

BILL ANALYSIS

Senate Research Center
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H.B. 3521
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Infrastructure
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Engrossed

DIGEST

Currently, motor vehicle title services are unregulated, post no bonds, and are not required to maintain records. Such third-party title services have been linked to vehicle insurance fraud and car theft. H.B. 3521 would establish provisions regarding motor vehicle title services, and would provide a criminal penalty.

PURPOSE

As proposed, H.B. 3521 establishes provisions regarding motor vehicle title services, and provides a criminal penalty.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the county tax assessor-collector in SECTION 1 (Section 520.059(b), Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 520, Transportation Code, by adding Subchapter E, as follows:

SUBCHAPTER E. MOTOR VEHICLE TITLE SERVICES

Sec. 520.051. **DEFINITIONS.** Defines “motor vehicle,” “motor vehicle title service,” “title documents,” “title service license holder,” “title service record,” and “title service runner.”

Sec. 520.052. **APPLICABILITY.** Provides that this subchapter applies to any motor vehicle title service operating in a county that has a population of more than 2.8 million.

Sec. 520.053. **LICENSE REQUIRED.** Prohibits a person from acting as a motor vehicle title service or acting as an agent for that business unless that person holds a license issued under this subchapter.

Sec. 520.054. **GENERAL LICENSE APPLICATION REQUIREMENTS.** Requires an applicant for a motor vehicle title service license (service license) to apply on a form prescribed by the county tax assessor-collector. Sets forth inclusions required in the application.

Sec. 520.055. **APPLICATION REQUIREMENTS: CORPORATION.** Sets forth additional required information for a service license applicant that intends to engage in business as a corporation.

Sec. 520.056. **APPLICATION REQUIREMENTS: PARTNERSHIP.** Sets forth additional required information for a service license applicant that intends to engage in business as a partnership.

Sec. 520.057. **RECORDS.** Requires a service license holder to maintain required records on a prescribed form and made available by the county tax assessor-collector for each transaction in which the license holder receives compensation. Sets forth required inclusions for the record. Sets forth certain documents that a motor vehicle service is required to keep.

Sec. 520.058. **INSPECTION OF RECORDS.** Requires a license holder or any of its employees to allow an inspection of required records by a peace officer on the premises of the motor vehicle

title service at any reasonable time to verify, check, or audit the records.

Sec. 520.059. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. Authorizes the county tax assessor-collector to deny, suspend, revoke, or reinstate a service license. Requires the county tax assessor-collector to adopt rules that establish grounds for the denial, suspension, revocation, or reinstatement of a licence and rules that establish procedures for disciplinary action. Establishes that procedures issued under this subchapter are subject to Chapter 2001, Government Code. Prohibits a person whose service license is revoked from applying for a new license before the first anniversary of the date of the revocation. Prohibits a service license from being issued under a fictitious name that is similar to or may be confused with the name of a governmental entity or that is deceptive or misleading to the public.

Sec. 520.060. LICENSE RENEWAL. Provides that a service license expires on the first anniversary of the date of issuance and may be renewed annually on or before the expiration date on payment of the required renewal fee. Authorizes a person who is otherwise eligible to renew a service license to renew an unexpired license by paying to the county tax assessor-collector before the expiration date of the service license the required renewal fee. Prohibits a person whose license has expired from engaging in activities that require a service license until the license has been renewed. Sets forth conditions regarding renewal providing the amount of time the license has been expired. Authorizes a person who has been out of the state doing business for a two years preceding the application to renew an expired service license. Requires the person to pay to the county tax assessor-collector a fee that is equal to two times the required renewal fee for the license. Requires the county tax assessor-collector to notify a person of the impending expiration of service license, before the 30th day preceding the expiration date. Requires the notice to be in writing and sent to the person.

Sec. 520.061. CRIMINAL PENALTY. Provides that a person commits an offense if the person violates this subchapter or a rule adopted by the county assessor-collector. Establishes that an offense under this section is a Class A misdemeanor.

Sec. 520.062. INJUNCTION. Authorizes a district attorney of the county in which the motor vehicle title service is located to bring an action to enjoin the operation of a motor vehicle title service if the service license holder or a runner of the motor vehicle title service while in the scope of the runner's employment is convicted of more than one offense under this subchapter. Sets forth provisions by which the court is authorized to grant relief.

Sec. 520.063. EXEMPTIONS. Provides that certain persons and their agents are exempt from the licensing and other requirements established by this subchapter.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.