

AN ACT

relating to the licensing and regulation of used automotive parts recyclers; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subdivision (6), Section 2302.001, Occupations Code, is amended to read as follows:

(6) "Salvage vehicle agent" means a person who acquires, sells, or otherwise deals in nonrepairable or salvage motor vehicles [~~or used parts~~] in this state as directed by the salvage vehicle dealer under whose license the person operates.

The term does not include a person who:

(A) is a licensed salvage vehicle dealer or a licensed used automotive parts recycler;

(B) is a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license or a used automotive parts recycler license;

(C) is an employee of a licensed salvage vehicle dealer or a licensed used automotive parts recycler; or

(D) only transports salvage motor vehicles for a licensed salvage vehicle dealer or a licensed used automotive parts recycler.

SECTION 2. Subsection (b), Section 2302.006, Occupations Code, is amended to read as follows:

(b) This chapter applies to a transaction in which a motor

1 vehicle:

2 (1) is sold, transferred, released, or delivered to a  
3 metal recycler for the purpose of reuse or resale as a motor vehicle  
4 [~~or as a source of used parts~~]; and

5 (2) is used for that purpose.

6 SECTION 3. Subchapter A, Chapter 2302, Occupations Code, is  
7 amended by adding Section 2302.008 to read as follows:

8 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE  
9 PARTS RECYCLERS. This chapter does not apply to a used automotive  
10 parts recycler licensed under Chapter 2309.

11 SECTION 4. Subsection (b), Section 2302.103, Occupations  
12 Code, is amended to read as follows:

13 (b) An applicant may apply for a salvage vehicle dealer  
14 license with an endorsement in one or more of the following  
15 classifications:

- 16 (1) new automobile dealer;
- 17 (2) used automobile dealer;
- 18 (3) [~~used vehicle parts dealer,~~
- 19 [~~(4)~~] salvage pool operator;
- 20 (4) [~~(5)~~] salvage vehicle broker; or
- 21 (5) [~~(6)~~] salvage vehicle rebuilder.

22 SECTION 5. Subsection (d), Section 2302.107, Occupations  
23 Code, is amended to read as follows:

24 (d) A salvage vehicle agent may acquire, sell, or otherwise  
25 deal in, nonrepairable or salvage motor vehicles [~~or used parts~~] as  
26 directed by the authorizing dealer.

27 SECTION 6. Section 2302.202, Occupations Code, is amended

1 to read as follows:

2           Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle  
3 dealer shall maintain a record of each salvage motor vehicle [~~and~~  
4 ~~each used part~~] purchased or sold by the dealer.

5           SECTION 7. Subtitle A, Title 14, Occupations Code, is  
6 amended by adding Chapter 2309 to read as follows:

7                   CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

8                           SUBCHAPTER A. GENERAL PROVISIONS

9           Sec. 2309.001. SHORT TITLE. This chapter may be cited as  
10 the Texas Used Automotive Parts Recycling Act.

11           Sec. 2309.002. DEFINITIONS. In this chapter:

12                   (1) "Insurance company," "metal recycler," "motor  
13 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle  
14 title," "salvage motor vehicle," "salvage vehicle title," and  
15 "salvage vehicle dealer" have the meanings assigned by Section  
16 501.091, Transportation Code.

17                   (2) "Commission" means the Texas Commission of  
18 Licensing and Regulation.

19                   (3) "Department" means the Texas Department of  
20 Licensing and Regulation.

21                   (4) "Executive director" means the executive director  
22 of the department.

23                   (5) "Used automotive part" has the meaning assigned to  
24 "used part" by Section 501.091, Transportation Code.

25                   (6) "Used automotive parts recycler" means a person  
26 licensed under this chapter to operate a used automotive parts  
27 recycling business.

1           (7) "Used automotive parts recycling" means the  
2 dismantling and reuse or resale of used automotive parts and the  
3 safe disposal of salvage motor vehicles or nonrepairable motor  
4 vehicles, including the resale of those vehicles.

5           Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.

6           (a) Except as provided by Subsection (b), this chapter does not  
7 apply to a transaction to which a metal recycler is a party.

8           (b) This chapter applies to a transaction in which a motor  
9 vehicle:

10           (1) is sold, transferred, released, or delivered to a  
11 metal recycler as a source of used automotive parts; and

12           (2) is used as a source of used automotive parts.

13           Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE  
14 DEALERS. (a) Except as provided by Subsection (b), this chapter  
15 does not apply to a transaction in which a salvage vehicle dealer is  
16 a party.

17           (b) This chapter applies to a salvage vehicle dealer who  
18 deals in used automotive parts as more than an incidental part of  
19 the salvage vehicle dealer's primary business.

20           Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE  
21 COMPANIES. This chapter does not apply to an insurance company.

22           [Sections 2309.006-2309.050 reserved for expansion]

23                           SUBCHAPTER B. ADVISORY BOARD

24           Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY  
25 BOARD. (a) The advisory board consists of five members  
26 representing the used automotive parts industry in this state  
27 appointed by the presiding officer of the commission with the

1 approval of the commission.

2 (b) The advisory board shall include members who represent  
3 used automotive parts businesses owned by domestic entities, as  
4 defined by Section 1.002, Business Organizations Code.

5 (c) The advisory board shall include one member who  
6 represents a used automotive parts business owned by a foreign  
7 entity, as defined by Section 1.002, Business Organizations Code.

8 (d) The advisory board may not include more than one member  
9 from any one used automotive parts business entity.

10 (e) Appointments to the advisory board shall be made without  
11 regard to the race, color, disability, sex, religion, age, or  
12 national origin of the appointee.

13 Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board  
14 members serve terms of six years, with the terms of one or two  
15 members expiring on February 1 of each odd-numbered year.

16 (b) A member may not serve more than two full consecutive  
17 terms.

18 (c) If a vacancy occurs during a term, the presiding officer  
19 of the commission shall appoint a replacement who meets the  
20 qualifications of the vacated position to serve for the remainder  
21 of the term.

22 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of  
23 the commission shall appoint one of the advisory board members to  
24 serve as presiding officer of the advisory board for a term of one  
25 year. The presiding officer of the advisory board may vote on any  
26 matter before the advisory board.

27 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The

1 advisory board shall provide advice and recommendations to the  
2 department on technical matters relevant to the administration and  
3 enforcement of this chapter, including licensing standards.

4 Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.  
5 Advisory board members may not receive compensation but are  
6 entitled to reimbursement for actual and necessary expenses  
7 incurred in performing the functions of the advisory board, subject  
8 to the General Appropriations Act.

9 Sec. 2309.056. MEETINGS. The advisory board shall meet  
10 twice annually and may meet at other times at the call of the  
11 presiding officer of the commission or the executive director.

12 [Sections 2309.057-2309.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

14 Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive  
15 director or commission, as appropriate, may take action as  
16 necessary to administer and enforce this chapter.

17 Sec. 2309.102. RULES. (a) The commission shall adopt  
18 rules for licensing used automotive parts recyclers and used  
19 automotive parts employees.

20 (b) The commission by rule shall adopt standards of conduct  
21 for license holders under this chapter.

22 Sec. 2309.103. RULES REGARDING LICENSING AND STANDARDS OF  
23 CONDUCT. (a) The commission shall adopt rules for licensing  
24 applicants, including rules for denial of an application if the  
25 applicant, a partner, principal, officer, or general manager of the  
26 applicant, or another license or permit holder with a connection to  
27 the applicant, has:

1           (1) before the application date, been convicted of,  
2 pleaded guilty or nolo contendere to, or been placed on deferred  
3 adjudication for:

4                   (A) a felony; or

5                   (B) a misdemeanor punishable by confinement in  
6 jail or by a fine exceeding \$500;

7           (2) violated an order of the commission or executive  
8 director, including an order for sanctions or administrative  
9 penalties; or

10           (3) knowingly submitted false information on the  
11 application.

12           (b) The commission by rule shall adopt standards of conduct  
13 for license holders under this chapter.

14           Sec. 2309.104. FEES. The commission shall establish and  
15 collect reasonable and necessary fees in amounts sufficient to  
16 cover the costs of administering this chapter.

17           Sec. 2309.105. RULES RESTRICTING ADVERTISING OR  
18 COMPETITIVE BIDDING. (a) The commission may not adopt a rule  
19 restricting advertising or competitive bidding by a person who  
20 holds a license issued under this chapter except to prohibit false,  
21 misleading, or deceptive practices by the person.

22           (b) The commission may not include in its rules to prohibit  
23 false, misleading, or deceptive practices a rule that:

24                   (1) restricts the use of any advertising medium;

25                   (2) restricts the person's personal appearance or use  
26 of the person's voice in an advertisement;

27                   (3) relates to the size or duration of an

1 advertisement by the person; or

2 (4) restricts the use of a trade name in advertising by  
3 the person.

4 Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS.

5 (a) The department shall inspect each used automotive parts  
6 recycling facility at least once every two years.

7 (b) The department may enter and inspect at any time during  
8 business hours:

9 (1) the place of business of any person regulated  
10 under this chapter; or

11 (2) any place in which the department has reasonable  
12 cause to believe that a license holder is in violation of this  
13 chapter or in violation of a rule or order of the commission or  
14 executive director.

15 (c) The department shall conduct additional inspections  
16 based on a schedule of risk-based inspections using the following  
17 criteria:

18 (1) the inspection history;

19 (2) any history of complaints involving a used  
20 automotive parts recycler; and

21 (3) any other factor determined by the commission by  
22 rule.

23 (d) A used automotive parts recycler shall pay a fee for  
24 each risk-based inspection performed under this section. The  
25 commission by rule shall set the amount of the fee.

26 (e) In conducting an inspection under this section, the  
27 department may inspect a facility, a used automotive part, a



1 business record, or any other place or thing reasonably required to  
2 enforce this chapter or a rule or order adopted under this chapter.

3 Sec. 2309.107. PERSONNEL. The department may employ  
4 personnel necessary to administer and enforce this chapter.

5 [Sections 2309.108-2309.150 reserved for expansion]

6 SUBCHAPTER D. LICENSE REQUIREMENTS

7 Sec. 2309.151. USED AUTOMOTIVE PARTS RECYCLER LICENSE  
8 REQUIRED. (a) Unless the person holds a used automotive parts  
9 recycler license issued under this chapter, a person may not own or  
10 operate a used automotive parts recycling business or sell used  
11 automotive parts.

12 (b) A used automotive parts recycler license:

13 (1) is valid only with respect to the person who  
14 applied for the license; and

15 (2) authorizes the license holder to operate a used  
16 automotive parts recycling business only at the one facility listed  
17 on the license.

18 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.

19 An applicant for a used automotive parts recycler license under  
20 this chapter must submit to the department:

21 (1) a completed application on a form prescribed by  
22 the executive director;

23 (2) the required fees; and

24 (3) any other information required by commission rule.

25 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a  
26 used automotive parts recycler license under this chapter must  
27 provide in a manner prescribed by the executive director:

1           (1) a federal tax identification number;

2           (2) proof of general liability insurance in an amount  
3 not less than \$250,000; and

4           (3) proof of a storm water permit if the applicant is  
5 required by the Texas Commission on Environmental Quality to obtain  
6 a permit.

7           Sec. 2309.154. USED AUTOMOTIVE PARTS EMPLOYEE LICENSE  
8 REQUIRED. (a) A person employed by a used automotive parts  
9 recycler may not in the scope of the person's employment acquire a  
10 vehicle or used automotive parts and may not sell used automotive  
11 parts unless the person holds a used automotive parts employee  
12 license issued under this chapter.

13           (b) The commission by rule shall adopt requirements for the  
14 application for and issuance of a used automotive parts employee  
15 license under this chapter.

16           Sec. 2309.155. NONTRANSFERABILITY OF LICENSE. A license  
17 issued by the executive director is valid throughout this state and  
18 is not transferable.

19           Sec. 2309.156. LICENSE RENEWAL. (a) A license issued  
20 under this chapter is valid for one year. The department may adopt  
21 a system under which licenses expire at different times during the  
22 year.

23           (b) The department shall notify the license holder at least  
24 30 days before the date a license expires. The notice must be in  
25 writing and sent to the license holder's last known address  
26 according to the records of the department.

27           (c) The commission by rule shall adopt requirements to renew

1 a license issued under this chapter.

2 [Sections 2309.157-2309.200 reserved for expansion]

3 SUBCHAPTER E. LOCAL REGULATION

4 Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL  
5 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this  
6 chapter apply in addition to the requirements of any applicable  
7 municipal ordinance relating to the regulation of a person who  
8 deals in used automotive parts.

9 (b) This chapter does not prohibit the enforcement of an  
10 applicable municipal license or permit requirement that is related  
11 to an activity regulated under this chapter.

12 [Sections 2309.202-2309.250 reserved for expansion]

13 SUBCHAPTER F. ENFORCEMENT

14 Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The  
15 commission may impose an administrative penalty on a person under  
16 Subchapter F, Chapter 51, regardless of whether the person holds a  
17 license under this chapter, if the person violates:

18 (1) this chapter or a rule adopted under this chapter;

19 or

20 (2) a rule or order of the executive director or  
21 commission.

22 (b) An administrative penalty may not be imposed unless the  
23 person charged with a violation is provided the opportunity for a  
24 hearing.

25 Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL  
26 PENALTY. (a) The executive director may issue a cease and desist  
27 order as necessary to enforce this chapter if the executive

1 director determines that the action is necessary to prevent a  
2 violation of this chapter and to protect public health and safety.

3 (b) The attorney general or executive director may  
4 institute an action for an injunction or a civil penalty under this  
5 chapter as provided by Section 51.352.

6 Sec. 2309.253. SANCTIONS. The department may impose  
7 sanctions as provided by Section 51.353.

8 Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person  
9 commits an offense if the person:

10 (1) violates the licensing requirements of this  
11 chapter;

12 (2) deals in used parts without a license required by  
13 this chapter; or

14 (3) employs an individual who does not hold the  
15 appropriate license required by this chapter.

16 (b) An offense under this section is a Class C misdemeanor.

17 [Sections 2309.255-2309.300 reserved for expansion]

18 SUBCHAPTER G. CONDUCTING BUSINESS

19 Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR  
20 VEHICLE. (a) A used automotive parts recycler who acquires  
21 ownership of a salvage motor vehicle shall obtain a properly  
22 assigned title from the previous owner of the vehicle.

23 (b) A used automotive parts recycler who acquires ownership  
24 of a motor vehicle, nonrepairable motor vehicle, or salvage motor  
25 vehicle for the purpose of dismantling, scrapping, or destroying  
26 the motor vehicle, shall, before the 31st day after the date of  
27 acquiring the motor vehicle, submit to the Texas Department of

1 Transportation a properly assigned manufacturer's certificate of  
2 origin, regular certificate of title, nonrepairable vehicle title,  
3 salvage vehicle title, other ownership document, or comparable  
4 out-of-state ownership document for the motor vehicle.

5 (c) After receiving the title or document, the Texas  
6 Department of Transportation shall issue the used automotive parts  
7 recycler a receipt for the manufacturer's certificate of origin,  
8 regular certificate of title, nonrepairable vehicle title, salvage  
9 vehicle title, other ownership document, or comparable  
10 out-of-state ownership document.

11 (d) The recycler shall comply with Subchapter E, Chapter  
12 501, Transportation Code.

13 Sec. 2309.302. RECORDS OF PURCHASES. A used automotive  
14 parts recycler shall maintain a record of or sales receipt for each  
15 motor vehicle, salvage motor vehicle, nonrepairable motor vehicle,  
16 and used automotive part purchased.

17 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.  
18 Before moving a place of business, a used automotive parts recycler  
19 must notify the department of the new location. The used automotive  
20 parts recycler shall provide a storm water permit for the location  
21 if a permit is required by the Texas Commission on Environmental  
22 Quality.

23 [Sections 2309.304-2309.350 reserved for expansion]

24 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER  
25 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

26 Sec. 2309.351. DEFINITIONS. In this subchapter:

27 (1) "Component part" means a major component part as

1 defined by Section 501.091, Transportation Code, or a minor  
2 component part.

3 (2) "Interior component part" means a motor vehicle's  
4 seat or radio.

5 (3) "Minor component part" means an interior component  
6 part, a special accessory part, or a motor vehicle part that  
7 displays or should display at least one of the following:

8 (A) a federal safety certificate;

9 (B) a motor number;

10 (C) a serial number or a derivative; or

11 (D) a manufacturer's permanent vehicle  
12 identification number or a derivative.

13 (4) "Special accessory part" means a motor vehicle's  
14 tire, wheel, tailgate, or removable glass top.

15 Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on  
16 receipt of a motor vehicle, a used automotive parts recycler shall:

17 (1) remove any unexpired license plates from the  
18 vehicle; and

19 (2) place the license plates in a secure place until  
20 destroyed by the used automotive parts recycler.

21 Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR  
22 VEHICLE. A used automotive parts recycler may not dismantle or  
23 dispose of a motor vehicle unless the recycler first obtains:

24 (1) a certificate of authority to dispose of the  
25 vehicle, a sales receipt, or a transfer document for the vehicle  
26 issued under Chapter 683, Transportation Code; or

27 (2) a certificate of title showing that there are no

1 liens on the vehicle or that all recorded liens have been released.

2 Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS.

3 (a) A used automotive parts recycler shall keep an accurate and  
4 legible record of each used component part purchased by or  
5 delivered to the recycler. The record must include:

6 (1) the date of purchase or delivery;

7 (2) the driver's license number of the seller and a  
8 legible photocopy of the seller's driver's license; and

9 (3) a description of the part and, if applicable, the  
10 make and model of the part.

11 (b) As an alternative to the information required by  
12 Subsection (a), a used automotive parts recycler may record:

13 (1) the name of the person who sold the part or the  
14 motor vehicle from which the part was obtained; and

15 (2) the Texas certificate of inventory number or the  
16 federal taxpayer identification number of the person.

17 (c) The department shall prescribe the form of the record  
18 required by Subsection (a) and shall make the form available to used  
19 automotive parts recyclers.

20 (d) This section does not apply to:

21 (1) an interior component part or special accessory  
22 part from a motor vehicle more than 10 years old; or

23 (2) a part delivered to a used automotive parts  
24 recycler by a commercial freight line, commercial carrier, or  
25 licensed used automotive parts recycler.

26 Sec. 2309.355. RETENTION OF COMPONENT PARTS. (a) A used  
27 automotive parts recycler shall retain each component part in its

1 original condition on the business premises of the recycler for at  
2 least three calendar days, excluding Sundays, after the date the  
3 recycler obtains the part.

4 (b) This section does not apply to the purchase by a used  
5 automotive parts recycler of a nonoperational engine,  
6 transmission, or rear axle assembly from another used automotive  
7 parts recycler or an automotive-related business.

8 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive  
9 parts recycler shall maintain copies of each record required under  
10 this subchapter until the first anniversary of the purchase date of  
11 the item for which the record is maintained.

12 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE  
13 PLATES. (a) A used automotive parts recycler shall surrender to  
14 the Texas Department of Transportation for cancellation a  
15 certificate of title or authority, sales receipt, or transfer  
16 document, as required by the department.

17 (b) The Texas Department of Transportation shall provide a  
18 signed receipt for a surrendered certificate of title.

19 Sec. 2309.358. INSPECTION OF RECORDS. (a) A peace officer  
20 at any reasonable time may inspect a record required to be  
21 maintained under this subchapter, including an inventory record.

22 (b) On demand by a peace officer, a used automotive parts  
23 recycler shall provide to the officer a copy of a record required to  
24 be maintained under this subchapter.

25 (c) A peace officer may inspect the inventory on the  
26 premises of a used automotive parts recycler at any reasonable time  
27 to verify, check, or audit the records required to be maintained



1 under this subchapter.

2 (d) A used automotive parts recycler or an employee of the  
3 recycler shall allow and may not interfere with a peace officer's  
4 inspection of the recycler's inventory, premises, or required  
5 inventory records.

6 [Sections 2309.359-2309.400 reserved for expansion]

7 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

8 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This  
9 subchapter applies only to a used automotive parts facility located  
10 in a county with a population of 2.8 million or more.

11 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY.

12 (a) A used automotive parts recycler may not operate heavy  
13 machinery in a used automotive parts recycling facility between the  
14 hours of 7 p.m. of one day and 7 a.m. of the following day.

15 (b) This section does not apply to conduct necessary to a  
16 sale or purchase by the recycler.

17 SECTION 8. Section 501.091, Transportation Code, is amended  
18 by amending Subdivision (17) and adding Subdivision (20) to read as  
19 follows:

20 (17) "Salvage vehicle dealer" means a person engaged  
21 in this state in the business of acquiring, selling, [~~dismantling,~~  
22 repairing, rebuilding, reconstructing, or otherwise dealing in  
23 nonrepairable motor vehicles, salvage motor vehicles, or, if  
24 incidental to a salvage motor vehicle dealer's primary business,  
25 used automotive parts. The term does not include a person who  
26 casually repairs, rebuilds, or reconstructs fewer than five [~~three~~]  
27 salvage motor vehicles in the same calendar year or, except as

1 provided by Paragraph (C), a used automotive parts recycler. The  
2 term includes a person engaged in the business of:

3 (A) a salvage vehicle dealer, regardless of  
4 whether the person holds a license issued by the department to  
5 engage in that business;

6 (B) dealing in nonrepairable motor vehicles or  
7 salvage motor vehicles [~~, regardless of whether the person deals in~~  
8 ~~used parts~~]; or

9 (C) a used automotive parts recycler if the sale  
10 of repaired, rebuilt, or reconstructed nonrepairable motor  
11 vehicles or salvage motor vehicles is more than an incidental part  
12 of the used automotive parts recycler's business [~~dealing in used~~  
13 ~~parts regardless of whether the person deals in nonrepairable motor~~  
14 ~~vehicles or salvage motor vehicles~~].

15 (20) "Used parts dealer" and "used automotive parts  
16 recycler" have the meaning assigned to "used automotive parts  
17 recycler" by Section 2309.002, Occupations Code.

18 SECTION 9. Subsection (d), Section 501.092, Transportation  
19 Code, is amended to read as follows:

20 (d) An insurance company may sell a motor vehicle to which  
21 this section applies, or assign a salvage vehicle title or a  
22 nonrepairable vehicle title for the motor vehicle, only to a  
23 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual  
24 sale at auction, [~~or~~] a metal recycler, or a used automotive parts  
25 recycler. If the motor vehicle is not a salvage motor vehicle or a  
26 nonrepairable motor vehicle, the insurance company is not required  
27 to surrender the regular certificate of title for the vehicle or to

1 be issued a salvage vehicle title or a nonrepairable vehicle title  
2 for the motor vehicle.

3 SECTION 10. Subsections (a) and (b), Section 501.095,  
4 Transportation Code, are amended to read as follows:

5 (a) If the department has not issued a nonrepairable vehicle  
6 title or salvage vehicle title for the motor vehicle and an  
7 out-of-state ownership document for the motor vehicle has not been  
8 issued by another state or jurisdiction, a business or governmental  
9 entity described by Subdivisions (1)-(3) may sell, transfer, or  
10 release a nonrepairable motor vehicle or salvage motor vehicle only  
11 to a person who is:

12 (1) a licensed salvage vehicle dealer, a used  
13 automotive parts recycler under Chapter 2309, Occupations Code, or  
14 a metal recycler under Chapter 2302, Occupations Code;

15 (2) an insurance company that has paid a claim on the  
16 nonrepairable or salvage motor vehicle;

17 (3) a governmental entity; or

18 (4) an out-of-state buyer.

19 (b) A person, other than a salvage vehicle dealer, a used  
20 automotive parts recycler, or an insurance company licensed to do  
21 business in this state, who acquired ownership of a nonrepairable  
22 or salvage motor vehicle that has not been issued a nonrepairable  
23 vehicle title, salvage vehicle title, or a comparable ownership  
24 document issued by another state or jurisdiction shall, before  
25 selling the motor vehicle, surrender the properly assigned  
26 certificate of title for the motor vehicle to the department and  
27 apply to the department for:

1           (1) a nonrepairable vehicle title if the vehicle is a  
2 nonrepairable motor vehicle; or

3           (2) a salvage vehicle title if the vehicle is a salvage  
4 motor vehicle.

5           SECTION 11. Section 501.105, Transportation Code, is  
6 amended to read as follows:

7           Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN  
8 CASUAL SALES. Each licensed salvage vehicle dealer, used  
9 automotive parts recycler, or insurance company that sells a  
10 nonrepairable motor vehicle or a salvage motor vehicle at a casual  
11 sale shall keep on the business premises of the dealer or the  
12 insurance company a list of all casual sales made during the  
13 preceding 36-month period that contains:

14           (1) the date of the sale;

15           (2) the name of the purchaser;

16           (3) the name of the jurisdiction that issued the  
17 identification document provided by the purchaser, as shown on the  
18 document; and

19           (4) the vehicle identification number.

20           SECTION 12. Section 2302.253, Occupations Code, is  
21 repealed.

22           SECTION 13. Not later than January 1, 2010, the Texas  
23 Commission of Licensing and Regulation shall adopt rules under  
24 Section 2309.102, Occupations Code, as added by this Act.

25           SECTION 14. If there is a conflict between a provision of  
26 this Act and a provision of another Act of the 81st Legislature,  
27 Regular Session, 2009, that becomes law concerning the licensing or

1 regulation of used automotive parts recyclers, this Act prevails  
2 regardless of the relative dates of enactment.

3 SECTION 15. (a) Except as provided by Subsection (b) of  
4 this section, this Act takes effect September 1, 2009.

5 (b) Sections 2309.151 and 2309.154, Occupations Code, as  
6 added by this Act, and Subchapter F, Chapter 2309, Occupations  
7 Code, as added by this Act, take effect September 1, 2010.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1095 passed the Senate on April 23, 2009, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 29, 2009, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1095 passed the House, with amendment, on May 26, 2009, by the following vote: Yeas 133, Nays 4, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor