

By: Kacal

H.B. No. 4543

A BILL TO BE ENTITLED

AN ACT

relating to an exception to the titling requirement for certain motor vehicles; creating a criminal offense.

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

SECTION 1. Subchapter E, Chapter 501, Transportation Code, is amended by adding Section 501.098 to read as follows:

Sec. 501.098. EXCEPTION TO TITLE REQUIREMENT FOR CERTAIN VEHICLES. (a) Notwithstanding any other law, a metal recycler or used automotive parts recycler may acquire through sale, donation, or other means of transfer a motor vehicle without obtaining a title to the vehicle if:

(1) the vehicle is at least 12 years old and is acquired solely for parts, dismantling, or scrap and:

(A) the vehicle is not subject to a recorded security interest or lien; or

(B) the vehicle is subject only to recorded security interests or liens:

(i) for which a release of each recorded security interest or lien on the vehicle is provided; or

(ii) that were recorded on the certificate of title more than six years before the date of acquisition under this section;

(2) the recycler does not dismantle, crush, or shred the vehicle before the close of business on the third business day

after the date the recycler submitted to the department the information required under Subsection (c); and

(3) except as provided by Subsection (k), the recycler complies with Subsections (b) and (c).

(b) A metal recycler or used automotive parts recycler who acquires a motor vehicle under this section shall obtain the following information:

(1) the name, address, and National Motor Vehicle Title Information System identification number of the recycler;

(2) the name, initials, or other identification of the individual recording the information required by this subsection;

(3) the date of the transaction;

(4) a description of the vehicle, including the make and model to the extent practicable;

(5) the vehicle identification number of the vehicle;

(6) the license plate number of any vehicle transporting the vehicle being transferred;

(7) the amount of consideration given for the vehicle, if any;

(8) a written statement signed by the transferor or an agent acting on behalf of the transferor:

(A) certifying that the transferor or agent has the lawful right to transfer the vehicle;

(B) certifying that the vehicle complies with any security interest or lien requirements under Subsection (a)(1); and

(C) acknowledging that a person who falsifies information contained in the written statement is subject to

1 criminal penalties and restitution for losses incurred as a result  
2 of the transfer of the vehicle based on falsified information  
3 contained in the statement;

4 (9) the name and address of the transferor, and the  
5 transferor's agent if applicable;

6 (10) a photocopy or electronic scan of:

7 (A) a valid driver's license of the transferor or  
8 the transferor's agent; or

9 (B) any other photographic identification card  
10 of the transferor or the transferor's agent issued by any state or  
11 federal agency; and

12 (11) proof demonstrating that the recycler has  
13 reported the vehicle to the department as provided by Subsection  
14 (c).

15 (c) A metal recycler or used automotive parts recycler who  
16 acquires a motor vehicle under this section shall submit to the  
17 department, in the manner prescribed by the department, and the  
18 National Motor Vehicle Title Information System information  
19 necessary to satisfy any applicable requirement for reporting  
20 information to the National Motor Vehicle Title Information System  
21 in accordance with rules adopted under 28 C.F.R. Section 25.56 not  
22 later than 24 hours, not counting weekends or official state  
23 holidays, after the close of business on the day the vehicle was  
24 received. The department may report information received under this  
25 subsection to the National Motor Vehicle Title Information System  
26 on behalf of the recycler. A recycler is not required to report  
27 information to the National Motor Vehicle Title Information System

1 if the department reports the information on behalf of the recycler  
2 under this subsection.

3 (d) Not later than 48 hours after receiving information from  
4 a recycler under Subsection (c) about a motor vehicle, the  
5 department shall notify the recycler whether the vehicle has been  
6 reported stolen.

7 (e) If the department notifies a recycler under Subsection  
8 (d) that a motor vehicle has been reported stolen, the recycler  
9 shall notify the appropriate local law enforcement agency of the  
10 current location of the vehicle and provide to the agency  
11 identifying information of the person who transferred the vehicle.

12 (f) On receipt of information under Subsection (c)  
13 regarding a motor vehicle acquired under this section, the  
14 department shall:

15 (1) add a notation to the motor vehicle record of the  
16 vehicle indicating that the vehicle has been dismantled, scrapped,  
17 or destroyed; and

18 (2) cancel the title of the vehicle.

19 (g) A person who acquires a motor vehicle under this section  
20 that is later determined by the department or another governmental  
21 entity to have been reported stolen is not criminally or civilly  
22 liable unless the person had knowledge that the vehicle was a stolen  
23 vehicle or failed to comply with the requirements of Subsection (b)  
24 or (c).

25 (h) A court shall order a person who transfers a motor  
26 vehicle under this section to make restitution, including  
27 attorney's fees, to the owner or lienholder of the vehicle, or to a

1 metal recycler or used automotive parts recycler, for any damage or  
2 loss caused by an offense committed by the transferor related to the  
3 vehicle.

4 (i) The records required to be maintained under this section  
5 must be open to inspection by a representative of the department or  
6 a law enforcement officer during reasonable business hours.

7 (j) A contract with a United States Department of Justice  
8 approved third-party data consolidator, pursuant to 28 C.F.R. Part  
9 25, may be used to satisfy:

10 (1) the responsibilities of the department under this  
11 section; and

12 (2) the reporting responsibilities of a recycler under  
13 Subsection (c).

14 (k) A metal recycler may acquire from a used automotive  
15 parts recycler a vehicle under this section without complying with  
16 Subsections (b) and (c) if:

17 (1) the vehicle has been flattened, crushed, baled, or  
18 logged such that the vehicle is less than 50 percent of its original  
19 volume;

20 (2) the vehicle is acquired for purposes of scrap  
21 metal only; and

22 (3) the transferor or an agent acting on behalf of the  
23 transferor of the vehicle certifies to the metal recycler that all  
24 vehicles included in the transfer were reported to the department  
25 or the National Motor Vehicle Title Information System.

26 (l) This section preempts all requirements that are  
27 inconsistent with specific provisions of this section relating to

1 the acquisition and dismantling, crushing, or shredding of a motor  
2 vehicle without obtaining the title to the vehicle.

3 SECTION 2. Section 501.109, Transportation Code, is amended  
4 by adding Subsections (c-1) and (i) and amending Subsections (d)  
5 and (e) to read as follows:

6 (c-1) A person commits an offense if the person knowingly:

7 (1) fails to obtain or falsifies information required  
8 under Section 501.098(c);

9 (2) falsifies the information required under Section  
10 501.098(b);

11 (3) falsifies the statement required under Section  
12 501.098(b)(8);

13 (4) transfers a vehicle under Section 501.098 that is  
14 the subject of a security interest or lien other than a security  
15 interest or lien described by Section 501.098(a)(1)(B); or

16 (5) otherwise violates Section 501.098.

17 (d) Except as provided by Subsection (e), an offense under  
18 Subsection (a), (b), ~~(c)~~, or (c-1) is a Class C misdemeanor.

19 (e) If it is shown on the trial of an offense under  
20 Subsection (a), (b), ~~(c)~~, or (c-1) that the defendant has been  
21 previously convicted of:

22 (1) one offense under Subsection (a), (b), ~~(c)~~,  
23 or (c-1), the offense is a Class B misdemeanor; or

24 (2) two or more offenses under Subsection (a), (b),  
25 ~~(c)~~, or (c-1), the offense is a state jail felony.

26 (i) Money generated from penalties collected for offenses  
27 under Subsection (c-1) may be used only for enforcement,

H.B. No. 4543

1 investigation, prosecution, and training activities related to  
2 motor vehicle related offenses.

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