

BILL ANALYSIS

Senate Research Center

H.B. 1137
By: Uher (Brown)
State Affairs
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Engrossed

DIGEST

Currently, because of the frequency of turnover in ownership of financial institutions, many lien records are moved from institution to institution and become more difficult to locate. Therefore, current law requires a motor vehicle lienholder to pay to have the lien added to the Texas Department of Transportation's (TXDOT) records. Upon the demand of the owner, the lienholder discharges the retired lien and forwards the title to the owner. However, the TXDOT records continue to reflect the lien until a records management fee is paid by the owner. H.B. 1137 would facilitate the orderly and timely transfer of a title to a motor vehicle when a lien against the motor vehicle has been discharged.

PURPOSE

As proposed, H.B. 1137 outlines provisions regarding the discharge of a lien on a motor vehicle and the subsequent sale of or issuance of temporary tags for the vehicle.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 501.115(a), Transportation Code, to require a lienholder, within a reasonable time not to exceed 21 days from receipt of the final payment, rather than on the demand of the owner, to execute and deliver to the owner, or the owner's designee, a discharge of the lien. Makes a nonsubstantive change.

SECTION 2. Amends Section 501.152, Transportation Code, to set forth instances in which a person commits an offense, except as provided by this section. Provides that it is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the certificate of title to the vehicle if the sole reason he or she does not have possession of the certificate of title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code.

SECTION 3. Amends Section 503.063, Transportation Code, by amending Subsections (a) and (b) and adding Subsection (f), to outline provisions regarding the issuance of an temporary buyer's tag. Makes conforming changes.

SECTION 4. Emergency clause.
Effective date: upon passage.