

BILL ANALYSIS

C.S.H.B. 3531
By: Martinez
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding confusing requirements found within the Certificate of Title Act relating to certain vehicle titles. It has been suggested that certain titling and registration requirements need updating to allow titling processes to operate more efficiently. Furthermore, it has been noted that emblems and designs for some military specialty license plates issued for disabled veterans are not eligible for inclusion on the disabled veteran license plate. C.S.H.B. 3531 seeks to address these issues by revising provisions relating to motor vehicle titles, registration, and certain license plates.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3531 amends the Transportation Code to revise certain references under the Certificate of Title Act to motor vehicle titles by establishing the following:

- a nonrepairable vehicle title includes a nonrepairable record of title;
- a salvage vehicle title includes a salvage record of title; and
- a motor vehicle title includes a certificate of title.

C.S.H.B. 3531 exempts a motor vehicle for which the title has been surrendered in exchange for a certificate of authority issued to dispose of the vehicle from titling requirements for a dealer who sells the vehicle at the first or a subsequent sale.

C.S.H.B. 3531 requires the Texas Department of Motor Vehicles (TxDMV) to place a hold on processing a title application for a vehicle if TxDMV receives a request for a hold accompanied by evidence of a lawsuit regarding ownership of or a lien interest in the vehicle. The bill requires the hold to continue until the lawsuit is concluded or the party requesting the hold requests the hold be removed. The bill changes the deadline by which an applicant aggrieved by a refusal, rescission, cancellation, suspension, or revocation of title must file an appeal to the assessor-collector's applicable determination from not later than the fifth day after that determination to not later than the fifth day after receipt of the determination. The bill prohibits a person from applying for a hearing to appeal a determination of the refusal, revocation, or suspension of a title if TxDMV's determination is related to a title for a salvage motor vehicle or a nonrepairable motor vehicle. The bill prohibits a person from obtaining such a title by filing a bond as an alternative to applying for a hearing.

C.S.H.B. 3531 authorizes an insurance company that acquires, through payment of a claim, ownership or possession of a vehicle covered by a manufacturer's certificate of origin that the company is unable to obtain to subsequently obtain from TxDMV, not earlier than the 30th day after the date of payment of the claim, a salvage vehicle title, a nonrepairable vehicle title, or a motor vehicle title, as applicable. The bill authorizes an insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle, salvage motor vehicle, or nonrepairable motor vehicle covered by an out-of-state title or out-of-state ownership document to obtain from TxDMV under certain conditions a title, salvage title, or nonrepairable vehicle title, as appropriate.

C.S.H.B. 3531 authorizes the owner of a motor vehicle for which an out-of-state ownership document comparable to a title has been issued for a salvage motor vehicle to apply for a title after the vehicle has been repaired, rebuilt, or reconstructed if the application meets certain requirements, as revised by the bill. The bill revises the prohibition against TxDMV from issuing a title to certain nonrepairable and salvage motor vehicles based on certain documents by prohibiting the issuance of a title based on the following:

- a nonrepairable vehicle title issued on or after September 1, 2003, or comparable out-of-state ownership document or record, or evidence of a notation describing the vehicle as in a certain condition of disrepair on an out-of-state ownership document or record in the National Motor Vehicle Title Information System; or
- a certificate of authority issued for an abandoned vehicle.

C.S.H.B. 3531 includes an auction sales receipt among the applicable documents that a salvage vehicle dealer who acquires ownership of a nonrepairable vehicle or salvage vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle may submit with the report stating that purpose to TxDMV. The bill defines "auction sales receipt" as a document certifying the sale of a vehicle at auction by a law enforcement agency or public sale for a lien foreclosure.

C.S.H.B. 3531 expands the conduct constituting an offense for the sale or offer of a registered motor vehicle without the title receipt or title to include the actor not having electronic access to the vehicle's title receipt or title if the actor does not possess the title receipt or title. The bill requires a temporary 72-hour or 144-hour registration permit issued in lieu of registration for certain commercial motor vehicles, trailers, semitrailers, or motor buses to be carried in the vehicle, or, if the vehicle is a trailer or semitrailer, in the motor vehicle pulling the trailer or semitrailer, at all times during the period in which the permit is valid, including when the vehicle is being operated.

C.S.H.B. 3531 replaces the requirement for a temporary tag for a one-trip or 30-day trip permit to be clearly displayed in the vehicle's rear window with the requirement for the one-trip or 30-day trip permit to be attached to the vehicle's rear license plate display area. The bill removes the authorization for the permit to be carried in the vehicle as an alternative to being displayed and requires the registration receipt for the permit to be carried in the vehicle in a manner prescribed by TxDMV.

C.S.H.B. 3531 authorizes a disabled veteran license plate issued to a person to include on request one emblem or design from any other military specialty license plate to which the person is entitled but removes the authorization for a disabled veteran license plate to include the emblem of the veteran's branch of service. The bill authorizes one set of license plates to be issued without the payment of the vehicle registration fee for a Legion of Merit medal recipient.

C.S.H.B. 3531 includes a truck tractor among the vehicles whose operation on a public highway during a registration period without a compliantly displayed and valid license plate constitutes an offense.

C.S.H.B. 3531 reenacts and amends Section 504.403, Transportation Code, as amended by Chapter 1296 (H.B. 2357), Acts of the 82nd Legislature, Regular Session, 2011, and repealed by Chapter 1290 (H.B. 2017), Acts of the 82nd Legislature, Regular Session, 2011, to authorize a current or visiting state or federal judge to elect to receive license plates that do not include the words "State Judge" or "U.S. Judge." The bill repeals the requirements for TxDMV to issue the following specialty license plates:

- Eagle Scout license plates;
- sexual assault awareness license plates; and
- foundation school program license plates.

C.S.H.B. 3531 repeals Sections 504.654, 504.660, and 504.664, Transportation Code.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3531 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include the original's provision revising the collection and removal of additional vehicle registration fees required to be credited to county road and bridge funds.

The substitute includes an authorization absent from the original for a current or visiting state or federal judge to elect to receive license plates that do not include the words "State Judge" or "U.S. Judge."