

## **BILL ANALYSIS**

Senate Research Center  
79R1616 KSD-D

S.B. 1152  
By: Harris  
Jurisprudence  
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As Filed

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

As a condition for receiving federal funds for child support enforcement programs and cash assistance programs, states must establish and operate a child support enforcement program that complies with certain requirements of federal law. One of the mandated procedures is the assertion of liens for child support against a support obligor's personal and real property. Section 157.316(b), Family Code, provides that a lien for child support that attaches to a motor vehicle must be perfected in a manner that requires the surrender of the vehicle title to the court or Title IV-D agency and the issuance by the Texas Department of Transportation (TxDOT) of a subsequent title that discloses the attachment of the child support lien.

The 77th Legislature, Regular Session, 2001, amended the Transportation Code to require TxDOT to develop, by rule, a system through which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on certificate of title. Participation by a lien holder is voluntary.

By Rule Section 17.1, effective November 21, 2002, TxDOT established the Electronic Lien Title Program (ELT), as an alternative to the procedure under which, when a vehicle is purchased through a loan, TxDOT issues an original paper title to the lienholder and a nonnegotiable copy of the title to the purchaser of the vehicle.

As proposed, S.B. 1152 authorizes the electronic perfection of a child support lien in Title IV-D cases through the use of the ELT system developed by TxDOT. The opportunity for the Title IV-D agency to use the ELT system would greatly enhance its ability to use the child support lien as an enforcement tool with respect to a motor vehicle owned by a delinquent obligor.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Department of Transportation is modified in SECTION 2 (Section 501.117, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 157.316(b), Family Code, to create an exception, if the lien will be perfected electronically, to the rule that if a child support lien attaches to a motor vehicle, the lien must be perfected in a certain way and that the court or Title IV-D agency that rendered the order of child support include in the order that the obligor provide evidence of the legal ownership of the vehicle against which the lien may attach. Includes perfecting the lien electronically according to certain rules as a way of perfecting a lien against a motor vehicle. Makes nonsubstantive changes.

SECTION 2. Amends Section 501.117(a), Transportation Code, to require the Texas Department of Transportation (TxDOT), by rule, to develop a system under which a lien on, rather a security interest in, a motor vehicle may be perfected, assigned, discharged, and cancelled electronically. Requires the rules adopted under this section to include specific provisions for the electronic perfection of a child support lien asserted on a motor vehicle.

SECTION 3. Requires TxDOT to adopt rules as required by Section 501.117(a), Transportation Code, as amended by this Act, as soon as practicable after the effective date of this Act.

SECTION 4. Effective date: September 1, 2005.