

Chapter 836

AN ACT

1
2 relating to the constituting of certain sales of a used motor
3 vehicle as a private disposition for purposes of Chapter 9,
4 Business & Commerce Code.

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

6 SECTION 1. Subchapter B, Chapter 503, Transportation Code,
7 is amended by adding Section 503.040 to read as follows:

8 Sec. 503.040. SALES OF CERTAIN USED MOTOR VEHICLES
9 CONSTITUTE PRIVATE DISPOSITION. (a) This section applies only to
10 the sale of a used motor vehicle that constitutes collateral by a
11 secured party acting under Chapter 9, Business & Commerce Code, and
12 occurs at an auction conducted by an independent motor vehicle
13 dealer:

14 (1) at which neither the debtor nor the secured party
15 is permitted to bid; and

16 (2) for which there has been no advertisement or
17 public notice before the sale that specifically describes the
18 collateral to be sold, other than the inclusion of the motor vehicle
19 in a list of the vehicles to be offered at the auction made
20 available to potential bidders at the auction.

21 (b) The sale of the used motor vehicle constitutes a private
22 disposition for purposes of Chapter 9, Business & Commerce Code.

23 SECTION 2. The change in law made by Section 503.040,
24 Transportation Code, as added by this Act, applies only to a sale of

S.B. No. 1827

1 collateral consisting of a used motor vehicle that occurs on or
2 after the effective date of this Act. A sale of such collateral
3 that occurs before the effective date of this Act is governed by the
4 law applicable to the sale immediately before the effective date of
5 this Act, and that law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2009. _____

David Dewhurst
President of the Senate

Jim Strawn
Speaker of the House

I hereby certify that S.B. No. 1827 passed the Senate on April 9, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 29, 2009, by the following vote: Yeas 31, Nays 0. _____

Lately Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1827 passed the House, with amendment, on May 15, 2009, by the following vote: Yeas 144, Nays 0, one present not voting. _____

Robert Henney
Chief Clerk of the House

Approved:
19 JUN '09
Date
Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK
JUN 19 2009

Colby Shuter III