~~title~~] for the vehicle.

2 (d) This subsection applies only to a motor vehicle in this
3 state that is a self-insured motor vehicle and that is damaged to
4 the extent it becomes a nonrepairable motor vehicle or salvage
5 motor vehicle. The owner of a motor vehicle to which this
6 subsection applies shall submit to the department before the 31st
7 business day after the date of the damage, in a manner prescribed by
8 the department, a statement that the motor vehicle was self-insured
9 and damaged. When the owner submits a report, the owner shall
10 surrender the ownership document and apply for a nonrepairable
11 vehicle title or [~~, nonrepairable record of title,~~] salvage vehicle
12 title [~~, or salvage record of title~~].

13 SECTION 22. Section 501.1002(b), Transportation Code, is
14 amended to read as follows:

15 (b) The owner of a salvage motor vehicle or nonrepairable
16 motor vehicle may not transfer ownership of the motor vehicle by
17 sale or otherwise unless the department has issued a salvage
18 vehicle title or [~~, salvage record of title,~~] nonrepairable vehicle
19 title [~~, or nonrepairable record of title~~] for the motor vehicle or
20 a comparable ownership document has been issued by another state or
21 jurisdiction for the motor vehicle in the name of the owner.

22 SECTION 23. Section 501.1003, Transportation Code, is
23 amended to read as follows:

24 Sec. 501.1003. SALVAGE VEHICLE DEALER RESPONSIBILITIES.

25 (a) If a salvage vehicle dealer acquires ownership of a
26 nonrepairable motor vehicle or salvage motor vehicle for the
27 purpose of dismantling, scrapping, or destroying the motor vehicle,

1 the dealer shall, before the 31st day after the date the dealer
2 acquires the motor vehicle, submit to the department a report
3 stating that the motor vehicle will be dismantled, scrapped, or
4 destroyed. The dealer shall:

5 (1) make the report in a manner prescribed by the
6 department; and

7 (2) submit with the report a properly assigned
8 manufacturer's certificate of origin, [~~regular certificate of~~]
9 title, nonrepairable vehicle title, salvage vehicle title, auction
10 sales receipt, or comparable out-of-state ownership document for
11 the motor vehicle.

12 (b) After receiving the report and title, manufacturer's
13 certificate of origin, auction sales receipt, or document, the
14 department shall issue the salvage vehicle dealer a receipt for the
15 manufacturer's certificate of origin, [~~regular certificate of~~]
16 title, nonrepairable vehicle title, salvage vehicle title, auction
17 sales receipt, or comparable out-of-state ownership document.

18 (c) The department shall adopt rules to notify the salvage
19 vehicle dealer if the vehicle was not issued a printed title, but
20 has a record of title in the department's titling system.

21 SECTION 24. Section 501.107(b), Transportation Code, is
22 amended to read as follows:

23 (b) A metal recycler shall submit to the department the
24 properly assigned manufacturer's certificate of origin, [~~regular~~
25 ~~certificate of~~] title, nonrepairable vehicle title, salvage
26 vehicle title, or comparable out-of-state ownership document that
27 the person receives in conjunction with the purchase of a motor

1 vehicle not later than the 60th day after the date the metal
2 recycler receives the title or out-of-state ownership document.

3 SECTION 25. Section 501.109(c), Transportation Code, is
4 amended to read as follows:

5 (c) A person commits an offense if the person knowingly
6 fails or refuses to surrender a [~~regular~~] certificate of title
7 after the person:

8 (1) receives a notice from an insurance company that
9 the motor vehicle is a nonrepairable motor vehicle or salvage motor
10 vehicle; or

11 (2) knows the vehicle has become a nonrepairable motor
12 vehicle or salvage motor vehicle under Section 501.1001.

13 SECTION 26. Section 501.110(b), Transportation Code, is
14 amended to read as follows:

15 (b) The department, an agent, officer, or employee of the
16 department, or another person enforcing this subchapter is not
17 liable to a person damaged or injured by an act or omission relating
18 to the issuance or revocation of a title, nonrepairable vehicle
19 title, or [~~nonrepairable record of title,~~] salvage vehicle title [~~7~~
20 ~~or salvage record of title~~] under this subchapter.

21 SECTION 27. Section 501.152(a), Transportation Code, is
22 amended to read as follows:

23 (a) Except as provided by this section, a person commits an
24 offense if the person:

25 (1) sells, offers to sell, or offers as security for an
26 obligation a motor vehicle registered in this state; and

27 (2) does not possess or have electronic access to the

1 title receipt or [~~certificate of~~] title for the vehicle.

2 SECTION 28. Section 502.094, Transportation Code, is
3 amended by adding Subsection (i) to read as follows:

4 (i) A permit issued under this section must be carried in
5 the vehicle, or, if the vehicle is a trailer or semitrailer, in the
6 motor vehicle pulling the trailer or semitrailer, at all times
7 during the period in which the permit is valid, including when the
8 vehicle is being operated.

9 SECTION 29. Section 502.095(f), Transportation Code, is
10 amended to read as follows:

11 (f) A registration receipt shall be carried in the vehicle
12 at all times during the period in which it is valid. The permit
13 [~~temporary tag~~] must contain all pertinent information required by
14 this section and must be attached to the vehicle in the license
15 plate display area located at the rear of the vehicle, so that the
16 entire permit is visible and legible at all times, including when
17 the vehicle is being operated. If the vehicle does not have a
18 license plate display area at the rear of the vehicle, the permit
19 [~~displayed in the rear window of the vehicle so that the tag is~~
20 ~~clearly visible and legible when viewed from the rear of the~~
21 ~~vehicle. If the vehicle does not have a rear window, the temporary~~
22 ~~tag~~] must be attached to [~~on or carried in~~] the vehicle to allow
23 ready inspection. The registration receipt must be carried, in a
24 manner prescribed by the department, in the vehicle at all times
25 during the period in which it is valid.

26 SECTION 30. Sections 502.454(a), (b), and (f),
27 Transportation Code, are amended to read as follows:

1 (a) The owner of a commercial motor vehicle, trailer, or
2 semitrailer may apply for registration under Section 502.451 and is
3 exempt from the payment of the registration fee that would
4 otherwise be required by this chapter if the vehicle is:

5 (1) owned [~~and used exclusively for emergencies~~] by a
6 nonprofit disaster relief organization; and

7 (2) used by the organization exclusively for
8 emergencies, training, equipment maintenance, transportation of
9 disaster relief supplies, or other activities related to disaster
10 relief.

11 (b) An application for registration under this section must
12 include:

13 (1) a statement by the owner of the vehicle that the
14 vehicle is used exclusively as described by Subsection (a) [~~for~~
15 ~~emergencies~~] and has not been used for any other purpose;

16 (2) a statement signed by an officer of the nonprofit
17 disaster relief organization that the vehicle has [~~not~~] been used
18 exclusively as described by Subsection (a) [~~for any purpose other~~
19 ~~than emergencies~~] and qualifies for registration under this
20 section; and

21 (3) a reasonable description of the vehicle and the
22 emergency equipment included in the vehicle.

23 (f) A vehicle registered under this section that is used
24 [~~for any purpose~~] other than as described by Subsection (a) [~~an~~
25 ~~emergency~~] may not again be registered under this section.

26 SECTION 31. Section 502.474, Transportation Code, is
27 amended to read as follows:

1 Sec. 502.474. OPERATION OF ONE-TRIP PERMIT VEHICLE. A
2 person commits an offense if the person operates a vehicle for which
3 a one-trip permit is required without the registration receipt and
4 properly displayed permit [~~temporary tag~~].

5 SECTION 32. Section 504.202(e-1), Transportation Code, is
6 amended to read as follows:

7 (e-1) Other than license plates issued under Subsection
8 (h), license plates issued under this section may include, on
9 request, [+

10 ~~[(1) the emblem of the veteran's branch of service, or~~
11 ~~[(2)] one emblem~~ or design from another license plate
12 to which the person is entitled under Subchapter D [~~Section~~
13 ~~504.308, 504.309, 504.310(b), 504.311, 504.312, 504.313, 504.3135,~~
14 ~~504.314, 504.315, 504.316, 504.3161, 504.318, 504.319, 504.320,~~
15 ~~504.323, as added by Chapter 1085 (H.B. 3567), Acts of the 85th~~
16 ~~Legislature, Regular Session, 2017, or 504.325]~~].

17 SECTION 33. Section 504.3015(a), Transportation Code, is
18 amended to read as follows:

19 (a) A person applying for a set of license plates under this
20 subchapter shall pay the registration fee required under Chapter
21 502 and the applicable special plate fee required under this
22 section, except that one set of license plates shall be issued
23 without the payment of the registration fee under:

24 (1) Section 504.308;

25 (2) Section 504.310(b);

26 (3) Section 504.315, other than Subsections (c) and
27 (q) of that section; [~~and~~]

1 (4) Section 504.316; and

2 (5) Section 504.319.

3 SECTION 34. Section 504.403, Transportation Code, as
4 amended by Chapter 1296 (H.B. 2357), Acts of the 82nd Legislature,
5 Regular Session, 2011, and repealed by Chapter 1290 (H.B. 2017),
6 Acts of the 82nd Legislature, Regular Session, 2011, is reenacted
7 and amended to read as follows:

8 Sec. 504.403. STATE AND FEDERAL JUDGES. (a) The department
9 shall issue specialty license plates for a current or visiting
10 state or federal judge. Except as provided by Subsection (b), the
11 ~~[The]~~ license plates must include the words "State Judge" or "U.S.
12 Judge," as appropriate.

13 (b) A person entitled to license plates under this section
14 may elect to receive license plates that do not include the words
15 "State Judge" or "U.S. Judge."

16 (c) [~~(d)~~] In this section, "state[+]

17 [~~(2)~~] "State] judge" means:

18 (1) [~~(A)~~] a justice of the supreme court;

19 (2) [~~(B)~~] a judge of the court of criminal appeals;

20 (3) [~~(C)~~] a judge of a court of appeals of this state;

21 (4) [~~(D)~~] a district court judge;

22 (5) [~~(E)~~] a presiding judge of an administrative
23 judicial district; or

24 (6) [~~(F)~~] a statutory county court judge.

25 SECTION 35. Section 504.943(b), Transportation Code, is
26 amended to read as follows:

27 (b) A person commits an offense if the person operates on a

1 public highway during a registration period a road tractor, truck
2 tractor, motorcycle, trailer, or semitrailer that does not display
3 a license plate that:

4 (1) has been assigned by the department for the
5 period; and

6 (2) complies with department rules regarding the
7 placement of license plates.

8 SECTION 36. Sections 504.654, 504.660, and 504.664,
9 Transportation Code, are repealed.

10 SECTION 37. To the extent of any conflict, this Act prevails
11 over another Act of the 87th Legislature, Regular Session, 2021,
12 relating to nonsubstantive additions to and corrections in enacted
13 codes.

14 SECTION 38. This Act takes effect September 1, 2021.

ADOPTED

VV
MAY 22 2021

Lately Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Schwertner

1 Amend C.S.H.B. No. 3531 (senate committee report) by adding
2 the following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION _____. Section 502.198(a), Transportation Code, is
5 amended to read as follows:

6 (a) Except as provided by Sections 502.058, 502.060,
7 502.1911, 502.192, 502.356, [~~and~~] 502.357, and 502.360 and
8 Subchapter H, this section applies to all fees collected by a county
9 assessor-collector under this chapter.

10 SECTION _____. Subchapter G, Chapter 502, Transportation
11 Code, is amended by adding Section 502.360 to read as follows:

12 Sec. 502.360. EQUALIZATION FOR ROAD USE CONSUMPTION FOR
13 ALTERNATIVELY FUELED VEHICLES. (a) In this section:

14 (1) "Alternatively fueled vehicle" means a motor
15 vehicle that is capable of being powered by a source other than
16 gasoline or diesel fuel.

17 (2) "Conventionally fueled vehicle" means a motor
18 vehicle that is capable of being powered only by gasoline or diesel
19 fuel.

20 (3) "Hybrid electric vehicle" means a motor vehicle,
21 including a plug-in hybrid electric motor vehicle, that is capable
22 of being powered by both electricity and gasoline, diesel, or
23 another type of fuel.

24 (4) "Natural gas vehicle" means a motor vehicle that
25 is capable of being powered by compressed natural gas or liquefied
26 natural gas as fuel.

27 (5) "Plug-in hybrid electric vehicle" means a vehicle
28 that is capable of being:

29 (A) powered by a battery that drives an electric

1 motor;

2 (B) powered by an internal combustion engine, or
3 other propulsion source, that uses gasoline or diesel fuel; and

4 (C) recharged by plugging into an electrical
5 outlet or electric vehicle charging station.

6 (b) This section does not apply to a hybrid electric vehicle
7 that is not a plug-in hybrid electric vehicle.

8 (c) In addition to other fees authorized under this chapter,
9 at the time of application for registration or renewal of
10 registration of an alternatively fueled vehicle, other than a
11 vehicle subject to a fee under Subsection (d) or (e), the applicant
12 shall pay an additional fee according to the gross weight of the
13 vehicle, as follows:

<u>Weight Classification in pounds</u>	<u>Fee Schedule</u>
<u>0-6,000</u>	<u>\$200</u>
<u>6,001-10,000</u>	<u>\$250</u>

17 (d) In addition to other fees authorized under this chapter,
18 at the time of application for registration or renewal of
19 registration of a plug-in hybrid electric vehicle, the applicant
20 shall pay an additional fee according to the gross weight of the
21 vehicle, as follows:

<u>Weight Classification in pounds</u>	<u>Fee Schedule</u>
<u>0-6,000</u>	<u>\$40</u>
<u>6,001-10,000</u>	<u>\$50</u>

25 (e) In addition to other fees authorized under this chapter,
26 at the time of application for registration or renewal of
27 registration of a natural gas vehicle, the applicant shall pay an
28 additional fee in an amount equal to the difference between the
29 amounts calculated under Subsections (f)(1) and (2) for that class
30 of vehicle.

31 (f) The department shall, for each class of natural gas

1 vehicle, calculate:

2 (1) the average annual amount of taxes imposed under
3 Chapter 162, Tax Code, that a conventionally fueled vehicle of that
4 class would pay; and

5 (2) the average annual amount of taxes imposed under
6 that chapter that a natural gas vehicle of that class would pay.

7 (g) The department shall review and update the fee
8 calculated under Subsection (f) at least once every five years.

9 (h) Fees collected under this section shall be deposited to
10 the credit of the state highway fund.

11 (i) The board shall adopt rules necessary to administer this
12 section.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 25, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3531 by Martinez (Relating to motor vehicle titles, registration, and license plates.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3531, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023. However, the two-year impact to the State Highway Fund is estimated to be \$70,206,000 through the biennium ending August 31, 2023.

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, Six- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2021	\$0
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Six-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Savings/(Cost) from <i>Texas Department of Motor Vehicles Fund</i> 10
2021	\$0	(\$187,000)
2022	\$27,246,000	\$0
2023	\$42,960,000	\$0
2024	\$61,779,000	\$0
2025	\$84,388,000	\$0
2026	\$109,265,000	\$0

Fiscal Analysis

The bill would amend the Transportation Code to add Section 502.360 to impose an additional fee at the time of registration or renewal of registration of an alternatively fueled vehicle (AFV) capable of being powered by a source other than gasoline or diesel fuel, a plug-in hybrid electric vehicle (HEV), or a natural gas vehicle. The bill would establish fees of \$200 for AFVs and \$40 for plug-in HEVs with a gross weight less than 6,000

pounds and fees of \$250 for AFVs and \$50 for plug-in HEVs with a gross weight of 6,001 to 10,000 pounds. The bill would establish an additional fee on each class of natural gas vehicles, to be calculated by the Texas Department of Motor Vehicles (TxDMV), that is equal to the difference between the average annual amount of motor fuels tax, a conventionally fueled vehicle in its class would pay, and the average amount a natural gas vehicle in the same class would pay in fuel tax. The bill would require TxDMV to review and update the fee for natural gas vehicles at least once every five years. The bill would direct the additional fees to be deposited to the State Highway Fund.

The bill would require the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a motor vehicle if the department receives evidence of a lawsuit regarding ownership of or a lien on the vehicle. The bill would amend §504.202 to allow a Disabled Veteran license plate to include one emblem or design from another military specialty license plate to which a person is entitled under Subchapter D, Chapter 504, Transportation Code. The bill would amend Transportation Code §504.454 to exempt a vehicle owned by a nonprofit disaster relief organization from vehicle registration fees if the vehicle is used by the organization exclusively for emergencies, training, equipment maintenance, transportation of disaster relief supplies, or other activities related to disaster relief.

The bill would take effect on September 1, 2021.

Methodology

Based on the analysis provided by the Comptroller's office and TxDMV, it is assumed the additional fees would apply to approximately 243,000 vehicles in fiscal year 2022. Based on analysis provided by the Comptroller's office, it is assumed implementation of the additional fees established by the bill would result in a revenue gain to the State Highway Fund (SHF) of \$27.2 million beginning in fiscal year 2022, with the number of applicable vehicles and associated revenue gains to the SHF growing each fiscal year based on industry and market forecasts used by the Comptroller.

Based on information provided by TxDMV, it is assumed the agency would incur onetime costs in fiscal year 2021 to the Texas Department of Motor Vehicles Fund of \$122,000 for programming changes to the agency's automated systems by the bill's effective date of September 1, 2021, and a cost of \$65,000 for a special mailing to affected customers, to provide notification of the vehicle registration requirements of the new legislation.

Under current law, a vehicle owned by a nonprofit disaster relief organization is exempt from registration fees if the vehicle is used exclusively for emergencies. Implementation of the bill would expand the eligible uses and, potentially, the number of vehicles owned by a nonprofit disaster relief organization that would be exempt from registration fees. Based on the information and analysis provided by TxDMV, it is assumed the number of additional disaster relief organization vehicles that would qualify for the exemption would not be significant. Therefore, it is assumed implementation of the bill would not result in a significant negative impact to state and local vehicle registration fee revenues.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

The Texas Department of Motor Vehicles anticipates a one-time information technology cost of \$122,000 in fiscal year 2021 for programming changes to the agency's automated systems.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, CMA, MB, TG, AAL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 20, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3531 by Martinez (relating to motor vehicle titles, registration, and license plates.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a motor vehicle if the department receives evidence of a lawsuit regarding ownership of or a lien on the vehicle. The bill would amend §504.202 to allow a Disabled Veteran license plate to include one emblem or design from another military specialty license plate to which a person is entitled under Subchapter D, Chapter 504, Transportation Code. The bill would amend Transportation Code §504.454 to exempt a vehicle owned by a nonprofit disaster relief organization from vehicle registration fees if the vehicle is used by the organization exclusively for emergencies, training, equipment maintenance, transportation of disaster relief supplies, or other activities related to disaster relief.

Under current law, a vehicle owned by a nonprofit disaster relief organization is exempt from registration fees if the vehicle is used exclusively for emergencies. Implementation of the bill would expand the eligible uses and, potentially, the number of vehicles owned by a nonprofit disaster relief organization that would be exempt from registration fees. Based on the information and analysis provided by TxDMV, it is assumed the number of additional disaster relief organization vehicles that would qualify for the exemption would not be significant. Therefore, it is assumed implementation of the bill would not result in a significant negative impact to state and local vehicle registration fee revenues. Based on the information provided by TxDMV, 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, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG, MB, AF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 18, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3531 by Martinez (Relating to motor vehicle titles, registration, and license plates.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a motor vehicle if the department receives evidence of a lawsuit regarding ownership of or a lien on the vehicle. The bill would amend §504.202 to allow a Disabled Veteran license plate to include one emblem or design from another military specialty license plate to which a person is entitled under Subchapter D, Chapter 504, Transportation Code. The bill would amend Transportation Code §504.454 to exempt a vehicle owned by a nonprofit disaster relief organization from vehicle registration fees if the vehicle is used by the organization exclusively for emergencies, training, equipment maintenance, transportation of disaster relief supplies, or other activities related to disaster relief.

Under current law, a vehicle owned by a nonprofit disaster relief organization is exempt from registration fees if the vehicle is used exclusively for emergencies. Implementation of the bill would expand the eligible uses and, potentially, the number of vehicles owned by a nonprofit disaster relief organization that would be exempt from registration fees. Based on the information and analysis provided by TxDMV, it is assumed the number of additional disaster relief organization vehicles that would qualify for the exemption would not be significant. Therefore, it is assumed implementation of the bill would not result in a significant negative impact to state and local vehicle registration fee revenues. Based on the information provided by TxDMV, 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, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG, MB, AF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 5, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3531 by Martinez (relating to motor vehicle titles, registration, and license plates.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a motor vehicle if the department receives evidence of a lawsuit regarding ownership of or a lien on the vehicle. The bill would amend §504.202 to allow a Disabled Veteran license plate to include one emblem or design from another military specialty license plate to which a person is entitled under Subchapter D, Chapter 504, Transportation Code.

Based on the information provided by TxDMV and the Comptroller's office, it is assumed implementation of the provisions of the bill would not result in a significant operational or fiscal impact to the agency or the State.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG, MB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 26, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3531 by Martinez (Relating to motor vehicle titles, registration, and license plates.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a motor vehicle if the department receives evidence of a lawsuit regarding ownership of or a lien on the vehicle. The bill would amend Transportation Code §502.401 to allow the imposition or removal of the optional county road and bridge fee to take effect on a date other than January 1. The bill would amend §504.202 to allow a Disabled Veteran license plate to include one emblem or design from another military specialty license plate to which a person is entitled under Subchapter D, Chapter 504, Transportation Code.

Based on the information provided by TxDMV and the Comptroller's office, it is assumed implementation of the provisions of the bill would not result in a significant operational or fiscal impact to the agency or the State.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, MB, TG