

By: Bucy

H.B. No. 5269

A BILL TO BE ENTITLED

AN ACT

relating to motor vehicle titles.

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

Section 520.0071;

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER C. REFUSAL TO ISSUE OR~~[7]~~ REVOCATION, SUSPENSION, OR ALTERATION OF TITLE ~~[CERTIFICATE]~~

SECTION 8. Section 501.074(a), Transportation Code, is amended to read as follows:

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

(1) a certified copy of an order appointing a

temporary administrator or of the probate proceedings;

(2) letters testamentary or letters of administration;

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

(4) a court order; or

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

SECTION 9. Section 501.091, Transportation Code, is amended by adding Subdivision (1-a) and amending Subdivisions (10) and (16) to read as follows:

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

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

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

SECTION 10. The heading to Section 501.09111, Transportation Code, is amended to read as follows:

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

1 TITLE [~~, OR SALVAGE RECORD OF TITLE~~].

2 SECTION 11. Section 501.09111(b), Transportation Code, is
3 amended to read as follows:

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

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

10 (b) A nonrepairable vehicle title must clearly indicate
11 that the motor vehicle:

12 (1) may not be:

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

14 (B) registered in this state; or

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

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

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

25 (e) An electronic application for a nonrepairable vehicle
26 title or [~~, nonrepairable record of title,~~] salvage vehicle title
27 [~~, or salvage record of title~~] must clearly advise the applicant of

the same provisions required on a printed title.

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

SECTION 13. The heading to Section 501.0925, Transportation Code, is amended to read as follows:

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

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

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

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

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

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

(b) An application for a title under Subsection (a) must be

submitted to the department on a form prescribed by the department and include:

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

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

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

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

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

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

(d) An application for a title under Subsection (c) must be submitted to the department on a form prescribed by the department and include:

(1) a statement that the insurance company has

provided at least two written notices attempting to obtain a proper assignment of the evidence of ownership [~~certificate of title~~]; and

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

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

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

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

(3) otherwise allowed by department rule.

SECTION 15. Sections 501.097(a) and (c-1), Transportation Code, are amended to read as follows:

(a) An application for a nonrepairable vehicle title or [~~nonrepairable record of title~~] salvage vehicle title [~~or salvage record of title~~] must:

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

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

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

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification

1 number; and

2 (3) include the name and address of:

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

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

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

10 SECTION 16. The heading to Section 501.100, Transportation
11 Code, is amended to read as follows:

12 Sec. 501.100. APPLICATION FOR [~~REGULAR CERTIFICATE OF~~]
13 TITLE FOR SALVAGE VEHICLE.

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

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

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

26 (2) states the name of each person from whom the parts
27 used in repairing, rebuilding, or reconstructing [~~assembling~~] the

vehicle were obtained; and

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

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

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

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

(3) certificate of authority issued under Chapter 683.

SECTION 18. Sections 501.1001(b), (c), and (d), Transportation Code, are amended to read as follows:

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

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

(d) This subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to

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

10 SECTION 19. Section 501.1002(b), Transportation Code, is
11 amended to read as follows:

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

19 SECTION 20. Section 501.1003, Transportation Code, is
20 amended to read as follows:

21 Sec. 501.1003. SALVAGE VEHICLE DEALER RESPONSIBILITIES.

22 (a) If a salvage vehicle dealer acquires ownership of a
23 nonrepairable motor vehicle or salvage motor vehicle for the
24 purpose of dismantling, scrapping, or destroying the motor vehicle,
25 the dealer shall, before the 31st day after the date the dealer
26 acquires the motor vehicle, submit to the department a report
27 stating that the motor vehicle will be dismantled, scrapped, or

1 destroyed. The dealer shall:

2 (1) make the report in a manner prescribed by the
3 department; and

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

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

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

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

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

27 SECTION 22. Section 501.109(c), Transportation Code, is

1 amended to read as follows:

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

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

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

10 SECTION 23. Section 501.110(b), Transportation Code, is
11 amended to read as follows:

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

18 SECTION 24. Section 501.152(a), Transportation Code, is
19 amended to read as follows:

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

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

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

26 SECTION 25. Section 1956.0321(a), Occupations Code, is
27 amended to read as follows:

1 (a) In addition to the requirements of Section 1956.032, a
2 person attempting to sell a catalytic converter to a metal
3 recycling entity shall provide to the metal recycling entity:

4 (1) the year, make, model, and vehicle identification
5 number for the vehicle from which the catalytic converter was
6 removed; and

7 (2) a copy of the [~~certificate of~~] title or other
8 documentation indicating that the person has an ownership interest
9 in the vehicle described by Subdivision (1).

10 SECTION 26. This Act takes effect September 1, 2023.