

BILL ANALYSIS

Senate Research Center

C.S.H.B. 988
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Transportation & Homeland Security
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, vehicle owners must apply for vehicle registration and certificate of title in order to operate a vehicle on a public road. Section 502.002, Transportation Code, requires that an owner apply to register a vehicle through the county assessor-collector each year or if the vehicle is unregistered. Section 501.023, Transportation Code, requires that an owner apply for a certificate of title through the county assessor-collector in the county in which the owner resides, the county in which the vehicle is purchased, or the county in which the lending institution is located.

A vehicle dealer must apply, in the name of the purchaser of the vehicle, for the registration of the vehicle and a certificate of title for the vehicle. The dealer has to file each document necessary to transfer the title or to register the vehicle.

C.S.H.B. 988 sets forth procedures for situations in which the seller applies for registration or certificate of title in a county other than the county of residence of the purchaser.

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 501.0234, Transportation Code, by adding Subsections (d), (e), and (f), as follows:

(d) Authorizes a seller who applies for the registration or a certificate for certain motor vehicles to apply in certain counties.

(e) Requires the tax-assessor collector of a county in which a seller applies, if the seller applies for registration of title in a county other than the county of residence of the purchaser, and if the purchaser so directs, not later than six months after the transaction, to tender to the tax assessor-collector of the county of the purchaser's residence all taxes, fees, and other revenue that were collected as a result of that transaction which the tax assessor-collector is authorized by law to retain.

(f) Requires the Texas Department of Transportation to promulgate a form by which the purchaser of a motor vehicle may designate the purchaser's county of residence as the recipient of all taxes, fees, and other revenue collected as a result of that transaction which the tax assessor-collector is authorized by law to retain. Requires a seller to make that form available to the purchaser at the time of purchase. Provides that unless that form is executed by the purchaser at the time of sale, all taxes, fees, and other revenue that were collected as a result of the transaction which the tax assessor-collector is authorized by law to retain remain in the county in which the seller applies for title and registration.

SECTION 2. Amends Section 501.0234, Transportation Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a)(1) Creates an exception as provided by this chapter to the requirement that the seller apply in the name of the purchaser of the vehicle for the registration of the vehicle and a certificate of title for the vehicle and file with the appropriate agent each document necessary to transfer title or register the vehicle.

(d) Provides that a seller has reasonable time to comply with the terms of Subsection (a)(1) and is not in violation of that provision during the time the seller is making a good-faith effort to comply. Provides that notwithstanding compliance with this chapter, equitable title to a vehicle passes to the purchaser of the vehicle at the time the vehicle is the subject of a sale that is enforceable by either party.

SECTION 3. Effective date: September 1, 2005.