

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1755
By: Thompson, Ed et al. (Hughes)
Transportation
5/17/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been noted that the statutory framework needed to allow the operation of certain assembled vehicles on Texas roadways, including titling and registration requirements, has yet to be adopted. H.B. 1755 seeks to address this issue by providing for the titling, registration, and inspection of these vehicles. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 1755 amends current law relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 3 (Section 731.002, 731.052, and 731.101, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 2301, Occupations Code, by adding Section 2301.0045, as follows:

Sec. 2301.0045. NONAPPLICABILITY OF CHAPTER TO ASSEMBLED VEHICLES AND HOBBYIST. Provides that this chapter (Sale or Lease of Motor Vehicles) does not apply to an assembled vehicle or a hobbyist, as those terms are defined by Section 731.001, Transportation Code.

SECTION 2. Amends Subchapter A, Chapter 2302, Occupations Code, by adding Section 2302.009, as follows:

Sec. 2302.009. REBUILDING OF ASSEMBLED VEHICLE PROHIBITED. Prohibits a salvage vehicle dealer from, as part of engaging in a business or activity regulated under this chapter, rebuilding an assembled vehicle, as defined by Section 731.001, Transportation Code.

SECTION 3. Amends Subtitle J, Title 7, Transportation Code, by adding Chapter 731, as follows:

CHAPTER 731. ASSEMBLED VEHICLES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 731.001. DEFINITIONS. (a) Defines "assembled motorcycle," "assembled motor vehicle," "assembled vehicle," "assembled trailer," "custom vehicle," "glider kit," "hobbyist," "master technician," "owner," "replica," "title," and "vehicle" and defines "board" to mean the board of the Texas Department of Motor Vehicles (board) for purposes of this chapter.

(b) Defines "assembled vehicle" for purposes of Subsection (a)(4).

Sec. 731.002. RULES. Authorizes the board to adopt rules as necessary to implement and administer this chapter.

Sec. 731.003. CONFLICT OF LAW. Provides that, to the extent of a conflict between this chapter, including a rule adopted under this chapter, and another law, this chapter controls.

SUBCHAPTER B. TITLE AND REGISTRATION

Sec. 731.051. ELIGIBILITY FOR TITLE AND REGISTRATION. (a) Requires an owner of an assembled vehicle, except as provided by Subsection (b), to apply for a title for the vehicle and register the vehicle as provided by Chapters 501 (Certificate of Title Act) and 502 (Registration of Vehicles), as applicable, and in accordance with rules adopted under this chapter, regardless of whether the assembled vehicle was built or assembled using a vehicle that was previously titled in this state or another jurisdiction.

(b) Prohibits an assembled vehicle from being titled or registered in this state if the vehicle:

(1) is built or assembled from the merging of two or more vehicle classes, provided that component parts from the following vehicle classes may be interchanged;

(A) two-axle, four-tire passenger cars;

(B) two-axle, four-tire pickups, panels, and vans; and

(C) six-tire dually pickups, of which the rear tires are dual tires;

(2) uses the frame or body of a nonrepairable motor vehicle, as defined by Section 501.091(Definitions);

(3) contains any electrical or mechanical components from a flood-damaged vehicle;

(4) is designed for off-highway use only;

(5) is designed by the manufacturer for on-track racing only;

(6) has been stripped to the extent that the vehicle loses its original identity; or

(7) uses any parts that do not meet federal motor vehicle safety standards, if standards have been developed for those parts.

Sec. 731.052. PROCEDURES AND REQUIREMENTS FOR TITLE AND REGISTRATION. (a) Requires the board by rule to establish procedures and requirements for issuance of a title for an assembled vehicle and registration of an assembled vehicle.

(b) Provides that rules adopted under Subsection (a):

(1) are prohibited from excluding a type of assembled vehicle, other than an assembled vehicle described by Section 731.051(b), from eligibility for title and registration;

(2) are required to establish the form of a title issued for an assembled vehicle; and

(3) are required to exempt an assembled vehicle or a type of assembled vehicle from any provision of Chapter 501 or 502 that an assembled vehicle cannot comply with or otherwise meet the requirements of.

Sec. 731.053. CERTIFICATE OF TITLE REQUIREMENTS. (a) Requires the title for an assembled vehicle that has never been titled in this state or any other jurisdiction to:

- (1) list the owner of the assembled vehicle as the purchaser;
- (2) contain the notation "NONE" in the space for the seller's name;
- (3) list the municipality and state in which the vehicle was completed in the space for the seller's municipality and state; and
- (4) contain the odometer reading and the notation "NOT ACTUAL MILEAGE".

(b) Requires a title issued for an assembled vehicle, except as provided by Subsection (a), to contain all of the information required under Section 501.021 (Title For Motor Vehicle).

Sec. 731.054. ASSIGNMENT OF VEHICLE IDENTIFICATION NUMBER. Requires the Texas Department of Motor Vehicles (TxDMV) to assign a vehicle identification number under Section 501.033 (Assignment and Reassignment of Identification Number by Department) to an assembled vehicle unless the vehicle has a discernible vehicle identification number assigned by:

- (1) the manufacturer of the component part by which the vehicle may be identified; or
- (2) the maker of the kit from which the vehicle is built or assembled.

SUBCHAPTER C. INSPECTION BY MASTER TECHNICIAN

Sec. 731.101. INSPECTION REQUIRED FOR ISSUANCE OF TITLE. (a) Requires an assembled vehicle, in addition to the inspection required under Chapter 548 (Compulsory Inspection of Vehicles), to pass an inspection conducted by a master technician for the type of assembled vehicle being inspected. Requires the inspection to be conducted before the issuance of a title for the assembled vehicle.

(b) Requires the owner of the assembled vehicle, on application for a title for an assembled vehicle, to provide:

- (1) proof acceptable to TxDMV that the vehicle passed an inspection conducted under this section; and
- (2) a copy of the master technician's Automobile and Light Truck certification or a successor certification.

(c) Requires the board by rule to establish procedures and requirements for the inspection required by this section. Provides that rules adopted under this subsection:

- (1) shall establish inspection criteria;
- (2) may specify additional items of equipment that are required to be inspected by a master technician and may specify different items of equipment that are required to be based on the type of assembled vehicle; and

(3) may require an owner of an assembled vehicle that is being inspected under this section to pay all fees required for the inspection, including any reinspection, in addition to all applicable fees required under Chapter 548 for an inspection or reinspection conducted under that chapter.

Sec. 731.102. EQUIPMENT SUBJECT TO INSPECTION. Requires an inspection conducted under Section 731.1001 to:

(1) as applicable, include the following items of an assembled vehicle:

- (A) frame, chassis, and any structural components of the vehicle;
- (B) wheel assembly;
- (C) brake system, including each brake and power brake unit;
- (D) steering system, including power steering; and
- (E) front seat belts in vehicles that contain seat belt anchorages; and

(2) include an evaluation of the structural integrity of the assembled vehicle and, as applicable, the connection points of the:

- (A) frame, chassis, or body;
- (B) steering system;
- (C) drive train; and
- (D) suspension.

SECTION 4. Amends Section 501.002, Transportation Code, by amending Subdivisions (1), (8), (24), (31), and (32) and adding Subdivision (1-a) to define "assembled vehicle" and redefine "first sale," "serial number," "used motor vehicle," and "vehicle identification number."

SECTION 5. Amends Section 501.035(b), Transportation Code to redefine "former military vehicle" for purposes of this section.

SECTION 6. Amends Section 502.001, Transportation Code, by adding Subdivision (17-a) to define "former military vehicle."

SECTION 7. Amends Subchapter D, Chapter 502, Transportation Code, by adding Section 502.141, as follows:

Sec. 502.141. OFF-HIGHWAY FORMER MILITARY VEHICLES. (a) Prohibits a person, except as provided by Subsections (b) and (c), from registering a former military vehicle designated for off-highway use, with or without design alterations, for operation on a public highway.

(b) Authorizes a former military vehicle to be registered for on-road use if the vehicle:

- (1) is a high mobility multipurpose wheeled vehicle designated for off-highway use; and
- (2) has a gross vehicle weight rating of less than 10,000 pounds.

(c) Authorizes a former military vehicle issued specialty license plates under Section 504.502 (Certain Exhibition Vehicles) to be operated on a public highway in accordance with that section.

SECTION 8. Amends Subchapter A, Chapter 503, Transportation Code, by adding Section 503.013, as follows:

Sec. 503.013. DEALER TRANSFER OF CERTAIN ASSEMBLED VEHICLES PROHIBITED. (a) Defines "assembled vehicle" and "replica" for purposes of this section.

(b) Prohibits ownership of an assembled vehicle, other than a replica, from being transferred to or by a dealer under this chapter (Dealer's and Manufacturer's Vehicle License Plates).

SECTION 9. Amends Section 504.502(i), Transportation Code, to redefine "former military vehicle" for purposes of this section.

SECTION 10. Amends Subchapter A, Chapter 548, Transportation Code, by adding Section 548.009, as follows:

Sec. 548.009. ASSEMBLED VEHICLES. (a) Defines "assembled vehicle" for purposes of this section.

(b) Provides that a provision of this chapter does not apply to an assembled vehicle if the provision:

(1) conflicts with Chapter 731 or a rule adopted under that chapter; or

(2) is a provision that an assembled vehicle, by its nature, cannot comply with or otherwise meet.

SECTION 11. Amends Section 663.001, Transportation Code, by amending Subdivision (1-b) and adding Subdivision (3) to redefine "off-highway vehicle" and define "sand rail."

SECTION 12. Requires the board, as soon as practicable after the effective date of this Act, to:

(1) adopt the rules required by Chapter 731, Transportation Code, as added by this Act; and

(2) adopt or modify any rules necessary to implement the changes in law made by this Act.

SECTION 13. Effective date: September 1, 2019.