

- SUBJECT:** Establishing titling and registration regulations for assembled vehicles
- COMMITTEE:** Transportation — committee substitute recommended
- VOTE:** 11 ayes — Canales, Landgraf, Bernal, Goldman, Hefner, Krause, Leman, Ortega, Raney, Thierry, E. Thompson
- 0 nays
- 2 absent — Y. Davis, Martinez
- WITNESSES:** For — Faron Smith, Assembled Vehicle Coalition; Michael Bordelon; Steve Nelson; Larry Olson; Thomas Randall; Justin Sullivan; Christopher Wilson; (*Registered, but did not testify*: Ron Hinkle, Assembled Vehicle Coalition of Texas; and 19 individuals)
- Against — Robert Braziel, Texas Automobile Dealers Association; (*Registered, but did not testify*: Tammy Embrey, City of Corpus Christi; Don Dixon; Stephanie Ingersoll)
- On — Linda G. Bridge, Tax Assessor-Collectors Association (*Registered, but did not testify*: Jo Heselmeyer and Steve Moninger, Department of Public Safety; Jeremiah Kuntz, Texas Department of Motor Vehicles)
- DIGEST:** CSHB 1755 would require the board of the Texas Department of Motor Vehicles (TxDMV) to establish procedures and requirements for the titling and registration of assembled vehicles and would require owners of assembled vehicles to title and register those vehicles.
- CSHB 1755 would define an "assembled vehicle" as a vehicle that was assembled from a motor, frame, and body and that was:
- built, assembled, constructed, or reconstructed from new or used materials and parts by a hobbyist;
 - altered or modified to the extent that the vehicle no longer reflected the original manufacturer's configuration; or

- assembled from a kit.

The term would include kit vehicles, dune buggies, sand rails, glider kits, replicas, custom vehicles, and street rods.

Eligibility for title and registration. The owner of an assembled vehicle would be required to title and register the vehicle under rules adopted by TxDMV, except as provided by the bill.

An assembled vehicle would not be eligible to be titled or registered in the state if the vehicle:

- was assembled, constructed, or reconstructed from the merging of two or more vehicle classes;
- used the frame or body of a vehicle that had been declared nonrepairable or junked;
- contained any electrical or mechanical components from a flood-damaged vehicle;
- was designed for off-highway use only;
- was designed by the manufacturer for on-track racing;
- had been stripped to the extent that the vehicle lost its original identity; or
- used any parts that did not meet federal motor vehicle safety standards.

Inspections and sale. CSHB 1755 would require TxDMV to exempt assembled vehicles from certain equipment requirements and any inspection requirements that conflicted with the requirements of the bill or that were not possible for an assembled vehicle to comply with due to its nature.

The bill would allow TxDMV to require assembled vehicles to pass an inspection conducted by a master technician in addition to the state inspection. The department would have to specify the items of equipment that would have to be inspected and require the master technician to evaluate the structural integrity of the assembled vehicle. All inspection

fees would be paid by the vehicle owner.

The bill would prohibit the transfer of ownership of an assembled vehicle, other than a replica, to or by a dealer.

TxDMV would be required to adopt rules required by the bill and make any necessary changes to existing rules in order to implement the bill as soon as practicable after the effective date.

The bill would take effect September 1, 2019.

**SUPPORTERS
SAY:**

CSHB 1755 would allow dune buggy hobbyists and owners of other assembled vehicles to register and receive a title for vehicles they had put significant amounts of time, money, and effort into building and that did not present a public danger. Many other states currently allow for the titling and registration of these types of assembled vehicles.

The Texas Department of Motor Vehicles (TxDMV) issued titles and permitted the registration of assembled vehicles until 2014 when, due to a rule change resulting from a lack of statutory clarity, the department stopped issuing and began to revoke assembled vehicle titles. CSHB 1755 would create the statutory clarity necessary to permit the thorough inspection and safe, legal operation of assembled vehicles in Texas, enabling the TxDMV to again permit these vehicles.

A rigorous inspection process established in the bill would allow the TxDMV to require a master technician inspection for assembled vehicles as well as the state vehicle inspection. This would ensure that assembled vehicles that were titled and registered by the department did not present a road safety risk.

The bill also would include a provision prohibiting assembled vehicles other than replicas from being transferred to or sold by dealers, which would protect dealers from liability for assembled cars.

OPPONENTS

CSHB 1755 would not sufficiently clarify the types of vehicles that would

SAY: qualify as assembled vehicles, which could pose a safety risk for Texas road users. Because the bill would not define "motor," "frame," and "body," the three main components of an assembled vehicle, CSHB 1755 would leave the definition of an assembled vehicle too open to interpretation and could allow for the titling and registration of unsafe vehicles.

The bill also would not include sufficient protections for dealers who could be held liable if an assembled vehicle passed through their stream of commerce. CSHB 1755 should tighten the prohibition on selling assembled vehicles to dealers and require a disclaimer for consumers when they purchased an assembled vehicle.

NOTES: According to the Legislative Budget Board, CSHB 1755 would have a negative impact of \$23,490 in general revenue related funds for the 2020-21 biennium. The bill also would have a negative impact of \$15.4 million to other state funds through the 2020-21 biennium.