

SUBJECT: Updating procedures for the transfer of motor vehicles

COMMITTEE: Transportation — favorable, without amendment

VOTE: 9 ayes — Morrison, Martinez, Burkett, Y. Davis, Goldman, Pickett, Simmons, E. Thompson, Wray

0 nays

4 absent — Israel, Minjarez, Phillips, S. Thompson

SENATE VOTE: On final passage, April 25 — 31-0

WITNESSES: None

BACKGROUND: Transportation Code, sec. 501.072 requires the seller of a motor vehicle to provide the buyer a written disclosure of the vehicle's odometer reading at the time of the sale on a form prescribed by the Texas Department of Motor Vehicles. Sec. 501.076 allows certain written limited power of attorney agreements to be executed by vehicle owners.

Observers note that written odometer reading disclosures and power of attorney agreements take time to transfer and that transactions involving such forms could be completed more quickly with electronic forms.

DIGEST: SB 1062 would allow the odometer disclosure statement to be provided to a transferee electronically as long as the disclosure was in compliance with federal law and regulations.

The bill would require the Department of Motor Vehicles to provide a secure power of attorney form and a secure reassignment form for licensed motor vehicle dealers.

The bill would require the department to establish by rule a process to accept electronic signatures on secure documents that had been electronically signed through a system not controlled by the department.

A system would have to verify the identity of the person signing the document electronically and submit the document through an electronic titling system. The department would not be required to certify an electronic signature process or vendor before accepting a document with an electronic signature.

The bill would take effect January 1, 2018. The Department of Motor Vehicles would have to adopt rules to implement the bill by January 1, 2019.

NOTES:

A companion bill, HB 1693 by Dean, was reported favorably from the Senate Committee on Transportation on May 17.