By:  Thompson of Brazoria H.B. No. 3577

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of title to a salvage pool operator for certain motor vehicles.

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

SECTION 1.  The heading to Section 501.0935, Transportation Code, is amended to read as follows:

Sec. 501.0935.  ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR; INSURANCE COMPANIES.

SECTION 2.  Subchapter E, Chapter 501, Transportation Code, is amended by adding Section 501.094 to read as follows:

Sec. 501.094.  ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR; NONPROFIT ORGANIZATIONS. (a) In this section:

(1)  "Nonprofit organization" means an organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

(2)  "Salvage pool operator" has the meaning assigned by Section 2302.001, Occupations Code.

(b)  This section applies only to a salvage pool operator who, on request of a nonprofit organization, takes possession of a motor vehicle that was donated to the nonprofit and the nonprofit:

(1)  does not possess title to the motor vehicle; and

(2)  does not otherwise take ownership of the motor vehicle.

(c)  A nonprofit organization described by Subsection (b) shall notify the salvage pool operator of the disposition of the motor vehicle and must include in the notice the name and address of:

(1)  the person who donated the motor vehicle;

(2)  the previous owner of the motor vehicle; and

(3)  any lienholder, if known.

(d)  Before the 15th day after receiving notice under Subsection (c), a salvage pool operator shall notify the owner of the motor vehicle and any lienholder that:

(1)  the owner or lienholder must remove the motor vehicle from the salvage pool operator's possession at the location specified in the notice to the owner and any lienholder not later than the 45th day after the date the notice is mailed; and

(2)  if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain the proceeds of the sale.

(e)  A salvage pool operator shall provide subsequent notice described by Subsection (d) to the owner of the motor vehicle and any lienholder not later than the 25th and 35th day after receiving notice under Subsection (c) if the motor vehicle was not removed after the preceding notice.

(f)  The notice required of a salvage pool operator under this section must be sent by registered or certified mail, return receipt requested.

(g)  If a motor vehicle is not removed from a salvage pool operator's possession before the 46th day after the date initial notice is mailed to the motor vehicle's owner and any lienholder under Subsection (d), the salvage pool operator may obtain from the department:

(1)  a salvage vehicle title for a salvage motor vehicle; or

(2)  a nonrepairable vehicle title for a nonrepairable motor vehicle.

(h)  An application for a title under Subsection (g) must:

(1)  be submitted to the department on a form prescribed by the department; and

(2)  include evidence that the notice was mailed as required by Subsections (d) and (e), as applicable, to the motor vehicle owner and any lienholder.

(i)  A title issued under this section must be issued in the name of the salvage pool operator.

(j)  The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.

(k)  On receipt of a title under this section for a motor vehicle described by Subsection (b), the salvage pool operator may sell the motor vehicle and retain the proceeds of the sale.

SECTION 3.  This Act takes effect September 1, 2023.