

## **BILL ANALYSIS**

Senate Research Center

S.B. 1062  
By: Perry  
Transportation  
6/6/2017  
Enrolled

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

Current federal law requires disclosure of the odometer reading when ownership of a motor vehicle is transferred. The odometer disclosure is required to be made on a secure form to prevent tampering. The Texas Department of Motor Vehicles (TxDMV) has implemented a carbon copy paper form which complies with the requirements of federal law. However, since the paper form must be mailed, its use adds significant delay and inconvenience to the motor vehicle ownership transfer process, especially for total loss automobile claims.

This bill seeks to expedite this process which in turn would allow insurance companies to pay the vehicle owner more quickly and would expedite the process for insurance companies to dispose of salvage claims.

S.B. 1062 seeks to amend the Transportation Code by reducing the delay caused by the use of paper forms and requires TxDMV to accept an electronic version of the power of attorney form, secure reassignment form for licensed motor vehicle dealers, and odometer disclosure statement form which may be signed electronically. (Original Author's / Sponsor's Statement of Intent)

S.B. 1062 amends current law relating to documentation for the transfer of a motor vehicle title.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 2 (Section 501.174, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.072, Transportation Code, as follows:

Sec. 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Requires the transferor of a motor vehicle transferred, rather than the seller of a motor vehicle sold, in this state, except as provided by Subsection (c), to provide to the transferee, rather than buyer, a disclosure of the vehicle's odometer reading at the time of the transfer in compliance with 49 U.S.C. Section 32705. Deletes existing text requiring a written disclosure using a certain form.

(b) Requires the transferee, rather than owner, when application for a title is made, to record the odometer reading, rather than the current odometer reading, on the application. Makes conforming and nonsubstantive changes.

(c) Provides that an odometer disclosure statement is not required for the transfer, rather than sale, of a motor vehicle that is exempt from odometer disclosure requirements under 49 C.F.R. Part 580. Deletes existing text listing certain vehicles that are exempt from an odometer disclosure statement.

(d) Requires the Texas Department of Motor Vehicles (TxDMV) to provide for use consistent with 49 C.F.R. Part 580 a secure power of attorney form and a secure reassignment form for licensed motor vehicle dealers.

(e) Defines "transferee" and "transferor."

SECTION 2. Amends Section 501.174, Transportation Code, by amending Subsection (b) and adding Subsections (d), (e), and (f), as follows:

(b) Provides an exception as otherwise provided by this section (Validity of Electronic Documents).

(d) Requires TxDMV by rule to establish a process to accept electronic signatures on secure documents that have been electronically signed through a system not controlled by TxDMV.

(e) Requires that a system used for submitting electronic signatures to TxDMV verify the identity of the person electronically signing a document and submit the document through the electronic titling system.

(f) Provides that this section does not require TxDMV to certify an electronic signature process or an electronic signature vendor before accepting a document that is executed with an electronic signature.

SECTION 3. Requires TxDMV to adopt rules necessary to implement Section 501.174(d), Transportation Code, as added by this Act, not later than January 1, 2019.

SECTION 4. Effective date: January 1, 2018.