

BILL ANALYSIS

H.B. 646
By: Orr
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, an insurance company must file a report with the Department of Motor Vehicles when the company pays a claim for a nonrepairable or salvage motor vehicle and does not take ownership of the vehicle. The person who retains ownership of the nonrepairable or salvage vehicle is then required by law to obtain a certain type of title for the vehicle in order to operate or transfer the vehicle. However, many people are not aware that after accepting a claim payment from an insurance company that they must obtain this new type of title. H.B. 646 requires an insurance company to inform a person of certain legal requirements when a nonrepairable or salvage vehicle claim payment is made.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 646 amends the Transportation Code to require an insurance company, if the company pays a claim on a nonrepairable or salvage motor vehicle and the company does not acquire ownership of the vehicle, to provide notice to the owner of the vehicle of the required report submitted to the Texas Department of Motor Vehicles stating that the company has paid a claim on the vehicle and has not acquired ownership and to provide notice to the vehicle owner of the requirements for operation or transfer of ownership relating to the issuance of a salvage vehicle title, nonrepairable vehicle title, or comparable ownership document.

EFFECTIVE DATE

September 1, 2011.