

## **BILL ANALYSIS**

Senate Research Center  
87R17016 JAM-D

C.S.S.B. 876  
By: Hancock  
Business & Commerce  
3/31/2021  
Committee Report (Substituted)

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

Texans purchasing a vehicle and motor vehicle dealers selling vehicles in Texas are looking for continued flexibility and efficiency in titling and registering sold motor vehicles by allowing for the option to title and register in any county willing to accept the application. S.B. 876 accomplishes that goal by amending Section 501.0234 of the Transportation Code by striking "shall" and adding "may" and by adding "in which the county assessor-collector is willing to accept the application." The bill also applies only to an application for the registration of or a title for a motor vehicle purchased on or after the effective date of this Act. An application for the registration of or a title for a motor vehicle purchased before the effective date of this Act is governed by the law in effect when the vehicle was purchased, and the former law is continued in effect for that purpose.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 876 amends current law relating to the county in which a person may apply for the registration of and title for a motor vehicle.

### **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 501.023(a), Transportation Code, as follows:

(a) Requires the owner of a motor vehicle, to obtain a title, to apply to any county assessor-collector who is willing to accept the application, rather than to the county assessor-collector of a county who is willing to accept the application if the county assessor-collector's office of the county in which the owner resides is closed or may be closed for a protracted period of time as defined by the Texas Department of Motor Vehicles (TxDMV).

SECTION 2. Amends Section 501.0234(d), Transportation Code, as follows:

(d) Authorizes a seller who applies for the registration or a title for a motor vehicle under Subsection (a)(1) (relating to the application for the registration of a vehicle by a seller) to apply to the county assessor-collector of the county in which the owner is domiciled, or the motor vehicle is purchased or encumbered, or to any county assessor-collector who is willing to accept the application. Deletes existing text requiring a seller who applies for the registration or a title for a motor vehicle under Subsection (a)(1) to apply in the county as directed by the purchaser from the counties set forth in Section 501.023 (Application for Title).

SECTION 3. Amends Section 501.030(e), Transportation Code, as follows:

(e) Requires the owner of a motor vehicle, before a vehicle that is required to be registered in Texas and that is brought into Texas by a person other than a manufacturer

or importer is authorized to be bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle or encumbered by a lien, to apply for a title in a manner prescribed by TxDMV to the county assessor-collector for the county in which the transaction is to take place or to any assessor-collector who is willing to accept the application.

SECTION 4. Amends Section 502.0023(b), Transportation Code, as follows:

(b) Requires that a system of extended registration under Section 502.0023 (Extended Registration of Commercial Fleet Vehicles) allow the owner of a commercial fleet to register an entire commercial fleet in the county of the owner's residence or principal place of business or in any county in which the county assessor-collector is willing to accept the registration. Deletes existing text requiring that a system of extended registration under Section 502.0023 allow the owner of a commercial fleet to register the motor vehicles in a commercial fleet that are operated most regularly in the same county. Makes nonsubstantive changes.

SECTION 5. Amends Section 502.040(b), Transportation Code, as follows:

(b) Requires that the vehicle registration application be accompanied by personal identification as determined by TxDMV rule and made in a manner prescribed by TxDMV through any county assessor-collector who is willing to accept the application. Deletes existing text requiring that the application be accompanied by personal identification as determined by TxDMV rule and made in a manner prescribed by TxDMV if the office of that assessor-collector is closed, or may be closed for a protracted period of time, as defined by TxDMV rule. Makes nonsubstantive changes.

SECTION 6. Amends Section 502.041(a), Transportation Code, to authorize the owner of a vehicle, notwithstanding Section 502.040 (Registration Required; General Rule), to concurrently apply for a title and for registration through the county assessor-collector of the county in which the county assessor-collector is willing to accept the application. Makes nonsubstantive changes.

SECTION 7. Amends Section 502.407(c), Transportation Code, to provide that it is a defense to prosecution under Section 502.407 (Operation of Vehicle With Expired License Plate) that at the time of the offense the office of the county assessor-collector for the county in which the owner of the vehicle resided was closed for a protracted period of time in accordance with TxDMV rules, rather than in accordance with Section 502.040(b)(2) (relating to requiring that the application be accompanied by personal identification if the office of that assessor-collector is closed).

SECTION 8. Amends the heading to Section 520.006, Transportation Code, to read as follows:

Sec. 520.006. COLLECTION OF FEES ON BEHALF OF ANOTHER ASSESSOR-COLLECTOR; COMPENSATION OF ASSESSOR-COLLECTOR.

SECTION 9. Amends Sections 520.006(a-1) and (b), Transportation Code, as follows:

(a-1) Requires a county assessor-collector collecting fees on behalf of another county assessor-collector for purposes of Section 501.023, 501.0234 (Duty of Vehicle Dealer on Sale of Certain Vehicles), 501.030 (Motor Vehicles Brought Into State), 502.0023, 502.040, or 502.041 (Initial Registration) to collect all taxes, fees, and other revenue based on the vehicle owner's county of residence. Requires that the vehicle's owners county of residence be the recipient of all taxes, fees, and other revenue collected as a result of the transaction, except that the county processing the application is authorized to retain the portion of the title application fee under Section 501.138 (Collection and Disposition of Fees) and the processing and handling fee under Section 502.1911 (Registration Processing and Handling Fee) that the tax assessor-collector is authorized to retain. Deletes existing text authorizing a county assessor-collector collecting fees on behalf of a county assessor-collector whose office is closed or may be closed for a protracted period of time as defined by TxDMV to retain the commission for fees

collected, but requiring that assessor-collector to allocate the fees to the county that is closed or may be closed for a protracted period of time. Makes nonsubstantive changes.

(b) Requires a county assessor-collector who is compensated under Section 520.006 for processing a transaction to pay the entire expense of issuing registration receipts and license plates under Chapter 501 (Certificate of Title Act) or 502 (Registration of Vehicles) from the compensation allowed under Section 520.006.

SECTION 10. Amends Section 521.144(c), Transportation Code, to provide that a registration receipt issued by a county assessor-collector in Texas, rather than by the county assessor-collector of the county in which the new resident resides, is satisfactory evidence that a motor vehicle is registered under Chapter 502.

SECTION 11. (1) Repealer: Section 501.023(e) (relating to requiring that applications submitted to TxDMV electronically request the purchaser's choice of county as the recipient of all revenue collected as a result of the transaction), Transportation Code.

(2) Repealer: Section 501.0234(e) (relating to requiring TxDMV to develop a form or electronic process in which the purchaser of a motor vehicle is required to designate the purchaser's choice of the recipient all revenue collected as a result of the transaction), Transportation Code.

SECTION 12. Makes application of Section 502.407(c), Transportation Code, as amended by this Act, prospective.

SECTION 13. Effective date: September 1, 2021.