

1-1 By: West S.B. No. 935
 1-2 (In the Senate - Filed March 2, 2021; March 11, 2021, read
 1-3 first time and referred to Committee on Transportation;
 1-4 March 31, 2021, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; March 31, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
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 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to an exception to the titling requirement for certain
 1-20 vehicles; creating a criminal offense.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter E, Chapter 501, Transportation Code,
 1-23 is amended by adding Section 501.098 to read as follows:

1-24 Sec. 501.098. EXCEPTION TO TITLE REQUIREMENT FOR CERTAIN
 1-25 VEHICLES. (a) Notwithstanding any other law, a metal recycler or
 1-26 used automotive parts recycler may purchase a motor vehicle without
 1-27 obtaining a title to the vehicle if:

1-28 (1) the vehicle is at least 12 years old and is
 1-29 purchased solely for parts, dismantling, or scrap and:

1-30 (A) the vehicle is not subject to a recorded
 1-31 security interest or lien; or

1-32 (B) the vehicle is subject only to recorded
 1-33 security interests or liens:

1-34 (i) for which a release of each recorded
 1-35 security interest or lien on the vehicle is provided; or

1-36 (ii) that were recorded on the certificate
 1-37 of title more than four years before the date of purchase under this
 1-38 section;

1-39 (2) the recycler does not dismantle, crush, or shred
 1-40 the vehicle before the close of business on the second business day
 1-41 after the date the recycler submitted to the department the
 1-42 information required under Subsection (c); and

1-43 (3) except as provided by Subsection (k), the recycler
 1-44 complies with Subsections (b) and (c).

1-45 (b) A metal recycler or used automotive parts recycler who
 1-46 purchases a motor vehicle under this section shall obtain the
 1-47 following information:

1-48 (1) the name, address, and National Motor Vehicle
 1-49 Title Information System identification number of the recycler;

1-50 (2) the name, initials, or other identification of the
 1-51 individual recording the information required by this subsection;

1-52 (3) the date of the transaction;

1-53 (4) a description of the vehicle, including the make
 1-54 and model to the extent practicable;

1-55 (5) the vehicle identification number of the vehicle;

1-56 (6) the license plate number of any vehicle
 1-57 transporting the vehicle being sold;

1-58 (7) the amount of consideration given for the vehicle;

1-59 (8) a written statement signed by the seller or an
 1-60 agent acting on behalf of the seller;

1-61 (A) certifying that the seller or agent has the

2-1 lawful right to sell the vehicle;
2-2 (B) certifying that the vehicle complies with any
2-3 security interest or lien requirements under Subsection (a)(1); and
2-4 (C) acknowledging that a person who falsifies
2-5 information contained in the written statement is subject to
2-6 criminal penalties and restitution for losses incurred as a result
2-7 of the sale of the vehicle based on falsified information contained
2-8 in the statement;
2-9 (9) the name and address of the seller, and the
2-10 seller's agent if applicable;
2-11 (10) a photocopy or electronic scan of:
2-12 (A) a valid driver's license of the seller or the
2-13 seller's agent; or
2-14 (B) any other photographic identification card
2-15 of the seller or the seller's agent issued by any state or federal
2-16 agency; and
2-17 (11) proof demonstrating that the recycler has
2-18 reported the vehicle to the department as provided by Subsection
2-19 (c).
2-20 (c) A metal recycler or used automotive parts recycler who
2-21 purchases a motor vehicle under this section shall submit to the
2-22 department, in the manner prescribed by the department, and the
2-23 National Motor Vehicle Title Information System information
2-24 necessary to satisfy any applicable requirement for reporting
2-25 information to the National Motor Vehicle Title Information System
2-26 in accordance with rules adopted under 28 C.F.R. Section 25.56 not
2-27 later than 24 hours, not counting weekends or official state
2-28 holidays, after the close of business on the day the vehicle was
2-29 received. The department may report information received under
2-30 this subsection to the National Motor Vehicle Title Information
2-31 System on behalf of the recycler. A recycler is not required to
2-32 report information to the National Motor Vehicle Title Information
2-33 System if the department reports the information on behalf of the
2-34 recycler under this subsection.
2-35 (d) Not later than 48 hours after receiving information from
2-36 a recycler under Subsection (c) about a motor vehicle, the
2-37 department shall notify the recycler whether the vehicle has been
2-38 reported stolen.
2-39 (e) If the department notifies a recycler under Subsection
2-40 (d) that a motor vehicle has been reported stolen, the recycler
2-41 shall notify the appropriate local law enforcement agency of the
2-42 current location of the vehicle and provide to the agency
2-43 identifying information of the person who sold the vehicle.
2-44 (f) On receipt of information under Subsection (c)
2-45 regarding a motor vehicle purchased under this section, the
2-46 department shall:
2-47 (1) add a notation to the motor vehicle record of the
2-48 vehicle indicating that the vehicle has been dismantled, scrapped,
2-49 or destroyed; and
2-50 (2) cancel the title of the vehicle.
2-51 (g) A person who purchases a motor vehicle under this
2-52 section that is later determined by the department or another
2-53 governmental entity to have been reported stolen is not criminally
2-54 or civilly liable unless the person had knowledge that the vehicle
2-55 was a stolen vehicle or failed to comply with the requirements of
2-56 Subsection (b) or (c).
2-57 (h) A court shall order a person who sells a motor vehicle
2-58 under this section to make restitution, including attorney's fees,
2-59 to the owner or lienholder of the vehicle, or to a metal recycler or
2-60 used automotive parts recycler, for any damage or loss caused by an
2-61 offense committed by the seller related to the vehicle.
2-62 (i) The records required to be maintained under this section
2-63 must be open to inspection by a representative of the department or
2-64 a law enforcement officer during reasonable business hours.
2-65 (j) A contract with a United States Department of Justice
2-66 approved third-party data consolidator, pursuant to 28 C.F.R. Part
2-67 25, may be used to satisfy:
2-68 (1) the responsibilities of the department under this
2-69 section; and

3-1 (2) the reporting responsibilities of a recycler under
3-2 Subsection (c).

3-3 (k) A metal recycler may purchase from a used automotive
3-4 parts recycler a vehicle under this section without complying with
3-5 Subsections (b) and (c) if:

3-6 (1) the vehicle has been flattened, crushed, baled, or
3-7 logged such that the vehicle is less than 50 percent of its original
3-8 volume;

3-9 (2) the vehicle is purchased for purposes of scrap
3-10 metal only; and

3-11 (3) the seller or an agent acting on behalf of the
3-12 seller of the vehicle certifies to the purchaser that all vehicles
3-13 included in the sale were reported to the department or the National
3-14 Motor Vehicle Title Information System.

3-15 (l) This section preempts all requirements that are
3-16 inconsistent with specific provisions of this section relating to
3-17 the purchase and dismantling, crushing, or shredding of a motor
3-18 vehicle without obtaining the title to the vehicle.

3-19 SECTION 2. Section 501.109, Transportation Code, is amended
3-20 by adding Subsections (c-1) and (i) and amending Subsections (d)
3-21 and (e) to read as follows:

3-22 (c-1) A person commits an offense if the person knowingly:

3-23 (1) fails to obtain or falsifies information required
3-24 under Section 501.098(c);

3-25 (2) falsifies the information required under Section
3-26 501.098(b);

3-27 (3) falsifies the statement required under Section
3-28 501.098(b)(8);

3-29 (4) sells a vehicle under Section 501.098 that is the
3-30 subject of a security interest or lien other than a security
3-31 interest or lien described by Section 501.098(a)(1)(B); or

3-32 (5) otherwise violates Section 501.098.

3-33 (d) Except as provided by Subsection (e), an offense under
3-34 Subsection (a), (b), ~~(c)~~, or (c-1) is a Class C misdemeanor.

3-35 (e) If it is shown on the trial of an offense under
3-36 Subsection (a), (b), ~~(c)~~, or (c-1) that the defendant has been
3-37 previously convicted of:

3-38 (1) one offense under Subsection (a), (b), ~~(c)~~,
3-39 or (c-1), the offense is a Class B misdemeanor; or

3-40 (2) two or more offenses under Subsection (a), (b),
3-41 ~~(c)~~, or (c-1), the offense is a state jail felony.

3-42 (i) Money generated from penalties collected for offenses
3-43 under Subsection (c-1) may be used only for enforcement,
3-44 investigation, prosecution, and training activities related to
3-45 motor vehicle related offenses.

3-46 SECTION 3. This Act takes effect September 1, 2021.

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