

1-1 By: West S.B. No. 2245
1-2 (In the Senate - Filed March 11, 2025; March 25, 2025, read
1-3 first time and referred to Committee on Transportation;
1-4 April 23, 2025, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 23, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	Nichols	X		
1-9	West	X		
1-10	Bettencourt	X		
1-11	Hagenbuch	X		
1-12	Hinojosa of Hidalgo	X		
1-13	Johnson	X		
1-14	King	X		
1-15	Miles	X		
1-16	Perry	X		

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to procedures for the issuance of a bonded title for a
1-20 motor vehicle.

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

1-22 SECTION 1. Section 501.053, Transportation Code, is amended
1-23 by amending Subsections (a) and (c) and adding Subsections (b-1)
1-24 and (b-2) to read as follows:

1-25 (a) As an alternative to the procedure provided by Section
1-26 501.052, the person may obtain a title by filing a bond with the
1-27 department if the vehicle is in the possession of the applicant and:

1-28 (1) there is no security interest on the vehicle;

1-29 (2) any lien on the vehicle is at least 10 years old;
1-30 ~~[or]~~

1-31 (3) the person provides a release of all liens less
1-32 than 10 years old; or

1-33 (4) the lienholder of any lien less than 10 years old
1-34 has gone out of business, the security interest on the vehicle was
1-35 not transferred to or otherwise acquired by another person, and the
1-36 applicant provides sufficient evidence of those facts in the form
1-37 and manner prescribed by department rule ~~[with bond]~~.

1-38 (b-1) On receipt of a bond filing under this section, the
1-39 department shall notify any recorded owner or lienholder of the
1-40 vehicle of the bond filing.

1-41 (b-2) If a person who files a bond under this section does
1-42 not hold a general distinguishing number issued under Subchapter B,
1-43 Chapter 503, the department:

1-44 (1) may only issue title on or after the 30th day after
1-45 the date on which the person submits an application for title under
1-46 Section 501.023; and

1-47 (2) may not issue title if any recorded owner or
1-48 lienholder with an interest in the vehicle objects to the issuance
1-49 of the title.

1-50 (c) An interested person has a right of action to recover on
1-51 the bond for a breach of the bond's condition. The aggregate
1-52 liability of the surety to all persons may not exceed the amount of
1-53 the bond. Failure to object to the issuance of title under
1-54 Subsection (b-2)(2) does not waive the right of an interested
1-55 person to bring an action to recover on the bond filed under this
1-56 section.

1-57 SECTION 2. The changes in law made by this Act apply only to
1-58 a bond for a motor vehicle title that is filed on or after the
1-59 effective date of this Act.

1-60 SECTION 3. This Act takes effect September 1, 2025.

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