

BILL ANALYSIS

S.B. 2246
By: West
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that salvage auto dealers routinely purchase vehicles from law enforcement auctions and foreclosure sales held by lienholders, where vehicle titles and other standard documents used to establish proof of ownership can be unavailable. Currently, salvage vehicles obtained at auctions and foreclosure sales must go through the process of obtaining titles, despite the fact that these vehicles are often nonrepairable and are not intended to return to operation on the road. S.B. 2246 addresses this issue by allowing auction sales receipts to be used to establish ownership for salvage vehicles, thereby saving salvage vehicle purchasers from the time-consuming process of obtaining a title for a vehicle that ultimately will be scrapped or destroyed and improving operational efficiency for the Texas Department of Motor Vehicles, who will no longer need to process title applications for such salvage 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. 2246 amends the Transportation Code to revise the requirement for a salvage vehicle dealer who acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle to submit to the Texas Department of Motor Vehicles (TxDMV) a report stating that intended purpose and one of certain specified documents, as follows:

- replaces a regular certificate of title with any title as a qualifying type of document; and
- includes an auction sales receipt among the document options.

The bill similarly revises the requirement for TxDMV to send a receipt after receiving the report and applicable document. The bill defines "auction sales receipt" as a document certifying the sale of a motor vehicle at auction by a law enforcement agency or public sale for a lien foreclosure.

EFFECTIVE DATE

September 1, 2025.