

## **BILL ANALYSIS**

C.S.H.B. 1693  
By: Dean  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note significant delays in the process by which motor vehicle ownership in Texas is transferred due to a requirement for certain written forms to be exchanged by mail. C.S.H.B. 1693 seeks to mitigate these delays by requiring the Texas Department of Motor Vehicles to provide both electronic and paper versions of certain of these documents.

### **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. 1693 amends the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to provide in electronic and paper formats and for use consistent with federal regulations a secure power of attorney form and a secure reassignment form for licensed motor vehicle dealers. The bill expressly does not require TxDMV to certify an electronic signature process or an electronic signature vendor before accepting such a form that is executed with an electronic signature.

C.S.H.B. 1693 replaces references to the seller, buyer, and sale of a motor vehicle in statutory provisions relating to the odometer disclosure statement required for the sale of a motor vehicle in Texas with references to the transferor, transferee, and transfer, respectively, of the vehicle and defines "transferor" and "transferee" by reference to federal regulations. The bill removes requirements that the disclosure be written and provided on a form prescribed by TxDMV and instead requires the transferor of a motor vehicle to provide the disclosure to the transferee in compliance with federal law. The bill removes the exemption from the odometer disclosure statement requirement for the sale of specified motor vehicles and instead exempts from that requirement the transfer of a motor vehicle that is exempt from odometer disclosure requirements under federal regulations.

### **EFFECTIVE DATE**

January 1, 2018.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1693 may differ from the original in minor or nonsubstantive ways, the

following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 501.072, Transportation Code, is amended to read as follows:

Sec. 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Except as provided by Subsection (c), the transferor [~~seller~~] of a motor vehicle sold in this state shall provide to the transferee [~~buyer, on a form prescribed by the department,~~] a [~~written~~] disclosure of the vehicle's odometer reading at the time of the transfer in compliance with 49 C.F.R. Part 580 [~~sale. The form must include space for the signature and printed name of both the seller and buyer~~].

(b) When application for a [~~certificate of~~] title is made, the transferee [~~owner~~] shall record the [~~current~~] odometer reading on the application. The [~~written~~] disclosure required by Subsection (a) must accompany the application.

(c) An odometer disclosure statement is not required for the sale of a motor vehicle that is exempt from odometer disclosure requirements under 49 C.F.R. Section 580.17 [∴

[~~(1) has a manufacturer's rated carrying capacity of more than two tons;~~

[~~(2) is not self-propelled;~~

[~~(3) is 10 or more years old;~~

[~~(4) is sold directly by the manufacturer to an agency of the United States government in conformity with contractual specifications; or~~

[~~(5) is a new motor vehicle~~].

SECTION 2. Subchapter D, Chapter 501, Transportation Code, is amended by adding Section 501.077 to read as follows:

Sec. 501.077. ELECTRONIC FORMS; VERIFICATION. (a) The department shall provide in electronic format and for use

#### HOUSE COMMITTEE SUBSTITUTE

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Sec. 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Except as provided by Subsection (c), the transferor [~~seller~~] of a motor vehicle [~~sold~~] in this state shall provide to the transferee [~~buyer, on a form prescribed by the department,~~] a [~~written~~] disclosure of the vehicle's odometer reading at the time of the transfer in compliance with 49 U.S.C. Section 32705 [~~sale. The form must include space for the signature and printed name of both the seller and buyer~~].

(b) When application for a [~~certificate of~~] title is made, the transferee [~~owner~~] shall record the [~~current~~] odometer reading on the application. The [~~written~~] disclosure required by Subsection (a) must accompany the application.

(c) An odometer disclosure statement is not required for the transfer [~~sale~~] of a motor vehicle that is exempt from odometer disclosure requirements under 49 C.F.R. Part 580 [∴

[~~(1) has a manufacturer's rated carrying capacity of more than two tons;~~

[~~(2) is not self-propelled;~~

[~~(3) is 10 or more years old;~~

[~~(4) is sold directly by the manufacturer to an agency of the United States government in conformity with contractual specifications; or~~

[~~(5) is a new motor vehicle~~].

(d) The department shall provide for use consistent with 49 C.F.R. Part 580:

(1) a secure power of attorney form; and

(2) a secure reassignment form for licensed motor vehicle dealers.

(e) In this section, "transferee" and "transferor" have the meanings assigned by 49 C.F.R. Section 580.3.

SECTION 2. Subchapter D, Chapter 501, Transportation Code, is amended by adding Section 501.077 to read as follows:

Sec. 501.077. FORMS; VERIFICATION. (a) The department shall provide in electronic and paper formats and for use

consistent with 49 C.F.R. Part 580:  
(1) a secure power of attorney form; and  
(2) a secure reassignment form for licensed motor vehicle dealers.  
(b) This section does not require the department to certify an electronic signature process or an electronic signature vendor before accepting a form described by Subsection (a) that is executed with an electronic signature.

SECTION 3. This Act takes effect September 1, 2017.

consistent with 49 C.F.R. Part 580:  
(1) a secure power of attorney form; and  
(2) a secure reassignment form for licensed motor vehicle dealers.  
(b) This section does not require the department to certify an electronic signature process or an electronic signature vendor before accepting a form described by Subsection (a) that is executed with an electronic signature.

SECTION 3. This Act takes effect January 1, 2018.