

## **BILL ANALYSIS**

Senate Research Center  
79R12408 MSE-D

H.B. 3221  
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Business & Commerce  
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Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Chapter 2305 (Records of Certain Vehicle Repairs, Sales, and Purchases), Occupations Code, requires the maintenance of records regarding vehicle repairs, sales, and purchases. H.B. 3221 and Chapter 2305 apply primarily to "chop shops," which are entities that repair vehicles for resale. Unlike automobile dealers, which are regulated by several entities, chop shops are not subject to any formal regulatory oversight. In the absence of this oversight, they are sometimes used for the processing of stolen vehicles.

H.B. 3221 clarifies parties and procedure for entry and inspection to businesses affected by the Act, and provides a penalty for failure to consent to an inspection. The bill also amends the chapter to replace antiquated, unused references with contemporary language.

### **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 2305.001, Occupations Code, by amending Subdivisions (2) and (3) and adding Subdivision (4), to redefine "repair" and "used motor vehicle," and define "motor vehicle." Makes conforming changes.

SECTION 2. Amends Section 2305.002, Occupations Code, to make conforming changes.

SECTION 3. Amends Section 2305.003(a), Occupations Code, to make conforming changes.

SECTION 4. Amends Section 2305.004, Occupations Code, as follows:

Sec. 2305.004. New heading: REGISTER OF USED MOTOR VEHICLE SALES AND PURCHASES. (a) Makes a conforming change.

(b) Requires the register, if a person buys a used motor vehicle, to contain certain information. Makes conforming changes.

(c) Makes conforming changes.

SECTION 5. Amends Section 2305.006, Occupations Code, as follows:

Sec. 2305.006. New heading: MAINTENANCE OF RECORDS. (a) Requires all records required to be maintained under this subchapter to be kept until at least the first anniversary of the date the record is made. Deletes existing text requiring the records to be open for public inspection at all reasonable hours.

(b) Requires the registers required by Sections 2305.003 and 2305.004 to be maintained in a clear and intelligent manner in a well-bound book or an electronic recordkeeping system and kept in a secure place in the office or place of business where the work is performed or the business is conducted. Deletes existing text requiring the registers to be open at all times to inspection by certain persons.

SECTION 6. Amends Subchapter A, Chapter 2305, Occupations Code, by adding Section 2305.007, as follows:

Sec. 2305.007. ENTRY AND INSPECTION. (a) Authorizes, except as provided by Subsection (b), for the purpose of enforcing or administering this chapter, Chapter 2302 (Salvage Vehicle Dealers) of this code, or Chapter 501 (Certificate of Title Act) or 502 (Registration of Vehicles), Transportation Code, a member of the Texas Transportation Commission, an employee of the Texas Transportation Commission or Texas Department of Transportation, a member of the Public Safety Commission, an officer of the Department of Public Safety (DPS), or another peace officer who is interested in tracing or locating a stolen motor vehicle to enter the premises of a business regulated under one of those chapters and inspect or copy an document, record, vehicle, part, or other item regulated under one of those chapters at a reasonable time.

(b) Authorizes only an officer of DPS, for the purposes of tracing or locating a stolen motor vehicle on the premises of a person engaging in a business or activity regulated under this chapter who is also licensed under Chapter 348 (Motor Vehicle Installment Sales), Finance Code, to enter the premises of the person's business and inspect or copy any document, record, vehicle, part, or other item regulated under this chapter or Chapter 348, Finance Code.

(c) Requires a person engaging in a business or activity regulated under this chapter to cooperate with a person conducting an inspection under this section to assist in the recovery of stolen motor vehicles and parts and to prevent the sale or transfer of stolen motor vehicles and parts.

(d) Provides that an entry or inspection occurs at a reasonable time for purposes of Subsection (a) or (b) if the entry or inspection occurs at certain times.

SECTION 7. Amends Section 2305.101, Occupations Code, as follows:

Sec. 2305.101. CRIMINAL PENALTY. (a) Creates this subsection from existing text. Provides that a person commits an offense if the person violates this chapter or a rule adopted under this chapter.

(b) Creates this subsection from existing text. Provides an exception to this subsection as created by Subsection (c).

(c) Provides that an offense under this chapter that consists of the violation of Section 2305.007 is a Class A misdemeanor.

SECTION 8. Makes application of this Act prospective.

SECTION 9. Effective date: September 1, 2005.