

1-1 By: Martinez (Senate Sponsor - Rodríguez) H.B. No. 3131
 1-2 (In the Senate - Received from the House May 8, 2017;
 1-3 May 9, 2017, read first time and referred to Committee on Business
 1-4 & Commerce; May 22, 2017, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
 1-6 May 22, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3131 By: Campbell

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the disposal of certain motor vehicles to a motor
 1-22 vehicle demolisher.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. The heading to Subchapter D, Chapter 683,
 1-25 Transportation Code, is amended to read as follows:

1-26 SUBCHAPTER D. DEMOLITION OF ~~ABANDONED~~ MOTOR VEHICLES

1-27 SECTION 2. Sections 683.051, 683.052, 683.053, and 683.054,
 1-28 Transportation Code, are amended to read as follows:

1-29 Sec. 683.051. APPLICATION FOR AUTHORIZATION TO DISPOSE OF
 1-30 CERTAIN MOTOR VEHICLES. A person may apply to the department for
 1-31 authority:

1-32 (1) to sell, give away, or dispose of a motor vehicle
 1-33 to a motor vehicle demolisher for demolition, wrecking, or
 1-34 dismantling if:

1-35 (A) the person is the recorded owner or has been
 1-36 transferred ownership of [owns] the motor vehicle [and the
 1-37 certificate of title to the vehicle is lost, destroyed, or faulty];
 1-38 or

1-39 (B) the vehicle is an abandoned motor vehicle and
 1-40 is:

1-41 (i) in the possession of the person; or
 1-42 (ii) located on property owned by the
 1-43 person; or

1-44 (2) to dispose of a motor vehicle to a motor vehicle
 1-45 demolisher for demolition, wrecking, or dismantling if:

1-46 (A) the [abandoned] motor vehicle is in the
 1-47 possession of a lienholder under:

1-48 (i) Chapter 54, 59, or 70, Property Code [is
 1-49 in the possession of the person]; or

1-50 (ii) Chapter 2303, Occupations Code [is
 1-51 more than eight years old];

1-52 ~~[(iii) either has no motor or is otherwise~~
 1-53 ~~totally inoperable or does not comply with all applicable air~~
 1-54 ~~pollution emissions control related requirements included in the~~
 1-55 ~~vehicle emissions inspection and maintenance requirements~~
 1-56 ~~contained in the Public Safety Commission's motor vehicle emissions~~
 1-57 ~~inspection and maintenance program under Subchapter F, Chapter 548,~~
 1-58 ~~or the state's air quality state implementation plan; and~~

1-59 ~~[(iv) was authorized to be towed by a law~~
 1-60 ~~enforcement agency; and]~~

2-1 (B) the lienholder has complied with all
 2-2 notification requirements of the applicable chapter to foreclose on
 2-3 the lien; and

2-4 (C) the lienholder determines:

2-5 (i) the motor vehicle's only residual value
 2-6 is as a source of parts or scrap metal; or

2-7 (ii) it is not economical to dispose of the
 2-8 vehicle at a public sale [~~the law enforcement agency approves the~~
 2-9 ~~application~~].

2-10 Sec. 683.052. CONTENTS OF APPLICATION; APPLICATION FEE.

2-11 (a) An application under Section 683.051 must be made in a manner
 2-12 prescribed by the department and include:

2-13 (1) [~~contain~~] the name and address of the applicant;

2-14 (2) [~~state~~] the year, make, model, body style, and
 2-15 vehicle identification number of the vehicle, if ascertainable [~~, and any other identifying feature of the vehicle~~]; [~~and~~]

2-16 (3) a certification by the applicant that the facts
 2-17 stated in the application are true and that the applicant
 2-18 [include]:

2-19 (A) is the recorded owner or has been transferred
 2-20 ownership of the vehicle if the application is submitted under
 2-21 Section 683.051(1)(A) [~~a concise statement of facts about the~~
 2-22 ~~abandonment~~]; or

2-23 (B) is a lienholder listed in Section
 2-24 683.051(2)(A) that has complied with all applicable notification
 2-25 requirements if the application is submitted under Section
 2-26 683.051(2) [~~a statement that the certificate of title is lost or~~
 2-27 ~~destroyed~~]; [~~or~~]

2-28 (4) any proof required by the department to verify
 2-29 compliance with notification requirements described by Section
 2-30 683.051(2)(B); and

2-31 (5) the physical location of the motor vehicle [~~(C) a~~
 2-32 ~~statement of the reasons for the defect in the owner's certificate~~
 2-33 ~~of title for the vehicle~~].

2-34 (b) The department is not required to obtain an ownership
 2-35 document or any other verification of ownership in the name of an
 2-36 applicant under Section 683.051(1)(A) if the department is able to
 2-37 verify that the applicant is the recorded owner in the department's
 2-38 automated registration and titling system [~~An application under~~
 2-39 ~~Section 683.051(2) must also include an affidavit containing a~~
 2-40 ~~statement of the facts that make that subdivision applicable~~].

2-41 (c) [~~The applicant shall make an affidavit stating that:~~
 2-42 [~~(1) the facts stated in the application are true, and~~
 2-43 [~~(2) no material fact has been withheld.~~

2-44 [(~~d~~)] The application must be accompanied by a fee of \$2,
 2-45 unless the application is made by a unit of government. Fees
 2-46 collected under this subsection shall be deposited to the credit of
 2-47 the Texas Department of Motor Vehicles fund.

2-48 Sec. 683.053. DEPARTMENT TO PROVIDE NOTICE. (a) If an
 2-49 application is submitted to sell, give away, or dispose of an
 2-50 abandoned motor vehicle under Section 683.051(1)(B), the
 2-51 department shall:

2-52 (1) send notice to any owners and lienholders of the
 2-53 abandoned motor vehicle identified in the department's automated
 2-54 registration and titling system; or

2-55 (2) if the department has no record of owners or
 2-56 lienholders for the abandoned motor vehicle, publish notice of
 2-57 abandonment on the department's website.

2-58 (b) The notice required by Subsection (a) must include:

2-59 (1) the year, make, model, body style, and vehicle
 2-60 identification number of the motor vehicle;

2-61 (2) the physical location of the motor vehicle;

2-62 (3) a statement:

2-63 (A) that an application has been submitted to the
 2-64 department for authorization to dispose of the motor vehicle to a
 2-65 motor vehicle demolisher;

2-66 (B) informing the motor vehicle's owners or
 2-67 lienholders of the right to claim the motor vehicle not later than
 2-68 the 20th day after the date the notice is sent or published; and
 2-69

3-1 (C) that failure to claim the motor vehicle and
3-2 notify the department that the vehicle has been claimed before the
3-3 21st day after the date the notice is sent or published:

3-4 (i) waives a person's rights, title, and
3-5 interest in the motor vehicle; and

3-6 (ii) is considered consent for the
3-7 department to issue to the applicant a certificate of authority
3-8 under Section 683.054 to dispose of the motor vehicle to a motor
3-9 vehicle demolisher; and

3-10 (4) the date the notice was sent or published.

3-11 (c) The department is not required to send or publish notice
3-12 for an application submitted for a motor vehicle described by
3-13 Section 683.051(1)(A) or (2).

3-14 (d) Notice sent under Subsection (a)(1) must be sent by
3-15 first class mail [~~Except as provided by Section 683.054(b), the~~
3-16 ~~department shall give notice as provided by Section 683.012 if it~~
3-17 ~~determines that an application under Section 683.051 is:~~

3-18 [~~(1) executed in proper form; and~~

3-19 [~~(2) shows that:~~

3-20 [~~(A) the abandoned motor vehicle is in the~~
3-21 ~~possession of the applicant or has been abandoned on the~~
3-22 ~~applicant's property; or~~

3-23 [~~(B) the vehicle is not an abandoned motor~~
3-24 ~~vehicle and the applicant appears to be the owner of the vehicle].~~

3-25 Sec. 683.054. CERTIFICATE OF AUTHORITY TO DISPOSE OF
3-26 VEHICLE. (a) The department shall issue the applicant a
3-27 certificate of authority to dispose of the vehicle to a motor
3-28 vehicle demolisher for demolition, wrecking, or dismantling if the
3-29 application submitted under Section 683.051:

3-30 (1) is properly executed;

3-31 (2) is accompanied by the required fee under Section
3-32 683.052; and

3-33 (3) contains any proof of notification or ownership
3-34 required by the department to enforce this subchapter [~~notice under~~
3-35 ~~Section 683.053 was given and the vehicle was not claimed as~~
3-36 ~~provided by the notice].~~

3-37 (b) [~~Without giving the notice required by Section 683.053,~~
3-38 ~~the department may issue to an applicant under Section 683.051(2) a~~
3-39 ~~certificate of authority to dispose of the motor vehicle to a~~
3-40 ~~demolisher if the vehicle meets the requirements of Sections~~
3-41 ~~683.051(2)(A)(ii) and (iii).~~

3-42 [~~(c)~~] A motor vehicle demolisher shall accept the
3-43 certificate of authority in lieu of a certificate of title for the
3-44 vehicle.

3-45 SECTION 3. Chapter 54, Property Code, is amended by adding
3-46 Subchapter Z to read as follows:

3-47 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

3-48 Sec. 54.901. DISPOSAL OF CERTAIN MOTOR VEHICLES SUBJECT TO
3-49 LIEN. (a) Notwithstanding any other law, a person authorized to
3-50 dispose of property for which a lien under this chapter is attached
3-51 may dispose of the property in accordance with Subchapter D,
3-52 Chapter 683, Transportation Code, if:

3-53 (1) the property is a motor vehicle; and

3-54 (2) the person determines that:

3-55 (A) the vehicle's only residual value is as a
3-56 source of parts or scrap metal; or

3-57 (B) it is not economical to dispose of the
3-58 vehicle at a public sale.

3-59 (b) If a person disposes of the property under Subsection
3-60 (a), the person shall apply the fair market value of the motor
3-61 vehicle to the charges due to the person.

3-62 SECTION 4. Section 59.0445, Property Code, is amended by
3-63 amending Subsection (g) and adding Subsection (g-1) to read as
3-64 follows:

3-65 (g) If the charges are not paid before the 31st day after the
3-66 date the notice is mailed or published, as applicable, the lessor
3-67 may:

3-68 (1) sell the motor vehicle, motorboat, vessel, or
3-69 outboard motor at a public sale and apply the proceeds to the

4-1 charges; or
4-2 (2) if the property that is the subject of the notice
4-3 is a motor vehicle, dispose of the motor vehicle in accordance with
4-4 Subchapter D, Chapter 683, Transportation Code, if the lessor
4-5 determines that:

4-6 (A) the vehicle's only residual value is as a
4-7 source of parts or scrap metal; or

4-8 (B) it is not economical to dispose of the
4-9 vehicle at a public sale.

4-10 (g-1) If the lessor disposes of the property under
4-11 Subsection (g)(2), the lessor shall apply the fair market value of
4-12 the motor vehicle to the charges due to the lessor.

4-13 SECTION 5. The heading to Section 70.006, Property Code, is
4-14 amended to read as follows:

4-15 Sec. 70.006. SALE OR DISPOSAL OF MOTOR VEHICLE, MOTORBOAT,
4-16 VESSEL, OR OUTBOARD MOTOR.

4-17 SECTION 6. Section 70.006, Property Code, is amended by
4-18 adding Subsections (f-1) and (f-2) to read as follows:

4-19 (f-1) If the charges are not paid before the 31st day after
4-20 the date that a copy of the notice required by Subsection (a) is
4-21 filed with the county tax assessor-collector's office and the
4-22 property that is the subject of the notice is a motor vehicle, the
4-23 lienholder may, in lieu of selling the vehicle under Subsection
4-24 (f), dispose of the vehicle in accordance with Subchapter D,
4-25 Chapter 683, Transportation Code, if the lienholder determines
4-26 that:

4-27 (1) the vehicle's only residual value is as a source of
4-28 parts or scrap metal; or

4-29 (2) it is not economical to dispose of the vehicle at a
4-30 public sale.

4-31 (f-2) If the lienholder disposes of the property under
4-32 Subsection (f-1), the lienholder shall apply the fair market value
4-33 of the motor vehicle to the charges due to the lienholder.

4-34 SECTION 7. The changes in law made by this Act to Subchapter
4-35 D, Chapter 683, Transportation Code, apply only to an application
4-36 to dispose of a motor vehicle to a motor vehicle demolisher filed on
4-37 or after the effective date of this Act. An application to dispose
4-38 of a motor vehicle to a motor vehicle demolisher filed before the
4-39 effective date of this Act is governed by the law in effect on the
4-40 date the application was filed, and the former law is continued in
4-41 effect for that purpose.

4-42 SECTION 8. This Act takes effect September 1, 2017.

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