

## **BILL ANALYSIS**

Senate Research Center  
76R11118 DRH-F

H.B. 2409  
By: King, Tracy (Bernsen)  
State Affairs  
5/13/1999  
Engrossed

### **DIGEST**

Currently, a person cannot receive the certificate of title to a motor vehicle unless the vehicle is registered and the person can show proof of liability insurance. This can cause problems for people who want to buy old vehicles to restore, or have vehicles for use only on their farm or ranch. They cannot receive a certificate of title even though the vehicle may never be driven or only driven on a farm or ranch. H.B. 2409 requires the Texas Department of Transportation (department) to issue a certificate of title for an unregistered vehicle that complies with other requirements for issuance of a certificate unless the vehicle is unregistered because the registration has been suspended or revoked. This bill also prevents the department from refusing to issue a certificate of title for a motor vehicle for which the applicant does not provide evidence of financial responsibility.

### **PURPOSE**

As proposed, H.B. 2409 amends regulations regarding the issuance of a certificate of title for and the transfer of a motor vehicle that is not registered in this state.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.021(a), Transportation Code, to make a conforming change.

SECTION 2. Amends Section 501.0234(a), Transportation Code, to make conforming changes.

SECTION 3. Amends Subchapter B, Chapter 501, Transportation Code, by adding Section 501.0275, as follows:

Sec. 501.0275. ISSUANCE OF TITLE FOR UNREGISTERED VEHICLE. Prohibits the Texas Department of Transportation (department) from issuing a certificate of title for an unregistered vehicle that complies with other requirements for issuance of a certificate, unless the vehicle is unregistered because the registration has been suspended or revoked, or for which the applicant does not provide evidence of financial responsibility that complies with Section 502.153 (Evidence of Financial Responsibility). Provides that an applicant for a certificate of title under this section must surrender any license plates issued for the motor vehicle and any registration insignia for validation of those plates to the department.

SECTION 4. Amends Section 520.022(a), Transportation Code, to make a conforming change.

SECTION 5. Amends Sections 520.031(a) and (b), Transportation Code, to make conforming changes.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.