

BILL ANALYSIS

Senate Research Center
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H.B. 3901
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As interested parties point out, when an aircraft owner consistently fails to meet the owner's contractual payment obligations, a lender may choose to settle the default status of the loan by repossessing the aircraft. Although the repossession process of an aircraft often is a peaceful one, the parties note cases in which aircraft owners have become hostile and cases in which repossession agents, in an attempt to avoid confrontation and to speedily complete the process, go as far as jumping fences and hotwiring aircrafts in order to fly away, sometimes putting not only the agent but the public at risk by short-cutting essential pre-flight safety procedures. In order to provide for the safety of the repossession agent and the public, H.B. 3901 seeks to amend the applicable law to provide for the safe transfer of these aircraft.

H.B. 3901 amends current law relating to the repossession of an aircraft.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 4, Property Code, by adding Chapter 30, as follows:

CHAPTER 30. WRIT OF ASSISTANCE FOR REPOSSESSION OF AIRCRAFT

Sec. 30.01. DEFINITIONS. Defines "aircraft," "repossession," and "repossession agent."

Sec. 30.02. WRIT OF ASSISTANCE FOR REPOSSESSION OF AIRCRAFT. (a) Provides that a writ of assistance for the repossession of an aircraft authorizes a peace officer to assist and protect a repossession agent in gaining possession of the aircraft while the agent secures the aircraft on site, or prepares the aircraft, which may include a mechanical inspection, for removal from the site by flight or otherwise to another location.

(b) Provides that a writ of assistance for the repossession of an aircraft is valid for 30 days.

(c) Authorizes a justice court to grant unlimited extensions of a writ of assistance issued under this chapter.

Sec. 30.03. PETITION FOR WRIT OF ASSISTANCE. (a) Authorizes a repossession agent to file a petition in a justice court for a writ of assistance for the repossession of an aircraft.

(b) Entitles the repossession agent to the writ if the repossession agent establishes that the aircraft is subject to the proposed repossession and that the repossession agent is authorized to engage in the repossession.

(c) Requires that the petition for the writ include a copy of:

- (1) the security agreement relating to the aircraft;
- (2) the notice of default under the security agreement sent by the lender to the borrower;
- (3) the instrument in which a power of attorney for the repossession is granted to the repossession agent by the lender; and
- (4) the results of a title search of the Federal Aviation Administration's records for the aircraft.

SECTION 2. Effective date: September 1, 2015.