

## **BILL ANALYSIS**

Senate Research Center  
80R1828 KSD-F

S.B. 227  
By: Harris  
Jurisprudence  
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As Filed

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

Under current law, if an obligor does not surrender their motor vehicle title to the court, a child support lien on the vehicle cannot be perfected. The Title IV-D agency is allowed to place a child support lien on the obligor's motor vehicle, but it is the responsibility of the obligor to submit the motor vehicle title to the court, which will then issue a new title to the obligor with the appropriate information. However, an obligor who does not submit the title to the court is able to sell the vehicle and collect a profit without being compelled to fulfill their child support obligations.

As proposed, S.B. 227 assists the Title IV-D agency in establishing a child support lien on a motor vehicle, registered in this state, of a person who has past due child support. If the obligor refuses to surrender the title to the vehicle, the Title IV-D agency will be able to submit a copy of the child support lien notice to the Texas Department of Transportation to issue a new title with the appropriate lien notice. The child support lien does not supersede any prior lien on the motor vehicle. The Texas Department of Transportation currently has a process for issuing a new certificate of title for a motor vehicle registered in this state.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Transportation and to the Title IV-D Agency in SECTION 4 (Section 501.1135, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 157.316, Family Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Excepts a lien asserted by the Title IV-D agency (agency) as described by Subsection (c) from the requirement that a lien established under this subchapter be perfected in the manner provided by Chapter 501 (Certificate of Title Act), Transportation Code. Provides that a lien against a motor vehicle under this subchapter is not perfected under this subsection until the obligor's title to the vehicle has been surrendered to the court and the Texas Department of Transportation (TxDOT) has issued a subsequent title that discloses on its face the fact that the vehicle is subject to a child support lien under this subchapter. Makes conforming changes.

(c) Authorizes the agency to perfect the lien asserted against a motor vehicle as specified in Section 501.1135 (Perfection and Recordation of Child Support), Transportation Code.

SECTION 2. Amends Section 157.322, Family Code, as follows:

Sec. 157.322. MANDATORY RELEASE OF LIEN. Requires the agency to deliver to certain persons a discharge of a lien imposed on a motor vehicle upon full payment of due child support if the agency asserted the lien. Makes a conforming change.

SECTION 3. Amends Section 501.113(a), Transportation Code, to make a conforming change.

SECTION 4. Amends Subchapter F, Chapter 501, Transportation Code, by adding Section 501.1135, as follows:

Sec. 501.1135. PERFECTION AND RECORDATION OF CHILD SUPPORT LIEN.

(a) Defines "obligor" and "Title IV-D Agency."

(b) Authorizes the agency to perfect a lien asserted by the agency upon a Texas-registered vehicle by delivering to TxDOT a copy of the lien notice. Requires the notice to contain certain information pertaining to child support liens, including the vehicle identification number of the vehicle against which the lien is asserted.

(c) Requires TxDOT, on receipt of a child support lien notice from the agency, if TxDOT finds a record of a certificate of title issued in the name of the obligor, to process the lien and issue a new certificate of title that discloses on its face that the obligor's vehicle is subject to a child support lien. .

(d) Prohibits a child support lien perfected under this section from affecting the validity or priority of a conveyance of interest in, a lien of a holder of a security interest in, or a vendor's lien on the vehicle if such liens were established the imposition of the child support lien was perfected.

(e) Exempts the certificate of title reissued with notification of a lien from certain fees.

(f) Requires TxDOT and the agency by rule to adopt procedures to implement this section.

SECTION 5. Requires TxDOT and the agency to adopt the rules required by Section 501.1135(f), Transportation Code, as added by this Act, as soon as practicable after the effective date.

SECTION 6. Effective date: September 1, 2007.