

## SUBCHAPTER E. MOTOR VEHICLE TITLE SERVICES

Sec. 520.051. DEFINITIONS. In this subchapter:

(1) "Motor vehicle" has the meaning assigned by Section 501.002.

(2) "Motor vehicle title service" means any person that for compensation directly or indirectly assists other persons in obtaining title documents by submitting, transmitting, or sending applications for title documents to the appropriate government agencies.

(3) "Title documents" means motor vehicle title applications, motor vehicle registration renewal applications, motor vehicle mechanic's lien title applications, motor vehicle storage lien title applications, motor vehicle temporary registration permits, motor vehicle title application transfers occasioned by the death of the title holder, or notifications under Chapter 683 of this code or Chapter 70, Property Code.

(4) "Title service license holder" means a person who holds a motor vehicle title service license or a title service runner's license.

(5) "Title service record" means the written or electronic record for each transaction in which a motor vehicle title service receives compensation.

(6) "Title service runner" means any person employed by a licensed motor vehicle title service to submit or present title documents to the county tax assessor-collector.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 236, eff. January 1, 2012.

Sec. 520.052. APPLICABILITY. This subchapter applies to any motor vehicle title service operating in a county:

- (1) that has a population of more than 500,000; or
- (2) in which the commissioners court by order has adopted this subchapter.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.  
Amended by Acts 2003, 78th Leg., ch. 448, Sec. 1, eff. Sept. 1, 2003.

Sec. 520.053. LICENSE REQUIRED. A person may not act as a motor vehicle title service or act as an agent for that business unless that person holds a license issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.054. GENERAL LICENSE APPLICATION REQUIREMENTS. (a) An applicant for a motor vehicle title service license must apply on a form prescribed by the county tax assessor-collector. The application form must be signed by the applicant and accompanied by the application fee.

(b) An application must include:

- (1) the applicant's name, business address, and business telephone number;
- (2) the name under which the applicant will do business;
- (3) the physical address of each office from which the applicant will conduct business;
- (4) a statement indicating whether the applicant has previously applied for a license under this subchapter, the result of the previous application, and whether the applicant has ever been the holder of a license under this subchapter that was revoked or suspended;
- (5) information from the applicant as required by the county tax assessor-collector to establish the business reputation and character of the applicant;
- (6) the applicant's federal tax identification number;
- (7) the applicant's state sales tax number; and
- (8) any other information required by rules adopted under this subchapter.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.055. APPLICATION REQUIREMENTS: CORPORATION. In addition to the information required in Section 520.054, an applicant

for a motor vehicle title service license that intends to engage in business as a corporation shall submit the following information:

- (1) the state of incorporation;
- (2) the name, address, date of birth, and social security number of each of the principal owners and directors of the corporation;
- (3) information about each officer and director as required by the county tax assessor-collector to establish the business reputation and character of the applicant; and
- (4) a statement indicating whether an employee, officer, or director has been refused a motor vehicle title service license or a title service runner's license or has been the holder of a license that was revoked or suspended.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.056. APPLICATION REQUIREMENTS: PARTNERSHIP. In addition to the information required in Section 520.054, a motor vehicle title service license applicant that intends to engage in business as a partnership shall submit an application that includes the following information:

- (1) the name, address, date of birth, and social security number of each partner;
- (2) information about each partner as required by the county tax assessor-collector to establish the business reputation and character of the applicant; and
- (3) a statement indicating whether a partner or employee has been refused a motor vehicle title service license or a title service runner's license or has been the holder of a license that was revoked or suspended.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.057. RECORDS. (a) A holder of a motor vehicle title service license shall maintain records as required by this section on a form prescribed and made available by the county tax assessor-collector for each transaction in which the license holder receives

compensation. The records shall include:

- (1) the date of the transaction;
- (2) the name, age, address, sex, driver's license number, and a legible photocopy of the driver's license for each customer; and
- (3) the license plate number, vehicle identification number, and a legible photocopy of proof of financial responsibility for the motor vehicle involved.

(b) A motor vehicle title service shall keep:

- (1) two copies of all records required under this section for at least two years after the date of the transaction;
- (2) legible photocopies of any documents submitted by a customer; and
- (3) legible photocopies of any documents submitted to the county tax assessor-collector.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.058. INSPECTION OF RECORDS. A motor vehicle title service license holder or any of its employees shall allow an inspection of records required under Section 520.057 by a peace officer on the premises of the motor vehicle title service at any reasonable time to verify, check, or audit the records.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.059. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.

(a) The county tax assessor-collector may deny, suspend, revoke, or reinstate a license issued under this subchapter.

(b) The county tax assessor-collector shall adopt rules that establish grounds for the denial, suspension, revocation, or reinstatement of a license and rules that establish procedures for disciplinary action. Procedures issued under this subchapter are subject to Chapter 2001, Government Code.

(c) A person whose license is revoked may not apply for a new license before the first anniversary of the date of the revocation.

(d) A license may not be issued under a fictitious name that is similar to or may be confused with the name of a governmental

entity or that is deceptive or misleading to the public.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.060. LICENSE RENEWAL. (a) A license issued under this subchapter expires on the first anniversary of the date of issuance and may be renewed annually on or before the expiration date on payment of the required renewal fee.

(b) A person who is otherwise eligible to renew a license may renew an unexpired license by paying to the county tax assessor-collector before the expiration date of the license the required renewal fee. A person whose license has expired may not engage in activities that require a license until the license has been renewed under this section.

(c) If a person's license has been expired for 90 days or less, the person may renew the license by paying to the county tax assessor-collector 1-1/2 times the required renewal fee.

(d) If a person's license has been expired for longer than 90 days but less than one year, the person may renew the license by paying to the county tax assessor-collector two times the required renewal fee.

(e) If a person's license has been expired for one year or longer, the person may not renew the license. The person may obtain a new license by complying with the requirements and procedures for obtaining an original license.

(f) Notwithstanding Subsection (e), if a person was licensed in this state, moved to another state, and has been doing business in the other state for the two years preceding application, the person may renew an expired license. The person must pay to the county tax assessor-collector a fee that is equal to two times the required renewal fee for the license.

(g) Before the 30th day preceding the date on which a person's license expires, the county tax assessor-collector shall notify the person of the impending expiration. The notice must be in writing and sent to the person's last known address according to the records of the county tax assessor-collector.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.061. CRIMINAL PENALTY. (a) A person commits an offense if the person violates this subchapter or a rule adopted by the county tax assessor-collector under this subchapter.

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

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.062. INJUNCTION. (a) A district attorney of the county in which the motor vehicle title service is located may bring an action to enjoin the operation of a motor vehicle title service if the motor vehicle title service license holder or a runner of the motor vehicle title service while in the scope of the runner's employment is convicted of more than one offense under this subchapter.

(b) If the court grants relief under Subsection (a), the court may:

(1) enjoin the person from maintaining or participating in the business of a motor vehicle title service for a period of time as determined by the court; or

(2) declare the place where the person's business is located to be closed for any use relating to the business of the motor vehicle title service for as long as the person is enjoined from participating in that business.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Sec. 520.063. EXEMPTIONS. The following persons and their agents are exempt from the licensing and other requirements established by this subchapter:

(1) a franchised motor vehicle dealer or independent motor vehicle dealer who holds a general distinguishing number issued by the department under Chapter 503;

(2) a vehicle lessor holding a license issued by the Motor Vehicle Board under Chapter 2301, Occupations Code, or a trust or other entity that is specifically not required to obtain a lessor license under Section 2301.254(a) of that code; and

(3) a vehicle lease facilitator holding a license issued by the Motor Vehicle Board under Chapter 2301, Occupations Code.

Added by Acts 1999, 76th Leg., ch. 1478, Sec. 2, eff. Sept. 1, 1999.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 14A.832, eff. Sept. 1, 2003.