

1-1 By: Williams S.B. No. 1035  
1-2 (In the Senate - Filed March 1, 2011; March 16, 2011, read  
1-3 first time and referred to Committee on Transportation and Homeland  
1-4 Security; April 20, 2011, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 20, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1035 By: Williams

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to motor vehicle title services; providing penalties.  
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-12 SECTION 1. Effective January 1, 2012, the heading to  
1-13 Subchapter E, Chapter 520, Transportation Code, is amended to read  
1-14 as follows:  
1-15 SUBCHAPTER E. COUNTY PERMITTING OF MOTOR VEHICLE TITLE SERVICES  
1-16 SECTION 2. Effective January 1, 2012, Subdivisions (2),  
1-17 (3), (4), and (6), Section 520.051, Transportation Code, are  
1-18 amended to read as follows:  
1-19 (2) "Motor vehicle title service" means any person  
1-20 that for compensation directly or indirectly assists other persons  
1-21 in obtaining motor vehicle [title] documents by submitting,  
1-22 transmitting, or sending applications for motor vehicle [title]  
1-23 documents to the appropriate government agencies, including county  
1-24 tax assessor-collectors.  
1-25 (3) "Motor vehicle [Title] documents" means motor  
1-26 vehicle title applications, motor vehicle registration renewal  
1-27 applications, motor vehicle mechanic's lien title applications,  
1-28 motor vehicle storage lien title applications, motor vehicle  
1-29 temporary registration permits, motor vehicle title application  
1-30 transfers occasioned by the death of the title holder, or  
1-31 notifications under Chapter 683 of this code or Chapter 70,  
1-32 Property Code.  
1-33 (4) "Title service permit [license] holder" means a  
1-34 person who holds a motor vehicle title service permit [license] or a  
1-35 title service runner's permit [license].  
1-36 (6) "Title service runner" means any person employed  
1-37 by a [licensed] motor vehicle title service to submit or present  
1-38 motor vehicle [title] documents to the county tax  
1-39 assessor-collector.  
1-40 SECTION 3. Effective January 1, 2012, Subchapter E, Chapter  
1-41 520, Transportation Code, is amended by adding Section 520.0521 to  
1-42 read as follows:  
1-43 Sec. 520.0521. PURPOSE; LIBERAL CONSTRUCTION. (a) The  
1-44 purpose of this subchapter is to protect the integrity of the  
1-45 submittal of transactional motor vehicle documents by  
1-46 nongovernmental entities through:  
1-47 (1) the permitting and regulation of titling services  
1-48 and title service runners; and  
1-49 (2) the enforcement of this chapter to prevent crime,  
1-50 fraud, unfair practices, and discrimination.  
1-51 (b) This subchapter shall be liberally construed to give  
1-52 effect to the purpose of this subchapter.  
1-53 SECTION 4. Effective January 1, 2012, Sections 520.052  
1-54 through 520.060, Transportation Code, are amended to read as  
1-55 follows:  
1-56 Sec. 520.052. APPLICABILITY. This subchapter applies to  
1-57 any motor vehicle title service operating in a county~~+~~  
1-58 ~~[(1)]~~ that requires a permit under Section 520.053  
1-59 [has a population of more than 500,000, or  
1-60 [(2) in which the commissioners court by order has  
1-61 adopted this subchapter].  
1-62 Sec. 520.053. PERMIT [LICENSE] REQUIRED. A county may  
1-63 require a motor vehicle title service or a title service runner to

2-1 obtain a permit from the county in which the titles are required to  
2-2 be filed [~~person may not act as a motor vehicle title service or act~~  
2-3 ~~as an agent for that business unless that person holds a license~~  
2-4 ~~issued under this subchapter].~~

2-5 Sec. 520.054. GENERAL PERMIT [~~LICENSE~~] APPLICATION  
2-6 REQUIREMENTS. (a) In a county that requires [An applicant for] a  
2-7 motor vehicle title service permit or a title service runner  
2-8 permit, an applicant [~~license~~] must apply on a form prescribed by  
2-9 the county tax assessor-collector. The application form must be  
2-10 signed by the applicant and accompanied by the application fee,  
2-11 which may not exceed the amount of a fee established under Section  
2-12 520.077.

2-13 (b) An application must include:

2-14 (1) the applicant's name, business address, and  
2-15 business telephone number;

2-16 (2) the name under which the applicant will do  
2-17 business;

2-18 (3) the physical address of each office from which the  
2-19 applicant will conduct business;

2-20 (4) a statement indicating whether the applicant has  
2-21 previously applied for a permit [~~license~~] under this subchapter,  
2-22 the result of the previous application, and whether the applicant  
2-23 has ever been the holder of a permit [~~license~~] under this subchapter  
2-24 that was revoked or suspended;

2-25 (5) information from the applicant as required by the  
2-26 county tax assessor-collector to establish the business reputation  
2-27 and character of the applicant;

2-28 (6) the applicant's federal tax identification number;

2-29 (7) the applicant's state sales tax number; [~~and~~]

2-30 (8) any other information required by rules adopted  
2-31 under this subchapter;

2-32 (9) an affirmation of the truth of the information  
2-33 contained in the application signed and sworn to before an officer  
2-34 authorized to administer oaths; and

2-35 (10) if for a motor vehicle title service permit, an  
2-36 affirmation that all acts of a motor vehicle title service's  
2-37 employees, agents, contractors, or title service runners are acts  
2-38 of the motor vehicle title service for the purposes of this  
2-39 subchapter.

2-40 (c) A permit fee charged under Subsection (a) must be  
2-41 deposited in the general fund for the county tax assessor-collector  
2-42 and sheriff to use for the administration and enforcement of the  
2-43 county's motor vehicle title service and title service runner  
2-44 permitting program.

2-45 Sec. 520.055. APPLICATION REQUIREMENTS: CORPORATION. In  
2-46 addition to the information required in Section 520.054, an  
2-47 applicant for a motor vehicle title service permit [~~license~~] that  
2-48 intends to engage in business as a corporation shall submit the  
2-49 following information:

2-50 (1) the state of incorporation;

2-51 (2) the name, address, date of birth, and social  
2-52 security number of each of the principal owners and directors of the  
2-53 corporation;

2-54 (3) information about each officer and director as  
2-55 required by the county tax assessor-collector to establish the  
2-56 business reputation and character of the applicant; and

2-57 (4) a statement indicating whether an employee,  
2-58 officer, or director has been refused a motor vehicle title service  
2-59 permit [~~license~~] or a title service runner's permit [~~license~~] or  
2-60 has been the holder of a permit [~~license~~] that was revoked or  
2-61 suspended.

2-62 Sec. 520.056. APPLICATION REQUIREMENTS: PARTNERSHIP. In  
2-63 addition to the information required in Section 520.054, a motor  
2-64 vehicle title service permit [~~license~~] applicant that intends to  
2-65 engage in business as a partnership shall submit an application  
2-66 that includes the following information:

2-67 (1) the name, address, date of birth, and social  
2-68 security number of each partner;

2-69 (2) information about each partner as required by the

3-1 county tax assessor-collector to establish the business reputation  
 3-2 and character of the applicant; and

3-3 (3) a statement indicating whether a partner or  
 3-4 employee has been refused a motor vehicle title service permit  
 3-5 [~~license~~] or a title service runner's permit [~~license~~] or has been  
 3-6 the holder of a permit [~~license~~] that was revoked or suspended.

3-7 Sec. 520.057. RECORDS. [~~(a)~~] A holder of a motor vehicle  
 3-8 title service permit [~~license~~] shall maintain records as required  
 3-9 by Section 520.080 [~~this section on a form prescribed and made~~  
 3-10 ~~available by the county tax assessor-collector for each transaction~~  
 3-11 ~~in which the license holder receives compensation. The records~~  
 3-12 ~~shall include:~~

3-13 [~~(1) the date of the transaction;~~

3-14 [~~(2) the name, age, address, sex, driver's license~~  
 3-15 ~~number, and a legible photocopy of the driver's license for each~~  
 3-16 ~~customer; and~~

3-17 [~~(3) the license plate number, vehicle identification~~  
 3-18 ~~number, and a legible photocopy of proof of financial~~  
 3-19 ~~responsibility for the motor vehicle involved.~~

3-20 [~~(b) A motor vehicle title service shall keep:~~

3-21 [~~(1) two copies of all records required under this~~  
 3-22 ~~section for at least two years after the date of the transaction;~~

3-23 [~~(2) legible photocopies of any documents submitted by~~  
 3-24 ~~a customer; and~~

3-25 [~~(3) legible photocopies of any documents submitted to~~  
 3-26 ~~the county tax assessor-collector].~~

3-27 Sec. 520.058. INSPECTION OF RECORDS. A motor vehicle title  
 3-28 service permit [~~license~~] holder or any of its employees shall allow  
 3-29 an inspection of records required under Section 520.057 by the  
 3-30 county tax assessor-collector or a peace officer on the premises of  
 3-31 the motor vehicle title service at any reasonable time to verify,  
 3-32 check, or audit the records.

3-33 Sec. 520.059. DENIAL, SUSPENSION, OR REVOCATION OF PERMIT  
 3-34 [~~LICENSE~~]. (a) The county tax assessor-collector may deny,  
 3-35 suspend, revoke, or reinstate a permit [~~license~~] issued under this  
 3-36 subchapter.

3-37 (b) The county tax assessor-collector shall adopt rules  
 3-38 that establish grounds for the denial, suspension, revocation, or  
 3-39 reinstatement of a permit [~~license~~] and rules that establish  
 3-40 procedures for disciplinary action. Procedures issued under this  
 3-41 subchapter are subject to Chapter 2001, Government Code.

3-42 (c) A person whose permit [~~license~~] is revoked may not apply  
 3-43 for a new permit [~~license~~] before the first anniversary of the date  
 3-44 of the revocation.

3-45 (d) A permit [~~license~~] may not be issued under a fictitious  
 3-46 name that is similar to or may be confused with the name of a  
 3-47 governmental entity or that is deceptive or misleading to the  
 3-48 public.

3-49 (e) The county tax assessor-collector must provide written  
 3-50 notice of denial, suspension, or revocation of a permit.

3-51 (f) Notwithstanding any other provision of law, the county  
 3-52 has all powers necessary, incidental, or convenient to:

3-53 (1) initiate and conduct proceedings, investigations,  
 3-54 or hearings;

3-55 (2) administer oaths;

3-56 (3) receive evidence and pleadings;

3-57 (4) issue subpoenas to compel the attendance of any  
 3-58 person;

3-59 (5) order the production of any tangible property,  
 3-60 including papers, records, or other documents;

3-61 (6) make findings of fact on all factual issues  
 3-62 arising out of a proceeding initiated under this subchapter;

3-63 (7) specify and govern appearance, practice, and  
 3-64 procedures before the county;

3-65 (8) issue conclusions of law and decisions, including  
 3-66 declaratory decisions or orders;

3-67 (9) enter into settlement agreements;

3-68 (10) impose a sanction for contempt;

3-69 (11) assess and collect fees and costs, including

- 4-1 attorney's fees;
- 4-2 (12) issue cease and desist orders in the nature of
- 4-3 temporary or permanent injunctions;
- 4-4 (13) impose a civil penalty;
- 4-5 (14) enter an order requiring a person to:
- 4-6 (A) pay costs and expenses of a party in
- 4-7 connection with an order;
- 4-8 (B) perform an act other than the payment of
- 4-9 money; or
- 4-10 (C) refrain from performing an act; and
- 4-11 (15) enforce a county order.

4-12 Sec. 520.060. PERMIT [~~LICENSE~~] RENEWAL. (a) A permit

4-13 [~~license~~] issued under this subchapter expires on the first

4-14 anniversary of the date of issuance and may be renewed annually on

4-15 or before the expiration date on payment of the required renewal

4-16 fee.

4-17 (b) A person who is otherwise eligible to renew a permit

4-18 [~~license~~] may renew an unexpired permit [~~license~~] by paying to the

4-19 county tax assessor-collector before the expiration date of the

4-20 permit [~~license~~] the required renewal fee. A person whose permit

4-21 [~~license~~] has expired may not engage in activities that require a

4-22 permit [~~license~~] until the permit [~~license~~] has been renewed under

4-23 this section.

4-24 (c) If a person's permit [~~license~~] has been expired for 90

4-25 days or less, the person may renew the permit [~~license~~] by paying to

4-26 the county tax assessor-collector 1-1/2 times the required renewal

4-27 fee.

4-28 (d) If a person's permit [~~license~~] has been expired for

4-29 longer than 90 days but less than one year, the person may renew the

4-30 permit [~~license~~] by paying to the county tax assessor-collector two

4-31 times the required renewal fee.

4-32 (e) If a person's permit [~~license~~] has been expired for one

4-33 year or longer, the person may not renew the permit [~~license~~]. The

4-34 person may obtain a new permit [~~license~~] by complying with the

4-35 requirements and procedures for obtaining an original permit

4-36 [~~license~~].

4-37 (f) Notwithstanding Subsection (e), if a person had

4-38 obtained a permit [~~was licensed~~] in this state, moved to another

4-39 state, and has been doing business in the other state for the two

4-40 years preceding application, the person may renew an expired permit

4-41 [~~license~~]. The person must pay to the county tax

4-42 assessor-collector a fee that is equal to two times the required

4-43 renewal fee for the permit [~~license~~].

4-44 (g) Before the 30th day preceding the date on which a

4-45 person's permit [~~license~~] expires, the county tax

4-46 assessor-collector shall notify the person of the impending

4-47 expiration. The notice must be in writing and sent to the person's

4-48 last known address according to the records of the county tax

4-49 assessor-collector.

4-50 SECTION 5. Effective January 1, 2012, Section 520.061,

4-51 Transportation Code, is amended by amending Subsection (b) and

4-52 adding Subsection (c) to read as follows:

4-53 (b) Except as provided by Subsection (c) or the Penal Code,

4-54 an [~~An~~] offense under this section is a Class A misdemeanor.

4-55 (c) An offense under this section is a state jail felony if

4-56 it is based on:

- 4-57 (1) a violation of Section 520.053; or
- 4-58 (2) the falsification of information required under
- 4-59 Section 520.054, 520.055, or 520.056.

4-60 SECTION 6. Effective January 1, 2012, Subchapter E, Chapter

4-61 520, Transportation Code, is amended by adding Section 520.0611 to

4-62 read as follows:

4-63 Sec. 520.0611. CIVIL PENALTY. (a) A person who violates

4-64 this subchapter is subject to a civil penalty of not more than

4-65 \$10,000 for each violation.

4-66 (b) Each day a violation occurs constitutes a separate

4-67 violation.

4-68 (c) The county by rule shall establish factors to be

4-69 considered in determining the amount of the civil penalty assessed

5-1 by the county.

5-2 (d) Notwithstanding any other law to the contrary, a civil  
5-3 penalty recovered under this subchapter shall be deposited to the  
5-4 credit of the county's general fund or other fund as designated by  
5-5 the county.

5-6 SECTION 7. Effective January 1, 2012, Subsection (a),  
5-7 Section 520.062, Transportation Code, is amended to read as  
5-8 follows:

5-9 (a) The county attorney or a [A] district attorney of the  
5-10 county in which the motor vehicle title service is operating  
5-11 [located] may bring an action to enjoin the operation of a motor  
5-12 vehicle title service or a title service runner if the motor vehicle  
5-13 title service permit [license] holder or a runner of the motor  
5-14 vehicle title service while in the scope of the runner's employment  
5-15 is found to have committed one or more violations of or convicted of  
5-16 more than one offense under this subchapter.

5-17 SECTION 8. Effective January 1, 2012, Section 520.063,  
5-18 Transportation Code, is amended to read as follows:

5-19 Sec. 520.063. EXEMPTIONS. The following persons and their  
5-20 agents are exempt from the permitting [licensing] and other  
5-21 requirements established by this subchapter:

5-22 (1) a franchised motor vehicle dealer or independent  
5-23 motor vehicle dealer who holds a general distinguishing number  
5-24 issued by the department under Chapter 503;

5-25 (2) a vehicle lessor holding a license issued by the  
5-26 department [Motor Vehicle Board] under Chapter 2301, Occupations  
5-27 Code, or a trust or other entity that is specifically not required  
5-28 to obtain a lessor license under Section 2301.254(a) of that code;  
5-29 and

5-30 (3) a vehicle lease facilitator holding a license  
5-31 issued by the department [Motor Vehicle Board] under Chapter 2301,  
5-32 Occupations Code.

5-33 SECTION 9. Effective January 1, 2012, Chapter 520,  
5-34 Transportation Code, is amended by adding Subchapter F to read as  
5-35 follows:

5-36 SUBCHAPTER F. STATE LICENSING OF MOTOR VEHICLE TITLE SERVICES

5-37 Sec. 520.071. DEFINITIONS. In this subchapter:

5-38 (1) "Board" means the Board of the Texas Department of  
5-39 Motor Vehicles.

5-40 (2) "Motor vehicle" has the meaning assigned by  
5-41 Section 501.002.

5-42 (3) "Motor vehicle documents" means motor vehicle  
5-43 title applications, motor vehicle registration renewal  
5-44 applications, motor vehicle mechanic's lien title applications,  
5-45 motor vehicle storage lien title applications, motor vehicle  
5-46 temporary registration permits, motor vehicle title application  
5-47 transfers occasioned by the death of the title holder, or  
5-48 notifications under Chapter 683 of this code or Chapter 70,  
5-49 Property Code.

5-50 (4) "Motor vehicle title service" means any person  
5-51 that for compensation directly or indirectly assists other persons  
5-52 in obtaining motor vehicle documents by submitting, transmitting,  
5-53 or sending applications for motor vehicle documents to the  
5-54 appropriate government agencies, including county tax  
5-55 assessor-collectors.

5-56 (5) "Title service license holder" means a person who  
5-57 holds a motor vehicle title service license or a title service  
5-58 runner's license.

5-59 (6) "Title service record" means the written record  
5-60 for each transaction in which a motor vehicle title service  
5-61 receives compensation.

5-62 (7) "Title service runner" means any person employed  
5-63 by a motor vehicle title service to submit or present motor vehicle  
5-64 documents to the county tax assessor-collector.

5-65 Sec. 520.072. APPLICABILITY. This subchapter applies to  
5-66 any motor vehicle title service operating in this state.

5-67 Sec. 520.073. PURPOSE; LIBERAL CONSTRUCTION. (a) The  
5-68 purpose of this subchapter is to protect the integrity of the  
5-69 submittal of transactional motor vehicle documents by

6-1 nongovernmental entities through:

6-2 (1) the licensing and regulation of titling services  
6-3 and title service runners; and

6-4 (2) the enforcement of this chapter to prevent crime,  
6-5 fraud, unfair practices, and discrimination.

6-6 (b) This subchapter shall be liberally construed to give  
6-7 effect to the purpose of this subchapter.

6-8 Sec. 520.074. LICENSE REQUIRED. A person may not act as a  
6-9 motor vehicle title service or act as a title service runner unless  
6-10 that person holds:

6-11 (1) a permit issued by the county, if required by the  
6-12 county where the titles are required to be filed; and

6-13 (2) a license issued by the department.

6-14 Sec. 520.075. STATE LICENSE APPLICATION REQUIREMENTS. An  
6-15 applicant for a motor vehicle title service license or a title  
6-16 service runner license must apply on a form prescribed by the  
6-17 department. The application form must be signed by the applicant  
6-18 and accompanied by the application fee.

6-19 Sec. 520.076. ESTABLISHED AND PERMANENT PLACE OF BUSINESS.

6-20 (a) An applicant for a motor vehicle title service license must  
6-21 demonstrate that the location for which the applicant requests the  
6-22 license is an established and permanent place of business. A  
6-23 location is considered to be an established and permanent place of  
6-24 business if the applicant:

6-25 (1) owns the real property on which the business is  
6-26 situated or has a written lease for the property that has a term of  
6-27 not less than the term of the license;

6-28 (2) maintains on the location:

6-29 (A) a permanent furnished office that is equipped  
6-30 for titling services as specified in department rules; and

6-31 (B) a conspicuous sign with letters at least six  
6-32 inches high showing the name of the applicant's business.

6-33 (b) The applicant must demonstrate that:

6-34 (1) the applicant intends to remain regularly and  
6-35 actively engaged in the business specified in the application for a  
6-36 time equal to at least the term of the license at the location  
6-37 specified in the application; and

6-38 (2) the applicant or a bona fide employee of the  
6-39 applicant will be:

6-40 (A) at the location to transact title services;  
6-41 and

6-42 (B) available to the public or the department at  
6-43 that location during reasonable and lawful business hours.

6-44 Sec. 520.077. LICENSE FEES. (a) The department by rule  
6-45 shall adopt fees for an original license and a renewal license for  
6-46 motor vehicle title services and for an original license and a  
6-47 renewal license for title service runners.

6-48 (b) The fee for an original license for a motor vehicle  
6-49 title service or for a title service runner may not exceed \$500.

6-50 (c) The fee for a renewal license for a motor vehicle title  
6-51 service or for a title service runner may not exceed \$200 annually.

6-52 (d) The fee for an amendment to a license issued under this  
6-53 subchapter may not exceed \$25.

6-54 (e) The fee for a duplicate license issued under this  
6-55 subchapter may not exceed \$50.

6-56 (f) An additional fee may be charged for late renewal of not  
6-57 more than 1-1/2 times the renewal fee.

6-58 (g) A fee collected under this section shall be deposited to  
6-59 the credit of the state highway fund. Section 403.095, Government  
6-60 Code, does not apply to money received by the department and  
6-61 deposited to the credit of the state highway fund under this  
6-62 subchapter.

6-63 (h) The department may refund from funds appropriated to the  
6-64 department for that purpose a fee collected under this subchapter  
6-65 that is not due or that exceeds the amount due.

6-66 Sec. 520.078. SURETY BOND. (a) The department may not  
6-67 issue or renew a motor vehicle title service license unless the  
6-68 applicant provides to the department satisfactory proof that the  
6-69 applicant has purchased a properly executed surety bond in the

7-1 amount of \$25,000 with a good and sufficient surety authorized by  
7-2 the Texas Department of Insurance in effect for at least the term of  
7-3 the license.

7-4 (b) The surety bond must be:  
7-5 (1) in a form approved by the department; and  
7-6 (2) conditioned on the submission by the applicant of  
7-7 money and accurate motor vehicle documents on behalf of another  
7-8 person that are required to be submitted to government agencies,  
7-9 including county tax assessor-collectors, in order to obtain motor  
7-10 vehicle title or registration.

7-11 (c) A person may recover against a surety bond if the person  
7-12 obtains a judgment assessing damages and reasonable attorney's fees  
7-13 based on an act or omission of the bondholder:

7-14 (1) on which the bond is conditioned; and  
7-15 (2) that occurred during the term for which the motor  
7-16 vehicle title service license was valid.

7-17 (d) The liability imposed on a surety is limited to the  
7-18 amount:

7-19 (1) required to be submitted to the appropriate  
7-20 government agencies, including county tax assessor-collectors;

7-21 (2) received by the applicant for performing as a  
7-22 motor vehicle title service;

7-23 (3) incurred in engaging the applicant to assist in  
7-24 obtaining motor vehicle documents; and

7-25 (4) of attorney's fees awarded in the judgment.

7-26 (e) The liability of a surety may not exceed the face value  
7-27 of the surety bond. A surety is not liable for successive claims in  
7-28 excess of the bond amount regardless of the number of claims made  
7-29 against the bond or the number of years the bond remains in force.

7-30 Sec. 520.079. LICENSE RENEWAL. (a) The board shall set  
7-31 the term of a license issued under this subchapter by rule.

7-32 (b) If a person's license has been expired for 90 days or  
7-33 less, the person may renew the license by paying a late fee in  
7-34 addition to the renewal fee as described in Section 520.077(f).

7-35 Sec. 520.080. RECORDS. (a) A holder of a motor vehicle  
7-36 title service license shall:

7-37 (1) maintain records as required by department rule,  
7-38 including any forms prescribed by the department for each  
7-39 transaction presented to the county tax office or appropriate  
7-40 government office under this subchapter; and

7-41 (2) provide a copy of the record to the county tax  
7-42 assessor-collector.

7-43 (b) The records maintained under this section must include:

7-44 (1) the date of the transaction;

7-45 (2) the name, age, address, sex, and driver's license  
7-46 number of, and a legible photocopy of the driver's license for, each  
7-47 customer;

7-48 (3) the license plate number and vehicle  
7-49 identification number of, and, if applicable, a legible photocopy  
7-50 of proof of financial responsibility for, the motor vehicle  
7-51 involved; and

7-52 (4) any other information required to be maintained by  
7-53 department rule.

7-54 (c) Records required by this section must be maintained for  
7-55 four years from the date of the transaction.

7-56 (d) A motor vehicle title service shall keep:

7-57 (1) a copy of all records required under this section  
7-58 for at least four years after the date of the transaction;

7-59 (2) a legible photocopy of any documents submitted by  
7-60 a customer; and

7-61 (3) a legible photocopy of any documents submitted to  
7-62 the county tax assessor-collector.

7-63 Sec. 520.081. INSPECTION OF RECORDS. A motor vehicle title  
7-64 service license holder or any of its employees shall allow during  
7-65 business hours at the license holder's business location an  
7-66 inspection of records required under Section 520.080 by the  
7-67 department, the county tax assessor-collector, or a peace officer.

7-68 Sec. 520.082. DENIAL SUSPENSION OR REVOCATION OF LICENSE.

7-69 (a) The department may deny, suspend, revoke, or reinstate a

8-1 license issued under this subchapter.  
 8-2 (b) The department:  
 8-3 (1) shall adopt rules that establish grounds for the  
 8-4 denial, suspension, revocation, or reinstatement of a license and  
 8-5 rules that establish procedures for disciplinary action; and  
 8-6 (2) may adopt rules that allow for the incorporation  
 8-7 of findings made by a county that has denied, suspended, revoked, or  
 8-8 reinstated a permit issued under Subchapter E.  
 8-9 (c) Procedures established under this subchapter are  
 8-10 subject to Chapter 2001, Government Code.  
 8-11 (d) The department must provide written notice of denial,  
 8-12 suspension, or revocation of a license.  
 8-13 (e) Notwithstanding any other provision of law, the board  
 8-14 has all powers necessary, incidental, or convenient to:  
 8-15 (1) initiate and conduct proceedings, investigations,  
 8-16 or hearings;  
 8-17 (2) administer oaths;  
 8-18 (3) receive evidence and pleadings;  
 8-19 (4) issue subpoenas to compel the attendance of any  
 8-20 person;  
 8-21 (5) order the production of any tangible property,  
 8-22 including papers, records, and other documents;  
 8-23 (6) make findings of fact on all factual issues  
 8-24 arising out of a proceeding initiated under this subchapter;  
 8-25 (7) specify and govern appearance, practice, and  
 8-26 procedures before the board;  
 8-27 (8) issue conclusions of law and decisions, including  
 8-28 declaratory decisions or orders;  
 8-29 (9) enter into settlement agreements;  
 8-30 (10) impose a sanction for contempt;  
 8-31 (11) assess and collect fees and costs, including  
 8-32 attorney's fees;  
 8-33 (12) issue cease and desist orders in the nature of  
 8-34 temporary or permanent injunctions;  
 8-35 (13) impose a civil penalty;  
 8-36 (14) enter an order requiring a person to:  
 8-37 (A) pay costs and expenses of a party in  
 8-38 connection with an order;  
 8-39 (B) perform an act other than the payment of  
 8-40 money; or  
 8-41 (C) refrain from performing an act; and  
 8-42 (15) enforce a board order.  
 8-43 Sec. 520.083. CRIMINAL PENALTY. (a) A person commits an  
 8-44 offense if the person violates this subchapter or a rule adopted by  
 8-45 the department or county tax assessor-collector under this  
 8-46 subchapter.  
 8-47 (b) Except as provided by Subsection (c) or the Penal Code,  
 8-48 an offense under this section is a Class A misdemeanor.  
 8-49 (c) An offense under this section is a state jail felony if  
 8-50 it is based on:  
 8-51 (1) a violation of Section 520.074; or  
 8-52 (2) the falsification of information required under  
 8-53 Section 520.075 or 520.078.  
 8-54 Sec. 520.084. CIVIL PENALTY. (a) A person who violates  
 8-55 this subchapter is subject to a civil penalty of not more than  
 8-56 \$10,000 for each violation.  
 8-57 (b) Each day a violation occurs constitutes a separate  
 8-58 violation.  
 8-59 (c) The department by rule shall establish factors to be  
 8-60 considered in determining the amount of the civil penalty assessed  
 8-61 by the department.  
 8-62 (d) Notwithstanding any other law to the contrary, a civil  
 8-63 penalty recovered under this subchapter shall be deposited in the  
 8-64 state treasury to the credit of the state highway fund.  
 8-65 Sec. 520.085. CEASE AND DESIST ORDER. (a) If it appears to  
 8-66 the board that a person is violating this subchapter or a board rule  
 8-67 or order, the board after notice may require the person engaged in  
 8-68 the conduct to appear and show cause why a cease and desist order  
 8-69 should not be issued prohibiting the conduct described in the



9-1 notice.

9-2 (b) An interlocutory cease and desist order may be granted  
 9-3 with or without bond or other undertaking if:

9-4 (1) the order is necessary to the performance of the  
 9-5 duties delegated to the board by this subchapter;

9-6 (2) the order is necessary or convenient to  
 9-7 maintaining the status quo between two or more adverse parties  
 9-8 before the board;

9-9 (3) a party before the board is entitled to relief  
 9-10 demanding of the board and all or part of the relief requires the  
 9-11 restraint of some act prejudicial to the party;

9-12 (4) a person is performing, about to perform, or  
 9-13 procuring or allowing the performance of an act:

9-14 (A) relating to the subject of a contested case  
 9-15 pending before the board, in violation of the rights of a party  
 9-16 before the board; and

9-17 (B) that would tend to render the board's order  
 9-18 in the case ineffectual; or

9-19 (5) substantial injury to the rights of a person  
 9-20 subject to the board's jurisdiction is threatened regardless of any  
 9-21 remedy available at law.

9-22 (c) A proceeding under this section is governed by:

9-23 (1) this subchapter and the board's rules; and

9-24 (2) Chapter 2001, Government Code, relating to a  
 9-25 contested case, to the extent that chapter is not in conflict with  
 9-26 Subdivision (1).

9-27 (d) An interlocutory cease and desist order remains in  
 9-28 effect until vacated or incorporated in a final order of the board.  
 9-29 An appeal of an interlocutory cease and desist order must be made to  
 9-30 the board before seeking judicial review as provided by this  
 9-31 subchapter.

9-32 (e) A permanent cease and desist order may be issued  
 9-33 regardless of the requirements of Subsection (b) but only under the  
 9-34 procedures for a final order by the board under this subchapter. An  
 9-35 appeal of a permanent cease and desist order is made in the same  
 9-36 manner as an appeal of a final order under this subchapter.

9-37 Sec. 520.086. INJUNCTION. (a) The attorney general or a  
 9-38 district attorney of the county in which the motor vehicle title  
 9-39 service is operating may bring an action to enjoin the operation of  
 9-40 a motor vehicle title service or a title service runner if the motor  
 9-41 vehicle title service license holder or a runner of the motor  
 9-42 vehicle title service while in the scope of the runner's employment  
 9-43 is found to have committed one or more violations of or convicted of  
 9-44 more than one offense under this subchapter.

9-45 (b) If the court grants relief under Subsection (a), the  
 9-46 court may:

9-47 (1) enjoin the person from maintaining or  
 9-48 participating in the business of a motor vehicle title service for a  
 9-49 period of time as determined by the court; or

9-50 (2) declare the place where the person's business is  
 9-51 located to be closed for any use relating to the business of the  
 9-52 motor vehicle title service for as long as the person is enjoined  
 9-53 from participating in that business.

9-54 Sec. 520.087. COMPLAINT INVESTIGATION AND DISPOSITION.

9-55 (a) If the department has reason to believe, through receipt of a  
 9-56 complaint or otherwise, that a violation of this subchapter or a  
 9-57 rule, order, or decision of the department has occurred or is likely  
 9-58 to occur, the department may conduct an investigation unless it  
 9-59 determines that the complaint is frivolous or for the purpose of  
 9-60 harassment.

9-61 (b) If the investigation establishes that a violation of  
 9-62 this subchapter or a rule, order, or decision of the department has  
 9-63 occurred or is likely to occur, the department shall initiate  
 9-64 proceedings as it determines appropriate to enforce this subchapter  
 9-65 or its rules, orders, and decisions.

9-66 Sec. 520.088. EXEMPTIONS. The following persons and their  
 9-67 agents are exempt from the licensing and other requirements  
 9-68 established by this subchapter:

9-69 (1) a franchised motor vehicle dealer or independent

10-1 motor vehicle dealer who holds a general distinguishing number  
10-2 issued by the department under Chapter 503;

10-3 (2) a vehicle lessor holding a license issued by the  
10-4 department under Chapter 2301, Occupations Code, or a trust or  
10-5 other entity that is specifically not required to obtain a lessor  
10-6 license under Section 2301.254(a), Occupations Code; and

10-7 (3) a vehicle lease facilitator holding a license  
10-8 issued by the department under Chapter 2301, Occupations Code.

10-9 SECTION 10. Effective January 1, 2012, Subsection (c),  
10-10 Section 730.007, Transportation Code, is amended to read as  
10-11 follows:

10-12 (c) This section does not:

10-13 (1) prohibit the disclosure of a person's photographic  
10-14 image to:

10-15 (A) a law enforcement agency, the Texas  
10-16 Department of Motor Vehicles, a county tax assessor-collector, or a  
10-17 criminal justice agency for an official purpose;

10-18 (B) an agency of this state investigating an  
10-19 alleged violation of a state or federal law relating to the  
10-20 obtaining, selling, or purchasing of a benefit authorized by  
10-21 Chapter 31 or 33, Human Resources Code; or

10-22 (2) prevent a court from compelling by subpoena the  
10-23 production of a person's photographic image.

10-24 SECTION 11. Not later than November 1, 2011, the Texas  
10-25 Department of Motor Vehicles shall adopt rules and forms to  
10-26 administer Subchapter F, Chapter 520, Transportation Code, as added  
10-27 by this Act.

10-28 SECTION 12. The change in law made by this Act to Section  
10-29 520.061, Transportation Code, as amended by this Act, applies only  
10-30 to an offense committed on or after January 1, 2012. An offense  
10-31 committed before that date is governed by the law in effect when the  
10-32 offense was committed, and the former law is continued in effect for  
10-33 that purpose. For purposes of this section, an offense was  
10-34 committed before January 1, 2012, if any element of the offense was  
10-35 committed before that date.

10-36 SECTION 13. Except as otherwise provided by this Act, this  
10-37 Act takes effect September 1, 2011.

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