

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 24, 2019  
Date

Honorable Dan Patrick  
President of the Senate

Honorable Dennis Bonnen  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 3842 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

J. J. Hinojosa  
Hinojosa, Chair

Peter P. Flores  
Flores

Bryan Hughes  
Hughes

Nichols

Zaffirini  
On the part of the Senate  
Zaffirini

Tracy A. King  
Tracy A. King

Chad Geren  
Geren

Goldman  
Goldman

Canales  
Canales

Harless  
On the part of the House  
Harless

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 3842

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain motor vehicle dealers;  
waiving certain fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 501, Transportation Code,  
is amended by adding Section 501.0236 to read as follows:

Sec. 501.0236. ISSUANCE OF TITLE AND PERMITS WHEN DEALER  
GOES OUT OF BUSINESS. (a) This section applies only to a person who  
is the purchaser of a motor vehicle for which the dealer:

(1) is required to apply for a title for the vehicle  
under Section 501.0234; and

(2) does not apply for the title because the dealer has  
gone out of business.

(b) A purchaser to whom this section applies may apply for:

(1) a title in the manner prescribed by the department  
by rule; and

(2) on expiration of the buyer's tag issued to the  
purchaser under Section 503.063, a 30-day permit under Section  
502.095.

(c) An application for a title under this section must  
include a release of any recorded lien on the motor vehicle unless  
the only recorded lienholder is a dealer described by Subsection  
(a).

(d) The department shall waive the payment of fees for:

1           (1) a title issued to a purchaser described by this  
2 section, if the purchaser can show that fees for a title were paid  
3 to the dealer; and

4           (2) one 30-day permit issued to a purchaser described  
5 by this section.

6           (e) Notwithstanding Section 503.033(e), the department may  
7 recover against the surety bond executed by the dealer under  
8 Section 503.033 the amount of any fee waived for a title or permit  
9 issued under this section.

10          (f) The department shall adopt the rules necessary to  
11 implement this section.

12          SECTION 2. Section 503.027(a), Transportation Code, is  
13 amended to read as follows:

14          (a) A [~~If a dealer consigns for sale more than five vehicles~~  
15 ~~in a calendar year from a location other than the location for which~~  
16 ~~the dealer holds a general distinguishing number, the]~~ dealer must  
17 [~~also~~] hold a general distinguishing number for a [~~the~~] consignment  
18 location unless the consignment location is a wholesale motor  
19 vehicle auction.

20          SECTION 3. This Act takes effect September 1, 2019.

**House Bill 3842**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

*No equivalent provision.*

SENATE VERSION (IE)

CONFERENCE

SECTION \_\_. Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.0236 to read as follows:

Sec. 501.0236. ISSUANCE OF TITLE AND PERMITS WHEN DEALER GOES OUT OF BUSINESS. (a) This section applies only to a person who is the purchaser of a motor vehicle for which the dealer:

(1) is required to apply for a title for the vehicle under Section 501.0234; and

(2) does not apply for the title because the dealer has gone out of business.

(b) A purchaser to whom this section applies may apply for:

(1) a title in the manner prescribed by the department by rule; and

(2) on expiration of the buyer's tag issued to the purchaser under Section 503.063, a 30-day permit under Section 502.095.

(c) An application for a title under this section must include a release of any recorded lien on the motor vehicle unless the only recorded lienholder is a dealer described by Subsection (a).

(d) The department shall waive the payment of fees for:

(1) a title issued to a purchaser described by this section, if the purchaser can show that fees for a title were paid to the dealer; and

(2) one 30-day permit issued to a purchaser described by this section.

(e) Notwithstanding Section 503.033(e), the department may recover against the surety bond executed by the dealer under Section 503.033 the amount of any fee waived for a title or permit issued under this section.

SECTION 1. Same as Senate version.

**House Bill 3842**  
Conference Committee Report  
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HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(f) The department shall adopt the rules necessary to implement this section. [FA1]

SECTION 1. Section 503.027(a), Transportation Code, is amended.

SECTION 1. Same as House version.

SECTION 2. Same as House version.

*No equivalent provision.*

SECTION \_\_. The heading to Section 503.033, Transportation Code, is amended. [FA1]

Same as House version.

*No equivalent provision.*

SECTION \_\_. Sections 503.033(a) and (d), Transportation Code, are amended. [FA1]

Same as House version.

SECTION 2. Effective date.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 25, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB3842** by King, Tracy O. (Relating to the regulation of certain motor vehicle dealers; waiving certain fees.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 501 of the Transportation Code to establish provisions for the issuance of a vehicle title and a 30-day permit to the purchaser of a vehicle for which the dealer is required to apply for a title for the vehicle but does not apply for the title because the dealer has gone out of business. The bill would authorize the Department of Motor Vehicles (DMV) to waive the fee for the title if the purchaser can show that fees for a title were paid to the dealer and waive the fee for one 30-day permit issued to the purchaser. The bill would authorize DMV to recover against a dealer's security bond the amount of any fee waived for the title or permit under the provisions of the bill.

DMV anticipates one-time information technology programming costs would be incurred to implement the bill. Based on LBB's analysis of information provided by DMV, it is assumed the provisions of the bill would not result in a significant fiscal impact to the State and any costs associated with implementation would be absorbed within the agency's existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 608 Department of Motor Vehicles

**LBB Staff:** WP, TG, KK, CLo

**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under House Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not subject to a point of order under Rule 13.

I certify that a copy of the conference committee report on HB 3842 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

May D. King  
(name)

05/24/19  
(date)