

BILL ANALYSIS

Senate Research Center
77R4409 DWS-D

S.B. 713
By: Shapiro
State Affairs
3/23/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, when a vehicle is purchased through a loan, the Texas Department of Transportation (TxDOT) issues the original title to the lender or lien holder and a duplicate, non-negotiable title to the vehicle owner. Texas also issues Registration Purpose Only titles, another type of non-negotiable title, for vehicles registered in Texas but titled in another state. Other states do not issue non-negotiable titles to owners, instead allowing the purchaser to use a registration card or other paperwork as proof of ownership. As proposed, S.B. 713 removes the Transportation Code requirement that TxDOT issue non-negotiable titles and clarifies that other documents may be used to prove ownership. This bill also clarifies that TxDOT is currently authorized to issue Registration Purpose Only documents and charge a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Transportation in SECTION 3 (Section 501.029, Transportation Code) and SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 501.022(a), Transportation Code, to prohibit the owner of a motor vehicle registered in this state from operating or permitting the operation of the vehicle on a public highway until the owner obtains a certificate of title for the vehicle or until the owner obtains registration for the vehicle if a receipt evidencing title to the vehicle is issued under Section 501.029(b).

SECTION 2. Amends Section 501.024(d), Transportation Code, to delete language regarding a title receipt not being effective after a certain period unless renewed as provided by Texas Department of Transportation (department) rules.

SECTION 3. Amends Section 501.029(b), Transportation Code, to delete text regarding marking certificates of title "original" and issuing certificates of title in duplicate. Makes conforming changes.

SECTION 4. Amends Section 501.132, Transportation Code, as follows:

Sec. 501.132. New heading: DUPLICATE TITLE RECEIPT. Deletes text regarding duplicate certificates of title.

SECTION 5. Amends Section 502.152(a), Transportation Code, to prohibit the department from registering or renewing the registration of a motor vehicle for which a certificate of title is required under Chapter 501 unless the owner presents satisfactory evidence that a certificate of title was previously issued to the owner by the department or another jurisdiction.

SECTION 6. Amends Section 501.029, Transportation Code, as follows:

Sec. 501.029. New heading: USE OF REGISTRATION RECEIPT OR TITLE RECEIPT TO EVIDENCE TITLE. Authorizes a person to use a registration receipt issued under

Chapter 502 or a title receipt to evidence title to a motor vehicle and not to transfer an interest in or establish a lien on the vehicle. Authorizes the department by rule to provide for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. Provides that the fee for application for the receipt is the fee applicable to application for a certificate of title. Makes a conforming change.

SECTION 7. Amends Sections 501.134(a) and (e), Transportation Code, to make conforming changes.

SECTION 8. Requires the department to adopt rules necessary to account for abolition by this Act of duplicate original certificates of title.

SECTION 9. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Amends As Filed S.B. 713 by adding a new SECTION 1 and renumbering the following SECTIONS accordingly.

SECTION 1. Amends Section 501.022(a), Transportation Code, to prohibit the owner of a motor vehicle registered in this state from operating or permitting the operation of the vehicle on a public highway until the owner obtains a certificate of title for the vehicle or until the owner obtains registration for the vehicle if a receipt evidencing title to the vehicle is issued under Section 501.029(b).

Amends As Filed S.B. 713 by adding a new SECTION 4 and renumbering the following SECTIONS accordingly.

SECTION 4. Amends Section 501.132, Transportation Code, as follows:

Sec. 501.132. New heading: DUPLICATE TITLE RECEIPT. Deletes text regarding duplicate certificates of title.

Amends As Filed S.B. 713 by adding a new SECTION 5 and renumbering the following SECTIONS accordingly.

SECTION 5. Amends Section 502.152(a), Transportation Code, to prohibit the department from registering or renewing the registration of a motor vehicle for which a certificate of title is required under Chapter 501 unless the owner presents satisfactory evidence that a certificate of title was previously issued to the owner by the department or another jurisdiction.