

## **BILL ANALYSIS**

C.S.H.B. 3170  
By: Leach  
Judiciary & Civil Jurisprudence  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law tools, equipment, books, and apparatus used in a trade or profession are exempt from seizure. However, frequently tools that are not used in that manner are being claimed as exempt property. C.S.H.B. 3170 seeks to address this issue by specifying that in order to claim the exemption, the tools or property in question must be used by the debtor or a member of their family in a trade or profession. The legislation also requires that a vehicle be licensed, registered, and insured in order to qualify for the exemption. This protects the debtor's right to the vehicle for purposes of traveling to and from work or transporting their families, but would not protect ATVs, dirt bikes, golf carts, autocycles, and hobby cars.

### **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.H.B. 3170 amends the Property Code to specify that the exemption of certain personal property from garnishment, attachment, execution, or other seizure applies as follows:

- to boats and motor vehicles used in a trade or profession on the condition that the boats or vehicles are used by a member of a family or single adult in that person's trade or profession; and
- to a two-wheeled, three-wheeled, or four-wheeled motor vehicle for each member of a family or single adult, provided the vehicle is not the following:
  - an autocycle or a golf cart;
  - a recreational off-highway vehicle defined as a motor vehicle that is:
    - equipped with a seat or seats for the use of the rider; and a passenger or passengers, if the vehicle is designed by the manufacturer to transport a passenger or passengers;
    - designed to propel itself with four or more tires in contact with the ground;
    - designed by the manufacturer for off-highway use by the operator only; and
    - not designed by the manufacturer primarily for farming or lawn care; or
  - an assembled motor vehicle, defined as a any motor driven or propelled vehicle required to be registered under the laws of Texas, which has a motor, body, and frame and is built or assembled by a hobbyist.

C.S.H.B. 3170 does not apply to property that is, as of the bill's effective date, subject to a voluntary bankruptcy proceeding or to a valid claim of a holder of a final judgment who has, by levy, garnishment, or other legal process, obtained rights superior to those that would otherwise be held by a trustee in bankruptcy if a bankruptcy petition were then pending against the debtor.

#### **EFFECTIVE DATE**

September 1, 2023.

#### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 3170 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the introduced and the substitute specify that the exemption of certain personal property from garnishment, attachment, execution, or other seizure applies to certain vehicles that are not golf carts or autocycles. While the introduced included in the prerequisites for exemption that the vehicle may be legally operated on a public highway of Texas and registered as required by state law and that financial responsibility be established for the vehicle as required by the Motor Vehicle Safety Responsibility Act, the substitute does not include these as prerequisites for the exemption. Instead, the substitute includes as prerequisites that the vehicle, other than not being an autocycle or golf cart, also not be a recreational off-highway vehicle or an assembled motor vehicle.