

BILL ANALYSIS

S.B. 261
By: Springer
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 86th Legislature passed H.B. 1755, which required the board of the Texas Department of Motor Vehicles to establish procedures and requirements for the titling and registration of assembled vehicles. The passage rightly allowed auto hobbyists and owners of other assembled vehicles to register and receive a title for vehicles they had put significant amounts of time, money, and effort into building, which did not present a public danger. However, the bill also inadvertently changed certain long-standing exemptions for various custom agricultural trailers. In the past, farmers and ranchers in Texas that used their trailers to transport livestock, timber, or farm products qualified for farm registration. Farmers were not required to register these farm trailers or semi-trailers with a gross weight equal to or less than 4,000 pounds. If their trailer exceeded this weight and was less than 34,000 pounds, farmers or ranchers could secure a farm trailer license. S.B. 261 seeks to rectify the accidental change in the law by allowing auto hobbyists who build or assemble an assembled trailer for personal use to title and register their vehicles.

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

S.B. 261 amends the Transportation Code to establish that an assembled trailer is considered to be, as applicable, a trailer, semitrailer, or travel trailer, including a farm trailer or farm semitrailer for purposes of the titling and registration of such a trailer under the Certificate of Title Act and for purposes of statutory provisions relating to vehicle registration. The bill requires the owner of an assembled trailer, not more than 30 days after completing construction of the trailer, to apply for registration of the trailer as follows:

- for each registration year in which the trailer is used or to be used on a public highway; and
- if the trailer is unregistered for a registration year that has begun and that applies to the trailer and if the trailer is used or to be used on a public highway, for the remaining portion of that registration year.

S.B. 261, for purposes of the Certificate of Title Act, does the following:

- defines "assembled trailer" as a trailer, semitrailer, or travel trailer that is built or assembled by a hobbyist;

- revises the definition of "first sale" by excluding the bargain, sale, transfer, or delivery of an assembled trailer from application of the term;
- defines "hobbyist" as a person who builds or assembles an assembled trailer for personal use, does not engage in the continuous sale of vehicles as defined by the Texas Department of Motor Vehicles, and is not the maker of a kit or a person who manufactures or assembles new motor vehicles;
- includes a hobbyist who constructed an assembled trailer among the persons defined as an "owner"; and
- includes an assembled trailer that has been issued a title or has been registered among the vehicles defined as a "used motor vehicle."

S.B. 261 repeals Section 731.001(a)(3), Transportation Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.