

BILL ANALYSIS

H.B. 3131
By: Martinez, "Mando"
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties report that during the legislative interim, the Texas Department of Motor Vehicles heard from stakeholder groups about redundant and sometimes confusing statutory language relating to the disposal of motor vehicles. H.B. 3131 seeks to address any such confusion by clarifying the process for disposing of certain motor vehicles to a motor vehicle demolisher.

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

H.B. 3131 amends the Transportation Code to revise the application process for the disposal of certain motor vehicles by authorizing a person to apply to the Texas Department of Motor Vehicles (TxDMV) for authority to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if the person is the recorded owner or has been transferred ownership of the motor vehicle or the vehicle is an abandoned motor vehicle and is in the possession of the person or located on property owned by the person and by removing the condition limiting such authority to a vehicle for which the certificate of title is lost, destroyed, or faulty. The bill revises the conditions under which a person is authorized to apply to TxDMV for the authority to dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling by removing provisions conditioning such disposition, among other things, on the age of the vehicle, the vehicle's inoperability, and the vehicle's compliance with emission control related requirements and by instead authorizing such disposition if the motor vehicle is in the possession of a lienholder under certain specified Property Code and Occupations Code provisions, the lienholder has complied with all applicable notification requirements to foreclose on the lien, and the lienholder determines the motor vehicle's only residual value is as a source of parts or scrap metal or it is not economical to dispose of the vehicle at a public sale.

H.B. 3131 requires such an application to be made in a manner prescribed by TxDMV and sets out revised application contents, including a certification by the applicant that the facts stated in the application are true and that the applicant is the recorded owner or has been transferred ownership of the vehicle or is a lienholder, as specified by the bill, that has complied with all applicable notification requirements; any proof required by TxDMV to verify compliance with applicable notification requirements; and the physical location of the motor vehicle. The bill

removes the requirement for the application to include an affidavit containing certain statements and establishes that TxDMV is not required to obtain an ownership document or any other verification of ownership in the name of an applicant who is the recorded owner or has been transferred ownership of the applicable vehicle if TxDMV is able to verify that the applicant is the recorded owner in the TxDMV automated registration and titling system. The bill increases the application fee from \$2 to \$10 and removes the fee exemption for an application that is made by a unit of government.

H.B. 3131 removes the requirement for TxDMV to give notice as provided by statutory provisions relating to the required notice sent by a law enforcement agency for taking an abandoned motor vehicle into custody if TxDMV determines that an application for the authorization to dispose of certain motor vehicles meets certain requirements. The bill instead requires TxDMV, if an application is submitted to sell, give away, or dispose of an abandoned motor vehicle in the possession of a person or located on property owned by the person, to send notice by first class mail to any owners and lienholders of the abandoned motor vehicle identified in the TxDMV automated registration and titling system or, if TxDMV has no record of owners or lienholders for the abandoned motor vehicle, to publish notice of abandonment on the TxDMV website. The bill sets out the required contents of the notice and expressly does not require TxDMV to send or publish notice for an application submitted for a motor vehicle by a person who is the recorded owner or has been transferred ownership of the motor vehicle or by a person who is applying to dispose of the motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling.

H.B. 3131 removes certain conditions that trigger the requirement and authorization for TxDMV to issue an applicant a certificate of authority to dispose of the vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling. The bill instead requires TxDMV to issue such a certificate if the submitted application for authorization to dispose of certain motor vehicles is properly executed, is accompanied by the required fee, and contains any proof of notification or ownership required by TxDMV to enforce statutory provisions relating to the demolition of abandoned motor vehicles.

H.B. 3131 amends the Property Code to authorize a person authorized to dispose of property for which a landlord lien is attached to dispose of the property in accordance with provisions governing the demolition of abandoned motor vehicles if the property is a motor vehicle and the person determines that the vehicle's only residual value is as a source of parts or scrap metal or it is not economical to dispose of the vehicle at a public sale. The bill makes those same authorizations and determinations applicable to the lessor of a self-service storage facility lien on a motor vehicle and to the lienholder of a possessory lien on a motor vehicle. The bill requires a person who so disposes of the property to apply the fair market value of the motor vehicle to the charges due to the person.

EFFECTIVE DATE

September 1, 2017.