

## **BILL ANALYSIS**

Senate Research Center

H.B. 2879  
By: Landgraf (Seliger)  
Business & Commerce  
5/14/2021  
Engrossed

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

Concerns have been raised regarding reports by mechanics experiencing difficulty when attempting to foreclose a possessory lien on certain motor vehicles and transfer the vehicle's title after foreclosure. While a mechanic is required to pay the administrative fee and file the notice with the county tax assessor-collector's office within 30 days of completing repairs, it has been suggested that some current procedures make this process more burdensome than necessary.

H.B. 2879 seeks to address this issue by providing mechanics flexibility with regard to the deadline by which a notice to foreclose on a lien must be filed with the county tax assessor-collector's office.

H.B. 2879 amends current law relating to notice required in connection with possessory liens on certain motor vehicles.

### **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 Section 70.006, Property Code, by amending Subsections (a) and (b-1) and adding Subsection (a-1), as follows:

(a) Requires a holder of a possessory lien on a motor vehicle under Section 70.001 (Worker's Lien), other than a person licensed as a franchised dealer under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code, subject to Subsection (a-1), rather than not later than the 30th day after the date on which the charges accrue, to file a copy of the notice and all information required by Section 70.006 (Sale or Disposal of Motor Vehicle, Motorboat, Vessel, or Outboard Motor) with the county tax assessor-collector's office in the county in which the repairs were made with an administrative fee of \$25 payable to the county tax assessor-collector.

(a-1) Requires that a copy of the notice and information required to be filed with the county tax assessor-collector's office under Subsection (a) be filed:

(1) for a motor vehicle that has a gross vehicle weight rating of less than 16,000 pounds, not later than the 30th day after the date on which the charges accrue; and

(2) for a motor vehicle that has a gross vehicle weight rating equal to or greater than 16,000 pounds, not later than the later of the 30th day after the date on which the charges accrue or the 30th day before the date of a proposed sale or disposition of the motor vehicle under Subsection (f) or (f-1) (relating to authorizing the lienholder to sell certain vehicles if the charges are not paid before the 31st day after the date that a certain notice is filed).

(b-1) Requires a holder of a possessory lien on a motor vehicle under Section 70.001, other than a person licensed as a franchised dealer under Chapter 2301, Occupations

Code, who is required to give notice to a lienholder of record under this Section 70.006 to include in the notice certain information, including if applicable, the proposed date of the sale or disposition of the motor vehicle under Subsection (f) or (f-1).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2021.