

BILL ANALYSIS

Senate Research Center
77R5871 JD-F

H.B. 1678
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State Affairs
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Engrossed

DIGEST AND PURPOSE

Prior to passage of salvage vehicle licensing and titling legislation in the 75th Legislature, many salvage and nonrepairable salvage vehicles were purchased at auction for high bids by persons who wanted just the Vehicle Identification Numbers and titles for the vehicles. These individuals then transferred the make, model, and year of the vehicle which was the same as a stolen vehicle and sold the vehicle to unsuspecting buyers. Although the original legislation corrected some of the problems associated with the transfer of salvage vehicles, it has become evident that some parts of the original law needed to be corrected or clarified. H.B. 1678 makes changes to the salvage vehicle licensing and titling legislation.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 501.0911(a) (12), Transportation Code, to redefine “out-of-state buyer.”

SECTION 2. Amends Section 501.0912(d), Transportation Code, to make conforming changes.

SECTION 3. Amends Section 501.0916(a), Transportation Code, to make conforming changes.

SECTION 4. Amends Section 501.0919, Transportation Code, to authorize the owner of a late model salvage motor vehicle to sell the vehicle only to a salvage vehicle dealer in this state, an out-of-state buyer who holds a license under Section 501.0933, or a person described by Subsection (g), Article 6687-2b, Revised Statutes. Authorizes a salvage vehicle dealer to also sell a late model salvage motor vehicle described by this section to an individual. Deletes text regarding the motor vehicle certificate of title. Deletes text regarding a buyer in a casual sale at auction.

SECTION 5. Amends Section 501.0923, Transportation Code, to set forth a list of requirements regarding the display of the words “REBUILT SALVAGE” on a certificate of title.

SECTION 6. Amends Section 501.0925, Transportation Code, to prohibit a person who holds a nonrepairable motor vehicle certificate of title for a vehicle from rebuilding a vehicle. Makes a nonsubstantive change.

SECTION 7. Amends Section 501.0928, Transportation Code, to require a nonrepairable motor vehicle certificate of title to state on its face certain information regarding a vehicle.

SECTION 8. Amends Chapter 501E, Transportation Code, to prohibit an out-of-state buyer from purchasing a salvage or nonrepairable motor vehicle in this state unless the person holds a license issued by the department that authorizes the purchase of a vehicle. Requires the person to apply to the department in order to obtain an out-of-state buyer’s license. Requires the application to be

accompanied by certain documents and fees, if the applicant is a resident of the United States. Requires the application to be accompanied by a nonrefundable application fee of \$200 and certain documents, if the applicant is not a resident of the United States. Requires an application for a license under this section from an out-of-state buyer who purchases salvage or nonrepairable motor vehicles in this state only over the Internet to be accompanied by a fee of \$25, notwithstanding certain subsections of this section. Provides that a license issued under this section expires on the first anniversary of its date of issuance and authorizes it to be renewed annually on or before its expiration date on payment of the appropriate fee under certain subsections of this section.

SECTION 9. Amends Sections 1.01(13) and (15), Article 6687-1a, Revised Statutes, to redefine “salvage part” and “salvage vehicle agent.”

SECTION 10. Repealer: Sections 501.0911(a) (3)(Definitions) and 501.0927 (Application for Certificate of Title by Rebuilder of Nonrepairable Motor Vehicle), Transportation Code.

SECTION 11. Effective date: September 1, 2001, except that Section 8 takes effect March 1, 2002.