

Salvage Dealer and Motor Vehicle Information



TxDOT March 2009

Book VTR-480

Preface

The purpose of this publication is to provide information regarding titling requirements for salvage and nonrepairable motor vehicles and information relating to salvage vehicle dealer/agent licensing. It is very important that you read all the information provided in this publication to ensure that you understand the requirements to obtain salvage or nonrepairable vehicle titles for certain damaged motor vehicles, resale and use of those vehicles, and the licensing requirements and duties of a salvage vehicle dealer/agent, as provided in Transportation Code, Chapter 501, and Occupations Code, Chapter 2302.

The following reference information has been included in this publication along with applicable forms, definitions and frequently asked questions.

- Texas Transportation Code, Chapter 501, Subchapter E
([Nonrepairable and Salvage Vehicles Transportation Code](#))
- Occupations Code, Chapter 2302
([Salvage Vehicle Dealers Texas Occupations Code](#))

When applying for a salvage vehicle dealer license and/or salvage vehicle agent license, this information should be referenced as you complete your application in order to avoid application rejection or issuance of an incorrect classification of salvage vehicle dealer license. If you have any questions or need assistance regarding salvage vehicle dealer/agent licensing, please contact the Vehicle Titles and Registration Division (VTR) Special Plates Branch at (512) 374-5010.

Every effort has been made to provide you with information that clarifies the requirements for salvage and nonrepairable motor vehicles, and simplifies the licensing requirements and associated duties for salvage vehicle dealers and agents. If additional information is needed, please contact the VTR Call Center at (512) 465-7611 or your nearest VTR Regional Office (see [Table 1](#)).

Table 1 Vehicle Titles and Registration Division Regional Office Listing (Rev. 02/09)

REGION	PHYSICAL ADDRESS/MAILING ADDRESS	NUMBERS
Abilene	4250 N. Clack Abilene, Texas 79601-1141	LOCAL: (325) 734-5120 FAX:(325) 734-5122
Amarillo	5715 I-27 S., Building H Amarillo, Texas 79110 PO Box 20326 Amarillo, Texas 79114	LOCAL:(806) 467-8902 FAX:(806) 467-8940
Austin	1001 E. Parmer Lane, Suite A Austin, Texas 78753	LOCAL:(512) 837-4416 FAX:(512) 837-7703
Beaumont	8550 Eastex Freeway Beaumont, TX 77708	LOCAL:(409) 892-2491 FAX:409) 892-2826
Corpus Christi	1701 South Padre Island Drive, Bldg. 2 Corpus Christi, Texas 78416	LOCAL:(361) 808-2600 FAX:(361) 808-2610
Dallas	1925 E. Beltline Road, Suite 100 Carrollton, Texas 75006	LOCAL:(972) 417-0884 FAX:(972) 416-4296
El Paso	1227 Lee Trevino, Suite 100 El Paso, Texas 79907	LOCAL:(915) 591-8149 FAX:(915) 591-8058
Fort Worth	910 North Watson Road Arlington, Texas 76011-5260 PO Box 90601 Arlington, Texas 76006-9998	LOCAL:(817) 649-5938 FAX:(817) 633-2367
Houston	7721 Washington Ave Houston, TX 77007	LOCAL: ((713) 802-4300 FAX: (713) 866-7302
Longview	1301 Karnes Road Longview, Texas 75604	LOCAL:(903) 753-6279 FAX: (903) 757-7672 APPOR. FAX:(903) 753-0879
Lubbock	135 Slaton Road Lubbock, Texas 79404	LOCAL:(806) 745-8888 FAX:(806) 748-0325
Midland-Odessa	3901 East Hwy 80 Odessa, Texas 79761	LOCAL:(432) 498-4674 FAX:(432) 498-4673
Pharr	600 West Expressway 83 Pharr, Texas 78577	LOCAL:(956) 781-3291 FAX:(956) 782-0695
San Antonio	4611 Northwest Loop 410 San Antonio, TX 78229-5126	LOCAL:(210) 615-1776 FAX: (210) 615-5845
Waco	2203 Austin Avenue Waco, Texas 76701-1624	LOCAL:(254) 752-1152 FAX:(254) 752-7656
Wichita Falls	1601-A Southwest Parkway Wichita Falls, Texas 76302-4906	LOCAL:(940) 720-7754 FAX:(940) 720-7849

In this Document

This document is comprised of the following sections:

- Chapter 1, “Salvage and Nonrepairable Motor Vehicles”
- Chapter 2, “Sales Restrictions”
- Chapter 3, “Insurance Companies”
- Chapter 4, “Salvage Dealers and Agents”
- Chapter 5, “Rebuilt Salvage Motor Vehicles”
- Chapter 6, “Miscellaneous”
- Chapter 7, “Forms and References”

Contents

Chapter 1 Salvage and Nonrepairable Motor Vehicles	1-1
Requirement For Salvage Or Nonrepairable Vehicle Title	1-1
Salvage Motor Vehicles	1-1
Nonrepairable Motor Vehicles	1-2
Vehicle Cash Value	1-2
Cost of Repairs	1-2
Who Must Apply	1-2
Salvage Ownership Document	1-4
Self-insured Motor Vehicles	1-4
Application for Nonrepairable and Salvage Vehicle Titles	1-4
Place of Application	1-4
Fee	1-5
Required Information	1-5
Supporting Documentation	1-6
Evidence of Ownership	1-7
Odometer Disclosure Statement	1-8
Release Of Liens	1-8
Voluntary Applications	1-8
Recording of Lien	1-8
Title Issuance	1-9
Texas Salvage And Nonrepairable Vehicle Titles	1-9
Revised Forms	1-9
Document Replacement	1-10
Exceptions	1-10
Replacing Titles Stamped “For Export Only”	1-11
Replacing Titles Stamped “For Export Only” in Error	1-11
Certified Copy of Certificate of Title for Owner Retained Motor Vehicles	1-12
Certificate Of Authority to Demolish a Motor Vehicle (COA)	1-13
Salvage Document Or COA Issued In Error	1-14
Written Request	1-14
Application VTR-68-A	1-15
Original Document	1-15
Department Action	1-15

Chapter 2 Sales Restrictions	2-1
Sale, Transfer, or Release of Ownership	2-1
Assignment and Reassignment of Salvage Ownership Documents	2-2
All Assignments Complete	2-2
Casual Sales	2-2
Export-only Sales	2-3
Buyer's Identification	2-4
Buyer's Certification	2-4
Export-Only Vehicle Sold To An Innocent Purchaser	2-4
Flood Damaged Vehicles	2-5
Voluntary Application	2-5
Off-site Sales	2-5

Chapter 3 Insurance Companies	3-1
Determination of the Condition of a Motor Vehicle	3-1
Definitions	3-1
Damage	3-1
Salvage Motor Vehicle	3-1
Nonrepairable Motor Vehicle	3-2
Actual Cash Value	3-2
Cost of Repairs	3-2
Who Must Apply	3-3
Nonrepairable Vehicle or Salvage Vehicle Title Application	3-3
Applications Without Proper Evidence Of Ownership	3-4
Voluntary Application	3-5
Owner Retained Vehicles	3-5
Owner Retained Report (Form VTR-436)	3-6
Casual Sales by an Insurance Company	3-7
Casual Sale Records	3-8

Chapter 4 Salvage Dealers and Agents	4-1
Dealers Requiring Licenses	4-1
Dealer License Exemptions	4-3
Salvage Vehicle Dealer License Application	4-4
Place of Application	4-4
Applicable Fee	4-4
Classifications	4-4
Felony Conviction	4-5
Sole Proprietors	4-5
Partnerships	4-5
Corporations	4-6
Business References	4-7
Business Locations	4-7
Notarization	4-7
Mail to	4-7

Reminder	4-7
Agents Requiring Licenses	4-8
Agent License Exemptions	4-8
Agent License Applications	4-8
Place of Application	4-8
Application Fees	4-8
Felony Convictions	4-8
Notarization	4-9
Department Investigations and Reporting	4-9
Department Reports	4-9
License Issuance	4-9
License Denials	4-10
License Suspension or Revocation	4-10
Non-Payment of Child Support	4-11
Notice Of Denial, Suspension or Revocation	4-12
Notice	4-12
Administrative Hearings	4-12
Restrictions	4-12
License Renewals	4-12
License Expiration	4-12
Renewal Letter and Affidavit	4-13
On Time Renewal Fees	4-13
Late Renewals	4-13
Licensing Status Change	4-14
Evidence of Ownership for Purchases	4-14
Removal of Unexpired Plates and Registration Stickers	4-15
Unique Inventory Numbers	4-15
Major Component Parts	4-15
Minor Component Parts	4-16
Unique Inventory Number	4-16
Example of a Unique Inventory Number	4-16
Dismantled, Scrapped, or Destroyed Vehicles	4-17
Department Action	4-17
Application Supporting Documentation	4-18
In State Ownership	4-18
Out-of-state Ownership	4-18
“For Export-only” Titles by Salvage Yards	4-19
Off-site Sales	4-19
Casual Sales by Salvage Vehicle Dealers	4-19
Export-Only Sales	4-20
Buyer's Identification	4-20
Buyer's Certification	4-21
Purchase, Sales, and Inventory Records	4-21
Parts Inventory	4-22
Voluntary Records	4-22
Records Not Required	4-22

Require Historical Records	4-23
Casual Sale Records	4-23
Export-Only Sale Records	4-24
Export-only Sale Reported in Error	4-25
Records of Dismantled, Scrapped, or Destroyed Vehicles	4-25

Chapter 5 Rebuilt Salvage Motor Vehicles 5-1

Restrictions	5-1
May Not Retitle	5-1
May Retitle	5-1
Application Procedures	5-2
Certificates of Title branded “Rebuilt Salvage”	5-2
Place of Application	5-2
Application Fee	5-2
Supporting Documents	5-2
Evidence of Ownership	5-3
Rebuilt Affidavit (Form VTR-61)	5-3
Major Component Part Description	5-3
Owner Information	5-4
Evidence of Inspection	5-4
Odometer Disclosure Statement	5-4
Proof of Financial Responsibility	5-4
Identification Certificate	5-5
Release of Liens	5-5
Rebuilt Salvage Title Issuance	5-5
Title Brands and Motor Vehicle Record Remarks	5-5
Title Documents for Rebuilt Salvage Vehicles	5-6

Chapter 6 Miscellaneous 6-1

Rights of Vehicle Document Holders	6-1
Operation Restrictions	6-1
Metal Recyclers	6-2
Metal Recycler Inventory Number	6-2
Surrender of Ownership Documents to the Department	6-2
Salvage Vehicle Dealer License	6-3
Out-of-State Buyers	6-3
Governmental Entities	6-4
Self-insured Vehicles	6-4
Salvage or Nonrepairable Motor Vehicle	6-4
Export-only Vehicles	6-4
Ordering Additional Forms	6-6
Definitions	6-6
Actual Cash Value	6-6
Casual Sale	6-6
Certificate of Title	6-6

Certificate of Title Application	6-7
Costs of Repair	6-7
Damage	6-7
Date of Sale	6-7
Department	6-7
Export-only Motor Vehicle	6-7
Export-only Sale	6-7
Flood Damage	6-8
Insurance Company	6-8
Major Component Part	6-8
Manufacturer's Certificate of Origin	6-8
Metal Recycler	6-9
Minor Component Part	6-9
Motor Vehicle	6-9
Nonrepairable Motor Vehicle	6-10
Out-of-State Buyer	6-10
Out-of-state Ownership Document	6-10
Person	6-10
Rebuilder	6-11
Salvage Motor Vehicle	6-11
Salvage Vehicle Agent	6-11
Salvage Vehicle Dealer	6-11
Salvage Vehicle Title	6-12
Self-insured Motor Vehicle	6-12
Texas Certificate of Title Branded "Rebuilt Salvage	6-12
Used Part	6-12
Questions and Answers	6-13
Salvage Vehicle Dealer/Agent Licensing	6-13
Who is required to apply for a salvage dealer license?	6-13
What application do I use for a salvage dealer license?	6-13
How long will it take to receive my salvage dealer license?	6-13
What type of license do I need to operate my business?	6-13
What is the fee to obtain a salvage vehicle dealer license?	6-14
Do I have to provide my SSN and date of birth?	6-14
Do I need a separate license for each of my business locations?	6-14
What if I have to move my business location?	6-14
Do the three business references on the Salvage Vehicle Dealer License Application (Form VTR-438-A) need to be auto related?	6-14
Do I have to have the application notarized?	6-14
What is a Salvage Agent License?	6-14
What is the fee to obtain a salvage vehicle agent license?	6-15
What if I am a Sole Proprietor?	6-15
What other forms do I need to send with the application?	6-15
Who do I contact to see if my corporate franchise taxes have been paid?	6-15
What if I want my spouse on the application, but he/she is not on the Assumed Name Certificate?	6-16
What application do I use to become a salvage vehicle agent?	6-16
How do I obtain a State Sales Tax Number?	6-16

Do I need a State Sales Tax License?	6-16
What is a Federal Tax ID Number?	6-16
Can a felon obtain a Salvage Vehicle Dealer License?	6-16
Can I trade blue titled vehicles with my salvage license?	6-16
Must a salvage dealer obtain a used vehicle dealer license (GDN) if the they sell more than five salvage or nonrepairable vehicles?	6-16
Who enforces the salvage dealer licensing laws?	6-16
What is required for my business location?	6-16
Am I required to renew my license each year?	6-16
Is there a late fee if my license has expired?	6-17
Salvage and Nonrepairable Motor Vehicles	6-17
Prior to sale, who is required to obtain a Salvage or Nonrepairable Vehicle Title?	6-17
What sale restrictions apply to insurance companies, salvage companies and salvage vehicle dealers? ..	6-17
Can an unlicensed seller sell more than three salvage titled vehicles?	6-18
Can a total loss drivable vehicle be registered, retitled or issued a temporary permit (one-trip, 30-day, etc.)?	6-18
Can an insurance company reassign a negotiable Texas title document?	6-18
A title record shows a salvage ownership document has been issued, or the vehicle was owner retained, what should I do?	6-18
How is a “duplicate” salvage certificate issued?	6-19
A Salvage Vehicle Title lacks complete assignments, is the current tax assessor-collector's hearing procedure or bonded title process the only option?	6-19
Does it matter who rebuilds the vehicle?	6-20
If a person purchases a salvage or nonrepairable (if applicable) vehicle that has already been repaired or rebuilt, how does the purchaser complete the Rebuilt Affidavit (Form VTR-61) if that person did not repair the vehicle?	6-20
Can a Mexican national file for a negotiable title?	6-20
Can a non-US resident sell the salvage vehicle by reassignment of the title to a Texas retail buyer? ..	6-20
Can a New Mexico (NM) resident file for a negotiable Texas title?	6-20
For a Certificate to Dispose of a Vehicle Purchased at Statutory Storage - Mechanics Lien Foreclosure Sale application, are there any changes?	6-21

Chapter 7 Forms and References **7-1**

Salvage Motor Vehicle and Dealer/Agent Forms	7-1
Nonrepairable and Salvage Vehicles Transportation Code	7-2
Salvage Vehicle Dealers Texas Occupations Code	7-3
Subchapter A. General Provisions	7-3
.....Subchapter B. Commission Powers and Duties	7-3
Subchapter C. License Requirements	7-4
Subchapter D. License Expiration and Renewal	7-4
Subchapter E. Conducting Business	7-4
Subchapter F. Additional Duties of Salvage Vehicle Dealer in Connection with Motor Vehicle Component Parts	7-5
Subchapter G. Motor Vehicle Salvage Yards in Certain Counties	7-5
Subchapter H. Penalties and Enforcement	7-5

Salvage and Nonrepairable Motor Vehicles

This chapter contains the following sections:

- Requirement For Salvage Or Nonrepairable Vehicle Title
- Self-insured Motor Vehicles
- Application for Nonrepairable and Salvage Vehicle Titles
- Voluntary Applications
- Recording of Lien
- Title Issuance
- Texas Salvage And Nonrepairable Vehicle Titles
- Document Replacement
- Certificate Of Authority to Demolish a Motor Vehicle (COA)
- Salvage Document Or COA Issued In Error

Requirement For Salvage Or Nonrepairable Vehicle Title

Salvage Motor Vehicles

A salvage motor vehicle is a motor vehicle (regardless of the model year) that:

- Is damaged or is missing a major component part to the extent that the cost of repair including parts and labor, exceeds the actual value of the motor vehicle immediately before the damage, or
- Is damaged and comes into this state under an out-of-state salvage motor vehicle certificate of title or similar out-of-state ownership document that states on its face “accident damage,” “flood damage,” “inoperable,” “rebuildable,” “salvageable,” or similar notation; and

A salvage motor vehicle does not include:

- an out-of-state motor vehicle with a “rebuilt,” “prior salvage,” “salvaged,” or similar notation, a nonrepairable motor vehicle;
- a motor vehicle for which an insurance company has paid a claim for the cost of repairing hail damage;
- a motor vehicle for which an insurance company has paid a claim for theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage;
- the cost of materials or labor for repainting the motor vehicle; or
- sales tax on the total cost of repairs.

Nonrepairable Motor Vehicles

A nonrepairable motor vehicle is a motor vehicle (regardless of the model year) that:

- is damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal; or
- comes into this state under a title or other ownership document that indicates that the vehicle is nonrepairable, junked, or for parts or dismantling only.

Vehicle Cash Value

The actual cash value of the motor vehicle is the market value of a motor vehicle as determined:

- from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or
- if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied in a uniform manner.

Cost of Repairs

The cost of repairs, including parts and labor, will be determined by:

- using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or
- an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

The cost of repairs does not include:

- the cost of repairs related to gradual damage to a motor vehicle,
- the cost of repairs related to hail damage, or
- the cost of materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or
- sales tax on the total cost of repairs.

Who Must Apply

An insurance company licensed to do business in this state that acquires ownership or possession of a salvage or nonrepairable motor vehicle that is covered by a certificate of title issued by this state or a manufacturer's certificate of origin must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the motor vehicle.

A salvage vehicle dealer engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or used parts, including a person who is in the business of a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year.

Note: If the vehicle is to be scrapped, dismantled, or destroyed, the salvage vehicle dealer must surrender the evidence of ownership for the vehicle to the department as explained in Section 3 under Dismantled, Scrapped or Destroyed Vehicles.

A person, other than an insurance company or salvage vehicle dealer, who acquires ownership of a salvage or nonrepairable motor vehicle that has not been issued a nonrepairable vehicle title, a salvage vehicle title, or a comparable out-of-state ownership document, must obtain a Salvage or Nonrepairable Vehicle Title, before selling or otherwise transferring the motor vehicle, unless the motor vehicle will be dismantled, scrapped, or destroyed.

The owner, who retained a salvage or nonrepairable motor vehicle and received a paid claim from an insurance company must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the salvage or nonrepairable motor vehicle.

The owner of a self-insured salvage or nonrepairable motor vehicle, which has been damaged and removed from normal operation, must apply to the department for a Salvage or Nonrepairable Vehicle Title before the 31st day after the damage occurred. Additionally, the owner must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

Note: Refer to [Self-insured Motor Vehicles](#) for further information regarding self-insured motor vehicles.

Prior to offering a salvage or nonrepairable motor vehicle for sale in a casual sale, a salvage vehicle dealer, salvage pool operator, or insurance company must apply to the department for a Salvage or Nonrepairable Vehicle Title.

Prior to offering a salvage or nonrepairable motor vehicle for sale for export only to a non-United States resident, a salvage vehicle dealer, salvage pool operator acting as agent for an insurance company, or governmental entity must apply to the department for a Salvage or Nonrepairable Vehicle Title.

A person may voluntarily apply for a Salvage or Nonrepairable Vehicle Title for a motor vehicle that is not a salvage or nonrepairable motor vehicle.

Salvage Ownership Document

If a salvage ownership document (Texas or out-of-state) has not been issued for a salvage or nonrepairable motor vehicle, only a salvage vehicle dealer, metal recycler, or governmental entity may sell, transfer, or otherwise transfer ownership of the motor vehicle and only to:

- a salvage vehicle dealer;
- a metal recycler;
- a governmental entity;
- an insurance company; or
- an out-of-state buyer.

Self-insured Motor Vehicles

A self-insured motor vehicle is a motor vehicle:

- for which the evidence of ownership is a manufacturer's certificate of origin or for which the department or another state or jurisdiction has issued a regular certificate of title;
- is self-insured by the owner; and
- is owned by an individual, a business, or a governmental entity, without regard to the number of motor vehicles they own or operate.

Note: The term does not include a motor vehicle that is insured by an insurance company.

The owner of a self-insured salvage or nonrepairable motor vehicle that has been damaged and removed from normal operation must apply to the department for a Salvage or Nonrepairable Vehicle Title before the 31st day after the damage occurred.

The owner of a self-insured salvage or nonrepairable motor vehicle must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

Application for Nonrepairable and Salvage Vehicle Titles

Place of Application

The owner of a salvage or nonrepairable motor vehicle who is required to obtain a Salvage or Nonrepairable Vehicle Title must apply for a Salvage or Nonrepairable Vehicle Title by submitting the

Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441), evidence of ownership, any other required supporting documents and the \$8 fee to the following address:

Salvage Vehicle Title Issuance
Vehicle Titles and Registration Division
Texas Department of Transportation
P.O. Box 26450
Austin, Texas 78755-0450

OR

IF USING EXPRESS MAIL SUBMIT This Form TO:

Title Control Systems Branch
Vehicle Titles and Registration Division
Texas Department of Transportation
4000 Jackson Avenue
Austin, Texas 78731

Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) with the revision date of 9/2003 and later must be submitted. All other Forms VTR-441 with a revision date prior to 9/2003 will not be accepted.

Applications for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) must include the following:

- [Fee](#)
- [Required Information](#)
- [Evidence of Ownership](#)
- [Odometer Disclosure Statement](#)
- [Release Of Liens](#)

Fee

The title application fee is \$8.

Required Information

A completed Form VTR-441 must include:

- the name and current address of the owner;
- a description of the motor vehicle, including the motor vehicle's model year, make, model, vehicle identification number, body style, manufacturer's rated carrying capacity in tons for commercial vehicles, and empty weight;
- odometer reading and certification indicating actual, not actual, or exceeds mechanical limits (required only on Salvage Vehicle Title Applications);

- lien information if applicable (refer to Recording of Lien on Nonrepairable and Salvage Vehicle Titles in this section for further information); and original signature(s) of applicant(s).

Supporting Documentation

A Form VTR-441 must be supported by evidence of salvage or nonrepairable motor vehicle ownership properly assigned to the applicant, must accompany the application for a Salvage or Nonrepairable Vehicle Title. Evidence must include documentation sufficient to show ownership to the salvage or nonrepairable motor vehicle, such as:

- a Texas Certificate of Title;
- a Certified Copy of a Texas Certificate of Title;
- a Manufacturer's Certificate of Origin;
- a Texas Salvage Certificate;
- a Nonrepairable Vehicle Title or Nonrepairable Certificate of Title;
- a Salvage Vehicle Title or Salvage Certificate of Title; or
- a comparable salvage ownership document issued by another jurisdiction;

Regular (non-salvage) out-of-state evidence, but only if there is a direct connection to Texas. Examples and acceptable evidence include motor vehicles that are titled out of state, but are:

- registered under Texas Registration Purposes Only (RPO) procedures;
- damaged in Texas;
- stolen in Texas;
- recovered (theft recovery) in Texas;
- owned by a person that resides in Texas (i.e. the owner is a resident of another state, but is active duty military stationed in Texas or is a full-time student attending an accredited Texas college or university).

Note: A regular (non-salvage) title stamped with “FLOOD,” “SALVAGE,” “DAMAGED” or a similar notation will not be accepted when applying for a Texas Nonrepairable or Salvage Vehicle Title, or a Texas Certificate of Title branded “Rebuilt Salvage,” unless stamping a title to denote the salvage status of the vehicle is the policy or procedure in the jurisdiction that issued the title. If stamping a title is not the normal policy or procedure and there is no direct connection to Texas, a salvage ownership document must be obtained from the appropriate jurisdiction.

The following documents are acceptable to verify a direct connection to Texas if a vehicle is not titled or registered in Texas:

- a Statement of Fact for Out-of-state Evidence for a Salvage or Nonrepairable Vehicle, Form VTR-221, completed by an employee of the insurance company;

Note: Use of the Form VTR-221 is encouraged. Use of the properly completed form significantly lessens the time involved in the examination process for salvage transactions.

- a copy of an accident, theft, or theft recovery report, whichever applies;
- a statement of fact on insurance company letterhead, signed by an employee of the insurance company, such as an agent or adjuster. The statement must include the following (select options that apply for each transaction):

(Insurance company name) is licensed to do business in Texas and has acquired the (year and make), (vehicle identification number) through payment of a claim, ownership, or possession.

And either:

The vehicle was (damaged, stolen, or recovered) in Texas and the (loss, theft, recovery) location was (provide address, or city & state, at a minimum).

or

The vehicle owner is a Texas resident whose Texas address is (provide owner's Texas address).

- An adjusters claim report that identifies the insurance company paying the claim, describes the vehicle (at a minimum, the vehicle identification number must be included) and indicates the loss location (where the vehicle was damaged, stolen, or recovered).
- an insurance company generated loss or claim report that includes the name of the insurance company paying the claim, the vehicle description (at a minimum, the vehicle identification number must be included) and indicates the loss location recovered).

Evidence of Ownership

A photocopy of the Inventory Receipt for Surrendered Title or Other Evidence of Ownership (Form VTR-340) or a title and registration verification evidencing surrender to the department of the negotiable evidence of ownership for a motor vehicle; and if the evidence of ownership surrendered was from another state, a photocopy of the front and back of the surrendered evidence of ownership;

Odometer Disclosure Statement

Applications for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) must include an odometer disclosure statement as follows:

- Salvage Vehicle Title - an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, unless the motor vehicle is 10 or more model years old or is otherwise exempt from the federal odometer disclosure requirements; and
- Nonrepairable Vehicle Title - an odometer disclosure statement is not required on applications for Nonrepairable Vehicle Titles.

Release Of Liens

Applications for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) must include a release of any liens, unless there is no change in ownership; and all other required information to support the title transaction.

Note: The evidence of ownership and release of lien documents surrendered with an application for a Nonrepairable or Salvage Vehicle Title must be original documents and have original signatures. Supporting documents, such as a power of attorney or court documents, must be originals or certified as a “true and correct copy of the original.”

Note: An insurance company that acquires ownership or possession of a salvage or nonrepairable motor vehicle through payment of a claim may apply for a Salvage or Nonrepairable Vehicle Title without obtaining the proper assignment of the owner on the evidence of ownership. (Refer to Insurance Company Application without Properly Assigned Evidence of Ownership in Section 3 for further information.)

Voluntary Applications

A person who owns or acquires a motor vehicle that is not a salvage or nonrepairable motor vehicle may voluntarily obtain a salvage or nonrepairable vehicle title by submitting an Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441), any required documentation, and the \$8 fee to the department.

Recording of Lien

A lien may be recorded on initial application for a Salvage Vehicle Title. The lien may be a new lien, or an existing recorded lien may be carried forward to the Salvage Vehicle Title.

Only an existing recorded lien may be carried forward to a Nonrepairable Vehicle Title. A new lien may not be recorded.

To record a lien on a Salvage or Nonrepairable Vehicle Title, complete all lien information on the Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441).

Title Issuance

Upon receipt of a completed Form VTR-441, accompanied by the \$8 application fee and required documentation, the department will before the sixth business day after the date of receipt, issue a Salvage or Nonrepairable Vehicle Title, as appropriate.

If the condition of salvage is caused exclusively by flood, a “Flood Damage” remark will be reflected on the face of the document and will be carried forward upon subsequent title issuance.

If a lien is recorded on a Salvage or Nonrepairable Vehicle Title, the vehicle title will be mailed to the lienholder.

For proof of ownership purposes, the owner will be mailed a receipt or printout of the newly established motor vehicle record, indicating a lien has been recorded.

Texas Salvage And Nonrepairable Vehicle Titles

The names of the title documents that will be issued for nonrepairable and salvage motor vehicles on or after September 1, 2003, were changed as follows:

- Salvage Certificate of Title changed to Salvage Vehicle Title; and
- Nonrepairable Certificate of Title changed to Nonrepairable Vehicle Title.

The Form VTR-222-NR states on its face that the vehicle may not be:

- repaired, rebuilt, or reconstructed;
- issued a regular Certificate of Title;
- registered or operated in Texas; and
- may be used only as a source for used parts or scrap metal.

Forms VTR-222-S and VTR-222-NR, indicating a 9/2003 revision date, are slightly different in appearance than prior versions due to printing by a different vendor. The colors of these documents remain the same; however, the background and border patterns will be slightly different.

Revised Forms

Refer to the Forms Section for examples of the Nonrepairable Vehicle Title (VTR-222-NR) and Salvage Vehicle Title (VTR-222-S).

Document Replacement

If a Salvage or Nonrepairable Vehicle Title is lost or destroyed, the owner may apply to the department, at the following address, for a replacement of the document:

Texas Department of Transportation
 Vehicles Titles and Registration Division
 P.O. Box 12098
 Austin, Texas 78711-2098

The Application for Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title (Form VTR-34-S) must be completed by the owner, or lienholder, if applicable, and submitted to the department with a \$2 fee.

The issued certified copy may not be the same type document that is being replaced. The [Table 1-1](#) shows what type document will be issued upon application for a certified copy on or after September 1, 2003:

Table 1-1 Document Replacement

Original Document Being Replaced:	Replacement Document That Will Be Issued:
Texas Salvage Certificate issued prior to 9/1/2003	Original Salvage Vehicle Title
Texas Salvage Certificate of Title issued prior to 9/1/2003	Certified Copy Salvage Vehicle Title
Texas Nonrepairable Certificate of Title issued prior to 9/1/2003	Original Salvage Vehicle Title
Texas Salvage Vehicle Title issued 9/1/2003 or later	Certified Copy Salvage Vehicle Title
Texas Nonrepairable Vehicle Title issued 9/1/2003 or later	Certified Copy Nonrepairable Vehicle Title
Certificate of Authority to Demolish (COA)	Original COA
Export-only Nonrepairable or Salvage Vehicle Title	Certified Copy will NOT be issued

Exceptions

A certified copy of title will not be issued to a vehicle for which the motor vehicle record indicates:

- “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark indicating that the salvage or nonrepairable motor vehicle was sold to a non-United States resident; or
- “LEGAL RESTRAINT-CONTACT TXDOT (#OR)” remark indicating that an insurance company has determined that the motor vehicle is a salvage or nonrepairable motor vehicle, has paid a claim, and the owner has retained the motor vehicle.

Replacing Titles Stamped “For Export Only”

If a Salvage or Nonrepairable Vehicle Title that was stamped “For Export Only” is lost, and the motor vehicle record indicates the “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark, a certified copy of a Salvage or Nonrepairable Vehicle Title may not be issued.

A valid court order will be required to remove the “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark.

Upon receipt of an appropriate court order, the export-only remark will be removed to allow further issuance of Texas rebuilt salvage title documents.

All subsequent certificates of title will indicate the appropriate “REBUILT SALVAGE” remark.

Replacing Titles Stamped “For Export Only” in Error

If a Salvage or Nonrepairable Vehicle Title is stamped “FOR EXPORT ONLY” in error, the salvage vehicle dealer or governmental entity to which the Nonrepairable or Salvage Vehicle Title was originally issued will be required to apply for the appropriate salvage ownership document as follows:

If the salvage ownership document was issued in the salvage vehicle dealer or governmental entity's name, a certified copy of the Salvage or Nonrepairable Vehicle Title may be requested by submitting:

- a properly executed Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title (Form VTR-34-S);
- the incorrectly stamped Salvage or Nonrepairable Vehicle Title;

Note: If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue a certified copy of the Salvage or Nonrepairable Vehicle Title.

- a copy of the government-issued photo ID of the person signing the Form VTR-34-S;
- if a verifiable agent of the owner or lienholder signs the Form VTR-34-S, a letter of signature authority on original letterhead, a business card, or copy of the agent's employee ID;
- a statement of fact from the salvage vehicle dealer or governmental entity regarding the error;
- a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the VTR Special Plates Branch, if applicable; and
- a \$2 application fee.

If the salvage vehicle dealer was the seller in the last completed salvage ownership document reassignment, the salvage vehicle dealer would need to apply for an original salvage ownership document by submitting:

- a properly completed Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441);
- the incorrectly stamped Salvage or Nonrepairable Vehicle Title;

Note: If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue a Salvage or Nonrepairable Vehicle Title.

- a statement of fact regarding the error;
- a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the VTR Special Plates Branch; and
- the \$8 application fee.

Certified Copy of Certificate of Title for Owner Retained Motor Vehicles

A Certified Copy of a Texas Certificate of Title may not be issued for a motor vehicle if the vehicle record reflects a “LEGAL RESTRAINT-CONTACT TXDOT (#OR) remark.

The recorded owner(s), who retained the nonrepairable or salvage motor vehicle, but who has lost the certificate of title, may apply directly to the department for the appropriate salvage ownership document, in lieu of first obtaining a certified copy of the title, by submitting:

- a properly executed Application for Certified Copy of a Texas Certificate of Title (Form VTR-34) accompanied by the required verifiable proof; and
- an Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) signed by the recorded owner(s); and
- the applicable \$2 fee for issuance of a certified copy of title by mail and an \$8 application fee for the Nonrepairable or Salvage Vehicle Title.

Note: If a lien is recorded on the motor vehicle record, a release of lien from the lienholder on a Prescribed Form for Release of Lien (Form VTR-266) or on company letterhead is required. If the lien has not been satisfied, the lien may be carried forward to the new salvage ownership document.

Certificate Of Authority to Demolish a Motor Vehicle (COA)

A person, firm, corporation or unit of government on whose property or in whose possession is found any abandoned motor vehicle may apply for a COA.

Transportation Code, Chapter 683, provides that the department is required to issue a Nonrepairable Vehicle Title as the Certificate of Authority to Demolish a Motor Vehicle (COA). Until programming is complete, the department will continue to issue the Certificate of Authority to Demolish a Motor Vehicle (Form VTR-71-3).

There are no changes in the process or requirements for applying for a COA.

The department will accept requests for COAs only for motor vehicles for which there is a direct connection to the state. Examples include motor vehicles that are titled out of state, but are:

- registered under Texas Registration Purposes Only (RPO) procedures;
- damaged in Texas;
- stolen in Texas;
- recovered (theft recovery) in Texas;
- owned by a person that resides in Texas (i.e. the owner is a resident of another state, but is active duty military stationed in Texas or is a full-time student attending an accredited Texas college or university).

Evidence of a connection to Texas must be submitted with a COA application. If the vehicle is an out-of-state vehicle, such evidence may consist of a:

- a Statement of Fact for Out-of-state Evidence for a Salvage or Nonrepairable Vehicle, Form VTR-221, completed by an employee of the insurance company;

Note: Use of the Form VTR-221 is encouraged. Use of the properly completed form significantly lessens the time involved in the examination process for salvage transactions.

- a copy of an accident, theft, or theft recovery report, whichever applies;
- a statement of fact on insurance company letterhead, signed by an employee of the insurance company, such as an agent or adjuster. The statement must include the following (select options that apply for each transaction):

(Insurance company name) is licensed to do business in Texas and has acquired the (year and make), (vehicle identification number) through payment of a claim, ownership, or possession.

And either:

The vehicle was (damaged, stolen, or recovered) in Texas and the (loss, theft, recovery) location was (provide address, or city & state, at a minimum).

or

The vehicle owner is a Texas resident whose Texas address is (provide owner's Texas address).

- An adjusters claim report that identifies the insurance company paying the claim, describes the vehicle (at a minimum, the vehicle identification number must be included) and indicates the loss location (where the vehicle was damaged, stolen, or recovered).
- an insurance company generated loss or claim report that includes the name of the insurance company paying the claim, the vehicle description (at a minimum, the vehicle identification number must be included) and indicates the loss location (where the vehicle was damaged, stolen, or recovered).

Note: If a damaged motor vehicle is titled, registered, or located in another state and there is no connection to Texas, the application will not be accepted.

Salvage Document Or COA Issued In Error

If a Texas Salvage or Nonrepairable Vehicle Title, or a COA, is issued in error the following procedure may be used to reinstate the prior Texas Certificate of Title record.

A written request must be submitted by the person/entity to which the document was issued. The following items must be submitted in support of the request:

- [Written Request](#)
- [Application VTR-68-A](#)

Written Request

A written request that includes:

- a complete vehicle description, including year, make and vehicle identification number (VIN),
- a statement requesting that the document issued in error be rescinded, and
- an explanation of the reason for the request (e.g., document was applied for in error).

Application VTR-68-A

- An Application for Assigned or Reassigned Number, VTR-68-A with inspection report completed:
- the top portion should be completed by the individual or authorized agent who submitted the original application
- notarization of the signature in the top portion is required
- the bottom portion executed by a law enforcement agency indicated on the form, verifying the VIN of the vehicle.

Original Documents Missing

If the document cannot be surrendered for cancellation (e.g., lost or never received), a statement of fact from the person to whom the document was issued stating the reason it cannot be surrendered will be accepted.

Department Action

The above items should be mailed to:

Texas Department of Transportation
Vehicle Titles and Registration Division, ATTN: Title Control Systems
4000 Jackson Avenue
Austin, Texas 78731

Upon approval of the request, the salvage ownership or COA record will be deleted.

The last Texas Certificate of Title record, if any, will be reinstated. Once the record has been reinstated, the owner or person in possession of the vehicle must do one of the following to secure the appropriate ownership document:

- Obtain a certified copy of the reinstated Texas Certificate of Title;
- Obtain a bonded title;
- Schedule a tax collector's hearing; or
- Obtain a court order from a county or higher level court ordering issuance of a Texas Certificate of Title.

Salvage Document Or COA Issued In Error

Sales Restrictions

This chapter contains the following sections:

- [Sale, Transfer, or Release of Ownership](#)
- [Assignment and Reassignment of Salvage Ownership Documents](#)
- [Casual Sales](#)
- [Export-only Sales](#)
- [Export-Only Vehicle Sold To An Innocent Purchaser](#)
- [Flood Damaged Vehicles](#)
- [Voluntary Application](#)
- [Off-site Sales](#)

Sale, Transfer, or Release of Ownership

A motor vehicle for which a Salvage or Nonrepairable Vehicle Title has been issued, including a motor vehicle that has a “FLOOD DAMAGE” remark on the title, may be sold, transferred or released to anyone, except that an insurance company may sell, transfer or release ownership of a motor vehicle for which a Salvage or Nonrepairable Vehicle Title has been issued only to:

- a licensed salvage vehicle dealer;
- an out-of-state buyer;
- a buyer in a casual sale at auction; or
- a metal recycler.

If a Salvage or Nonrepairable Vehicle Title or comparable out-of-state ownership document has not been issued for a salvage or nonrepairable motor vehicle, only a salvage vehicle dealer, metal recycler, or governmental entity may sell, transfer, or otherwise release ownership of the motor vehicle. A salvage vehicle dealer, metal recycler, or governmental entity may only sell, transfer, or otherwise transfer ownership of a salvage or nonrepairable motor vehicle that has not been issued a Salvage or Nonrepairable Vehicle Title to:

- a licensed salvage vehicle dealer;
- a metal recycler;
- a governmental entity;
- an insurance company that has paid a claim on the salvage or nonrepairable motor vehicle; or
- an out-of-state buyer.

The owner of a self-insured salvage or nonrepairable motor vehicle that has been damaged and removed from normal operation must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

Assignment and Reassignment of Salvage Ownership Documents

Salvage ownership documents, including Texas Salvage Certificates issued prior to September 1, 2003, may be assigned or reassigned as follows:

- If the vehicle has not been rebuilt, a salvage ownership document may be assigned or reassigned by anyone, including an individual.
- If the vehicle has been rebuilt, the rebuilder or owner of the rebuilt salvage vehicle (licensed salvage vehicle dealers excluded) must apply for a Certificate of Title branded “Rebuilt Salvage” in the rebuilder or owner name, prior to resale.

A licensed motor vehicle dealer may not reassign a salvage ownership document if the vehicle has been rebuilt. A motor vehicle dealer license does not authorize a motor vehicle dealer to deal in salvage vehicles; therefore, the motor vehicle dealer that repaired or rebuilt the motor vehicle will be required to obtain a Certificate of Title branded “Rebuilt Salvage” in the dealer name prior to retailing the motor vehicle.

All Assignments Complete

If the vehicle has not been rebuilt and all assignments on the back of a salvage ownership document have been completed and further assignments are needed, the last person to whom the document is assigned must apply for a Nonrepairable or Salvage Vehicle Title in their name, unless they are a licensed motor vehicle dealer, salvage vehicle dealer or an insurance company. A licensed motor vehicle dealer, salvage vehicle dealer or an insurance company may transfer the vehicle by using a Dealer's Reassignment of Title for a Motor Vehicle, Form VTR-41-A.

Casual Sales

A casual sale is the sale by a salvage vehicle dealer, insurance company at auction, or salvage pool operator at auction of not more than five nonrepairable or salvage motor vehicles to the same person during a calendar year.

Note: The term does not include a sale at auction to a salvage vehicle dealer or the sale of an export-only motor vehicle to a person who is not a resident of the United States.

An insurance company or salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale shall be titled with a Nonrepairable or Salvage Vehicle Title, or comparable out-of-state ownership document prior to the sale and delivery to the casual buyer.

A casual buyer shall be licensed as a salvage vehicle dealer, in accordance with Occupations Code, Chapter 2302 and Title 43, Texas Administrative Code, Chapter 17, Subchapter E. Salvage Vehicle Dealers, if the person:

- is in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing or otherwise dealing in nonrepairable or salvage motor vehicles, or used parts;
- repairs, rebuilds, or reconstructs three or more salvage or nonrepairable motor vehicles in a calendar year; or
- purchases more than five salvage or nonrepairable motor vehicles during a calendar year (January - December).

Records of each casual sale are required to be maintained.

Note: For information regarding casual sales records by insurance companies, refer to [Casual Sales by an Insurance Company](#) and by salvage vehicle dealers refer to [Casual Sales by Salvage Vehicle Dealers](#).)

Export-only Sales

An export-only motor vehicle is a salvage or nonrepairable motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States (non-US resident).

An “export-only sale” is the sale of an export-only motor vehicle by a licensed salvage vehicle dealer, a salvage pool operator acting as the agent for an insurance company or a governmental entity to a non-U.S. resident.

Only a salvage vehicle dealer, a salvage pool operator acting as the agent for an insurance company or a governmental entity may sell a salvage or nonrepairable motor vehicle to a person who is not a resident of the United States.

A Salvage or Nonrepairable Vehicle Title must be issued for the vehicle before it may be offered for sale to a non-U.S. resident.

The seller of an export-only motor vehicle shall stamp the face of the Salvage or Nonrepairable Vehicle Title and each unused reassignment space on the back of the title with a stamp that includes the words “FOR EXPORT ONLY” and the salvage vehicle dealer license number or governmental entity's name. The words shall be at least 2 inches wide and clearly legible.

A salvage or nonrepairable motor vehicle that is sold for export only:

- shall be removed from the United States;
- may not be returned to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- may not be operated on a public highway in the United States.

Buyer's Identification

Before the sale to a non-U.S. resident, the seller shall obtain a legible photocopy of the buyer's government-issued photo identification document. The identification document shall be issued by the jurisdiction in which the buyer resides and may consist of:

- a passport;
- a driver's license;
- consular identity document;
- national identification certificate or identity document; or
- other identification issued by the jurisdiction in which the purchaser resides that is able to be verified by law enforcement and includes the name of the issuing jurisdiction, the purchaser's full name, foreign address, date of birth, photograph, and signature.

Buyer's Certification

A Buyer's Certification of Export-only Sale (Form VTR-901) must be executed certifying that the buyer:

- shall remove the vehicle from the United States;
- will not return the vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- shall not operate the vehicle on a public highway in the United States.

Export-Only Vehicle Sold To An Innocent Purchaser

An innocent purchaser (United States resident) of a salvage or nonrepairable motor vehicle that has been sold for export only shall be required to obtain a valid court order directing the department to issue a Texas Certificate of Title.

Examples include when an application for a Texas Certificate of Title is supported by:

- a Nonrepairable or Salvage Vehicle Title, stamped "For Export Only";
- a foreign ownership document issued for the motor vehicle and the motor vehicle record indicates a "LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)" remark; or

- the Texas motor vehicle record indicates a “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark.

Note: A court order will also be required if a motor vehicle record indicates a “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark, and the title transaction is supported by ownership documents indicating the vehicle was purchased at a statutory storage or mechanic lien foreclosure sale, or a Form 97, United States Government Certificate to Obtain Title to a Vehicle.

A tax collector's hearing or bonded title are not available options in this instance. Upon receipt of an appropriate court order, the “EXPORT-ONLY” remark would be removed to allow processing of the Texas Certificate of Title branded “Rebuilt Salvage.”

All subsequent certificates of title shall also indicate the appropriate “REBUILT SALVAGE” remark.

Note: The County Tax Assessor-Collector's Office should forward photocopies of the front and back of the associated transfer documents to local law enforcement for investigation and enforcement action.

Flood Damaged Vehicles

If a motor vehicle is damaged solely by water or is flood damaged, to the extent that it is classified as a salvage or nonrepairable motor vehicle, all requirements for Salvage or Nonrepairable Vehicle Titles and sale restrictions apply.

Voluntary Application

The owner of a motor vehicle that is not a salvage or nonrepairable motor vehicle may voluntarily apply for a Salvage or Nonrepairable Vehicle Title by submitting the Form VTR-441, required documentation, and fee to the department.

Note: Even though an application is voluntary, the same restrictions on the sale, transfer, release, or operation of the motor vehicle, and rebuilding restrictions shall apply to Salvage or Nonrepairable Vehicle Titles issued based on voluntary applications.

Off-site Sales

A salvage vehicle dealer or agent is not permitted to sell or offer for sale salvage or nonrepairable vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department.

Off-site Sales

Insurance Companies

This chapter contains the following sections:

- [Determination of the Condition of a Motor Vehicle](#)
- [Who Must Apply](#)
- [Nonrepairable Vehicle or Salvage Vehicle Title Application](#)
- [Applications Without Proper Evidence Of Ownership](#)
- [Voluntary Application](#)
- [Owner Retained Vehicles](#)
- [Owner Retained Report \(Form VTR-436\)](#)
- [Casual Sales by an Insurance Company](#)
- [Casual Sale Records](#)

Determination of the Condition of a Motor Vehicle

When a motor vehicle is damaged, the following definitions and information shall be used to determine whether the motor vehicle is a salvage or nonrepairable motor vehicle. If the motor vehicle meets the definitions, the owner shall apply for the appropriate salvage document.

Definitions

Damage

Damage means:

- sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts; and
- the term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

Salvage Motor Vehicle

A salvage motor vehicle is a motor vehicle (regardless of the model year) that:

- is damaged or is missing a major component part to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage, or
- is damaged and comes into this state under an out-of-state salvage motor vehicle certificate of title or similar out-of-state ownership document that states on its face “accident damage,” “flood damage,” “inoperable,” “rebuildable,” “salvageable,” or similar notation; and

- does not include:
 - an out-of-state motor vehicle with a “rebuilt,” “prior salvage,” “salvaged,” or similar notation, a nonrepairable motor vehicle;
 - a motor vehicle for which an insurance company has paid a claim for repairing hail damage;
 - a motor vehicle for which an insurance company has paid a claim for theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage;
 - the cost of materials or labor for repainting the motor vehicle; or
 - sales tax on the total cost of repairs.

Nonrepairable Motor Vehicle

A nonrepairable motor vehicle is a motor vehicle (regardless of the model year) that:

- is wrecked, damaged, or burned to the extent that the only residual value of the motor vehicle is as a source of parts or scrap metal; or
- comes into this state under a title or other ownership document that indicates that the motor vehicle is nonrepairable, junked, or for parts or dismantling only.

Actual Cash Value

The actual cash value of the motor vehicle is the market value of a motor vehicle as determined:

- from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or
- if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys that are applied in a uniform manner.

Cost of Repairs

The cost of repairs, including parts and labor, shall be determined by:

- using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs, or
- an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

The cost of repairs does not include:

- the cost of:
 - repairs related to gradual damage to a motor vehicle,
 - repairs related to hail damage, or
 - materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or
- sales tax on the total cost of repairs.

When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs or alternate method commonly used by the insurance industry shall be used to determine whether the damage is sufficient to classify the motor vehicle as a nonrepairable or salvage motor vehicle.

When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs or alternate method commonly used by the insurance industry shall be used to determine whether the damage is sufficient to classify the motor vehicle as a nonrepairable motor vehicle.

Who Must Apply

If the motor vehicle meets the definition of a nonrepairable or salvage motor vehicle, the owner (individual, self-insured owner, insurance company, salvage vehicle dealer, etc.) shall apply for the appropriate salvage document.

An insurance company licensed to do business in this state that acquires ownership or possession of a salvage or nonrepairable motor vehicle that is covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle and the owner retains the motor vehicle as part of the settlement, the owner shall obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the salvage or nonrepairable motor vehicle.

Note: Refer to [Chapter 1, “Salvage and Nonrepairable Motor Vehicles”](#) for information regarding obtaining a Salvage or Nonrepairable Vehicle Title and completion of the Application for Nonrepairable or Salvage Vehicle Title, Form VTR-441.

Nonrepairable Vehicle or Salvage Vehicle Title Application

Information regarding obtaining a Salvage or Nonrepairable Vehicle Title and completion of this form is located in [Application for Nonrepairable and Salvage Vehicle Titles](#).

Applications Without Proper Evidence Of Ownership

An insurance company that acquires ownership or possession of a nonrepairable or salvage motor vehicle through payment of a claim may apply for a Salvage or Nonrepairable Vehicle Title without obtaining the proper assignment of the owner(s) on the salvage motor vehicle ownership document under the following conditions:

- the motor vehicle is covered by a certificate of title issued by this state or a manufacturer's certificate of origin;
- at least 46 days have passed since the date of payment of the claim;
- the insurance company has obtained the release of all liens on the motor vehicle, and is unable to locate one or more owners of the motor vehicle; and
- has provided notice to the last known address in the department's records to each owner that has not been located by registered or certified mail, return receipt requested.

If the notice (above) is returned unclaimed, undeliverable, or with no forwarding address, the insurance company must publish a notice in a newspaper of general circulation in the area where the unclaimed mail was sent.

An Application for Nonrepairable Vehicle Title or Salvage Vehicle Title (Form VTR-441) must be accompanied by:

- the evidence of ownership for the salvage or nonrepairable motor vehicle, and
- proof of notification made by certified mail to each recorded owner that includes the original, or copies (if records are maintained electronically), of the United States Post Office validated (date stamped) receipts for certified mail (PS Form 3800) and return receipt (PS Form 3811), together with any unopened certified letter(s) returned by the post office as undeliverable, unclaimed, or due to no forwarding address.

Note: A copy of the PS Form 3877 or a copy of a privately printed or computer generated firm mailing bill can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp, the name and complete address of the person or firm to whom the certified mail is sent and the “Article Number” on all documentation corresponds (PS Form 3811, PS Form 3877, unopened envelope).

Note: A printout of the U.S. postal service's electronic track/confirm screen may be accepted in lieu of the PS Form 3811. The electronic track/confirm screen may also be accepted when the post office loses the return receipt (PS Form 3811), or the unopened certified letter(s) that should have been returned as undeliverable, unclaimed, or no forwarding address. The mailer may also request a return receipt (proof of delivery), after mailing by the post office. The proof of delivery from the postal service may also be accepted.

If notice is made by newspaper publication (if applicable), proof is required consisting of proof of notification (same as above) and a legible photocopy of the newspaper publication which includes the name and date of the publication.

Voluntary Application

An insurance company that determines a motor vehicle is not a salvage or nonrepairable motor vehicle may voluntarily apply for a Salvage or Nonrepairable Vehicle Title by submitting the Form VTR-441, required documentation, and fee to the department.

Note: Even though an application is voluntary, the same restrictions on the sale, transfer, release, or operation of the motor vehicle, and rebuilding restrictions shall apply to Salvage or Nonrepairable Vehicle Titles issued based on voluntary applications.

Owner Retained Vehicles

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle and does not acquire ownership of that vehicle, the insurance company is required to submit an Owner Retained Report (Form VTR-436) with a revision date of 9/2003 or later to the department, before the 31st day after the date of the payment of claim.

Note: If the date of claim payment is prior to September 1, 2003, a Form VTR-436 with a revision date prior to 9/2003 shall be submitted.

Owner retained provisions apply only to motor vehicles that meet the definition of salvage or nonrepairable (i.e., damage exceeds 100% of pre-damaged value or the only residual value is scrap metal or used parts).

Insurance companies may not submit an Owner Retained Report (Form VTR-436) for motor vehicles with a lesser amount of damage.

The insurance companies shall complete the Form VTR-436 to report that the insurance company:

- has paid a claim on the salvage or nonrepairable motor vehicle; and
- has not acquired ownership of the salvage or nonrepairable motor vehicle.

Upon receipt of a properly executed Form VTR-436, the department will:

- place a “LEGAL RESTRAINT-CONTACT TXDOT (#OR)” remark on the motor vehicle record and will invalidate any current registration to prevent transfer of ownership and issuance of registration prior to the issuance of a Salvage or Nonrepairable Vehicle Title;
- notify the recorded owner of the retained motor vehicle and lienholder (if applicable) of receipt of the report, advise the owner to obtain the appropriate salvage-type document and of the restrictions on transfer and operation of the vehicle.

Until a Salvage or Nonrepairable Vehicle Title, or a comparable out-of-state ownership document has been issued for an owner retained vehicle, the owner of the motor vehicle may not:

- sell or otherwise transfer ownership of the vehicle; or
- operate or permit operation of the motor vehicle on a public highway;
- until the motor vehicle is rebuilt;
- titled as a rebuilt salvage motor vehicle or rebuilt nonrepairable motor vehicle, if applicable; and
- is registered.

A Form VTR-436-E, Owner Retained Report Correction Request, may be submitted by an insurance company when one of the following errors was made on a Form VTR-436, Owner Retained Report:

- the cost to repair the damage to the vehicle was not sufficient to classify the vehicle as a salvage motor vehicle (i.e., the estimated cost of repairs did not exceed the pre-damaged actual cash value of the vehicle) or
- the original VTR-436 filed by an insurance company incorrectly indicated the vehicle was a salvage motor vehicle, but it is in fact a nonrepairable motor vehicle, or vice versa.

Owner Retained Report (Form VTR-436)

The insurance company shall submit an Owner Retained Report (Form VTR-436) with a revision date of 9/2003 or later, if the date of claim payment was on or after September 1, 2003.

An Owner Retained Report will be rejected if the date of claim is on or after September 1, 2003, but a Form VTR-436 with a revision date prior to 9/2003 is submitted.

The Owner Retained Report (Form VTR-436) must be mailed to the:

Vehicle Titles and Registration Division
Texas Department of Transportation
Attn: Title Control Systems Branch
Austin, Texas 78779-0001

Note: Insurance companies using a contracted business to complete the Form VTR-436 on owner retained vehicles should also include the address of the contracted business in the event the Form VTR-436 must be rejected. With this address, the department will be able to send the rejected forms directly to the contracted business for correction. This address can be submitted on a separate page with a note to the department authorizing the contracted business to handle the insurance company's owner retained notifications.

If the date of claim payment was prior to September 1, 2003, an insurance company is required to use a Form VTR-436 with a revision date prior to 9/2003.

Note: A Salvage Vehicle Title will be issued in lieu of a Nonrepairable Vehicle Title if an insurance company paid a claim on a nonrepairable motor vehicle prior to September 1, 2003 and the owner retained the vehicle. This allows the owner to rebuild and retitle the motor vehicle, since it was determined to be nonrepairable prior to the change in law that prohibits rebuilding of a nonrepairable motor vehicle.

Casual Sales by an Insurance Company

A casual sale is the sale by an insurance company, licensed salvage vehicle dealer or salvage pool operator at auction of five salvage or nonrepairable motor vehicles to the same person during a calendar year. The term does not include:

- a sale at auction to a salvage vehicle dealer; or
- the sale of an export-only motor vehicle to a person who is not a resident of the United States.

An insurance company, licensed salvage vehicle dealer or salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale shall be titled with a Salvage or Nonrepairable Vehicle Title, or comparable out-of-state ownership document prior to the sale and delivery to the casual buyer.

Casual Sale Records

An insurance company must maintain records of each casual sale made during the previous 36 months that at a minimum contain:

- the date of sale;
- the sales price;
- the name and address of the purchaser;
- a legible photocopy of the purchaser's government-issued photo identification;
- the form of identification provided, the identification document number, and the name of the jurisdiction that issued the identification document;
- the description of the motor vehicle, including the vehicle identification number, model year, make, body style, and model;
- a photocopy of the front and back of the properly assigned ownership document provided to the purchaser; and
- the purchaser's certification, on a form provided by the department, that the purchase of motor vehicles in a casual sale is not intended to circumvent the provisions of Transportation Code, Chapter 501 (relating to Certificates of Title) and Occupations Code, Chapter 2302 (relating to Salvage Vehicle Dealers).

Records shall be:

- maintained on a form (Casual Sales Record, Form VTR-903) provided by the department or in an electronic format;
- kept on the business premises of the insurance company; and
- made available for law enforcement inspection upon request.

Salvage Dealers and Agents

This chapter contains the following sections:

- Dealers Requiring Licenses
- Dealer License Exemptions
- Salvage Vehicle Dealer License Application
- Agents Requiring Licenses
- Agent License Exemptions
- Department Investigations and Reporting
- License Issuance
- License Denials
- License Suspension or Revocation
- Non-Payment of Child Support
- Notice Of Denial, Suspension or Revocation
- License Renewals
- Licensing Status Change
- Evidence of Ownership for Purchases
- Removal of Unexpired Plates and Registration Stickers
- Unique Inventory Numbers
- Dismantled, Scrapped, or Destroyed Vehicles
- Off-site Sales
- Casual Sales by Salvage Vehicle Dealers
- Export-Only Sales
- Purchase, Sales, and Inventory Records
- Casual Sale Records
- Export-Only Sale Records

Dealers Requiring Licenses

You are required to have a salvage vehicle dealer license if you:

- acquire, sell, dismantle, repair, rebuild, reconstruct, or otherwise deal in nonrepairable motor vehicles, salvage motor vehicles, or used parts;
- hold a salvage inventory number issued by the department and deal in the salvage vehicle industry (excluding metal recyclers);
- deal in nonrepairable motor vehicles or salvage motor vehicles, regardless of whether you deal in used parts;

- deal in used parts regardless of whether you deal in nonrepairable motor vehicles or salvage motor vehicles;
- purchase more than five salvage or nonrepairable motor vehicles at casual sale in a calendar year; or
- casually repair, rebuild, or reconstruct three or more salvage motor vehicles in the same calendar year.

A salvage vehicle dealer license only permits you to sell motor vehicles that are titled by:

- Salvage Certificates;
- Salvage and Nonrepairable Certificates of Title;
- Salvage and Nonrepairable Vehicle Titles; and
- Certificates of Authority; or
- comparable out-of-state ownership documents.

A salvage vehicle dealer license does not permit you to deal in or sell vehicles not titled by salvage or nonrepairable ownership documents. Examples include motor vehicles that are titled by:

- regular (blue) Texas Certificates of Title;
- regular out-of-state certificates of title; or
- Auction Sales Receipts (Form VTR-71-1).

Note: If you also want to sell motor vehicles that are not titled by salvage ownership documents, you must obtain a motor vehicle dealer license (General Distinguishing Number) from the Motor Vehicle Division. You may contact that Division at 1-877-366-8887.

Note: If a salvage vehicle dealer acquires a vehicle, regardless of whether the vehicle is a salvage or nonrepairable motor vehicle or not, for the purpose of dismantling, scrapping, or destroying the vehicle, the salvage vehicle dealer must:

remove all license plates and unexpired registration stickers; and

surrender the properly assigned evidence of ownership to the local

Vehicle Titles and Registration Division Regional Office, within 30 days of receipt, along with an Inventory Receipt for Surrendered Certificates of Title or Other Evidence of Ownership (Form VTR-340). (Refer to Dismantled, Scrapped, or Destroyed Vehicles in this section for further information and Records of Dismantled, Scrapped, or Destroyed Vehicles in this section for information regarding records required to be maintained by salvage vehicle dealers.)

Dealer License Exemptions

A salvage vehicle dealer license is not required for:

- a person who purchases five or less salvage or nonrepairable motor vehicles at casual sale in a calendar year from:
 - a salvage vehicle dealer;
 - a salvage pool operator at auction; or
 - an insurance company at auction;
- a metal recycler, unless a motor vehicle is sold, transferred, released, or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts, and is used for that purpose;
- a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year and the purpose is not to avoid the provisions of Occupations Code, Chapter 2302;
- a person who is a non-United States resident who purchases nonrepairable or salvage motor vehicles for export only;
- an agency of the United States, an agency of this state, or a local government;
- a financial institution or other secured party that holds a security interest in a motor vehicle and is selling that motor vehicle in the manner provided by law for the forced sale of a motor vehicle;
- a receiver, trustee, administrator, executor, guardian, or other person appointed by or acting pursuant to the order of a court;
- a person selling an antique passenger car or truck that is at least 25 years old or a collector selling a special interest motor vehicle as defined in Transportation Code, Section 683.077, if the special interest vehicle is at least 12 years old; and
- a licensed auctioneer who, as a bid caller, sells or offers to sell property to the highest bidder at a bona fide auction under the following conditions:
 - neither legal nor equitable title passes to the auctioneer;
 - the auction is not held for the purpose of avoiding a provision of Occupations Code, Chapter 2302; and
 - an auction is conducted of motor vehicles owned, legally or equitably, by a person who holds a salvage vehicle dealer's license and the auction is conducted at a location for which a salvage vehicle dealer's license has been issued to that person or at a location approved by the department.

Salvage Vehicle Dealer License Application

Place of Application

A person who is required to obtain a salvage vehicle dealer license must apply for a salvage vehicle dealer license by completing and submitting a Salvage Vehicle Dealer License Application (Form VTR-438-A), proper documentation as referenced below, and the applicable fee to the:

Texas Department of Transportation
Vehicle Titles and Registration Division
P.O. Box 13176
Austin, TX 78711

Applicable Fee

The fee for each salvage vehicle dealer license is \$95.00.

Classifications

You may not engage in activities of a particular classification unless you hold a license authorizing business under that classification. You may apply for a salvage vehicle dealer license in one or more of the following classifications:

- New automobile dealer - primary business is selling new motor vehicles, but who may also buy nonrepairable and salvage motor vehicles to repair and sell;
- Used automobile dealer - primary business is selling used motor vehicles, but who may also buy salvage and nonrepairable motor vehicles to repair and sell;
- Used vehicle parts dealer - primary business is acquiring, possessing, or transferring used parts in the normal course of business;
- Salvage pool operator - primary business is selling nonrepairable or salvage motor vehicles at auction, including wholesale auction;
- Salvage vehicle broker - primary business is buying, selling, or exchanging salvage and nonrepairable motor vehicles with other licensed salvage vehicle dealers; or
- Salvage vehicle rebuilder - primary business is acquiring and repairing, rebuilding, or reconstructing for operation on a public highway three or more salvage motor vehicles in a calendar year.

“Prior Revocation: A salvage vehicle dealer license may not be issued if the applicant, or any owner, partner, director or corporate officer of the business has previously had a salvage vehicle dealer license revoked. A new license may not be issued before the first anniversary of the date of revocation pursuant to Title 43, Texas Administrative Code, Section 17.81.

Felony Conviction

A salvage vehicle dealer license cannot be issued if an applicant, any owner, partner, director, or corporate officer has been convicted of a felony and it has not been at least three years since the termination of the sentence, parole, mandatory supervision, or probation for a felony conviction of each owner or partner.

Sole Proprietors

A “sole proprietorship” is a business owned and operated by one individual. If you operate as a sole proprietorship you must:

- indicate your legal name, mailing address, date of birth, drivers license number and social security number,
- the business name, DBA/Assumed Name, mailing and physical address, telephone number, Federal Employer Identification Number, if applicable, and Texas Sales Tax Identification Number; and
- provide copies of your:
 - current driver's license;
 - current Texas Sales and Use Tax Permit issued by the Texas Comptroller of Public Accounts; and
 - if you will operate as a sole proprietor under a business name other than your legal name, the Assumed Name Certificate or “DBA” on file with the Secretary of State's or County Clerk's Office that shows your legal name followed by DBA and the name under which the you will do business.

Note: The legal name and business name on the Assumed Name Certificate must be the same as indicated on the application.

Note: If your spouse intends to engage in business with you, it must be through a partnership, not a sole proprietorship.

Partnerships

A “partnership” is a legal relationship existing between two or more persons contractually associated as joint principals in business where all partners are fully liable for all debts of the business and share all profits. If you operate as a partnership, you must indicate:

- the business name, DBA/Assumed Name, mailing and physical address, telephone number, Federal Employer Identification Number, if applicable, and Texas Sales Tax Identification Number;
- the legal name, mailing address, date of birth, driver license number and social security number of each partner (refer to PARTNERSHIP INFORMATION on the application); and

- provide copies of:
 - the current driver's license for each partner;
 - current Texas Sales and Use Tax Permit issued by the Texas Comptroller of Public Accounts;
 - the Assumed Name Certificate or “DBA” on file with the Secretary of State's or County Clerk's Office that shows your legal name and the legal names of your partners, followed by DBA and the name under which you will do business;

Note: Your legal name, your partners' legal names, and the business name on the Assumed Name Certificate must be the same as indicated on the application.

Corporations

A “corporation” is a legal business entity created under federal or state statutes and granted a charter legally recognizing the business as a separate entity having its own rights, powers, privileges and liabilities, distinct and separate from those of its members. If you engage in business through a corporation, you must:

- indicate the name of the corporation, as it appears on file with the Secretary of State's Office, DBA/Assumed Name, physical and mailing address, telephone number, Federal Employer Identification Number, if applicable, and Texas Sales Tax Identification Number
- indicate the Charter Number, and the date and state of incorporation;
- indicate the name and physical address of the registered agent for the corporation in Texas, if applicable;
- indicate the legal name, mailing address, date of birth, driver's license number and social security number of each of the principal officers and directors of the corporation; and
- provide copies of:
 - the current driver's license for each corporate officer or director;
 - current Texas Sales and Use Tax Permit issued by the Texas Comptroller of Public Accounts;
 - the Assumed Name Certificate or “DBA” on file with the Secretary of State's Office that shows the name of the corporation followed by DBA and the name under which the corporation will do business, if your business will be conducted under a name other than the name of the corporation;
 - Certificate of Account Status from the Texas Comptroller of Public Accounts verifying that all required corporate franchise taxes have been paid.

Business References

Three business references must be provided. Salvage vehicle businesses may be provided as references; however, any business reference is acceptable.

Business Locations

If you plan to operate as a salvage vehicle dealer at more than one location within a county, you must list each location on the application and notify the department of any additionally acquired locations within that specific county. You will be required to obtain a separate license if you:

- operate as a salvage vehicle dealer within another county; or
- have additional locations operated under a different name.

Notarization

The completed application must be signed in the presence of a notary public. The notary public cannot:

- have an interest in the business; or
- be related to the owner of the salvage vehicle dealer business.

Mail to

The completed and notarized application must be returned to the address that is located at the top front of the application with the proper fee(s) and supporting documentation.

Reminder

Be sure that your application is properly completed, signed, notarized, and all additional documents are attached. The primary reasons for rejected applications are:

- Assumed Name Certificate is not submitted;
- Application is not notarized;
- Copy of verification of payment of all required corporate franchise taxes is not submitted; and
- Three years have not elapsed since termination of sentence, parole, mandatory supervision or probation for a felony conviction.

Note: Falsifying information on the Form VTR-438-A is a felony under Section 37.10 of the Texas Penal Code.

Agents Requiring Licenses

You are required to have a salvage vehicle agent license and must apply on an Application for Salvage Vehicle Dealer Agent License (Form VTR-437-A) if you:

- acquire, sell, or otherwise deal in salvage or nonrepairable motor vehicles or used parts in this state as directed by the salvage vehicle dealer under whose license you operate; or
- act as a salvage vehicle agent, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company.

Note: The holder of a salvage vehicle dealer license may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license.

Agent License Exemptions

You are not required to obtain a salvage vehicle agent license if you are:

- a licensed salvage vehicle dealer;
- a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;
- an employee of a licensed salvage vehicle dealer; or
- only transporting salvage motor vehicles for a licensed salvage vehicle dealer.

Agent License Applications

Place of Application

The Application for Salvage Vehicle Agent License (Form VTR-437-A) must be completed for each salvage vehicle agent license and submitted to the:

Texas Department of Transportation
Vehicle Titles and Registration Division
P.O. Box 13176
Austin, TX 78711

Application Fees

The fee for each salvage vehicle agent license is \$95.00.

Felony Convictions

A salvage vehicle agent license cannot be issued if an applicant has been convicted of a felony and it has not been at least 3 years since the termination of the sentence, parole, mandatory supervision, or probation for a felony conviction.

Notarization

The completed application must be signed in the presence of a notary public. The notary public cannot:

- have an interest in the business; or
- be related to the owner of the salvage vehicle dealer business.

Note: Falsifying information on the Form VTR-437-A is a felony under Section 37.10 of the Texas Penal Code.

Department Investigations and Reporting

Investigation by the department:

- The department will not grant a salvage vehicle dealer or an agent a license until the department completes an investigation of the applicant's qualifications and references in accordance with Occupations Code, Section 2302.105.
- The investigation will be conducted not later than the 15th day after the date the application is received by the department, and includes a criminal background check.

Department Reports

On completion of the investigation, the department will provide each applicant with a written notification of the results of the investigation in the form of issuance of a license to a qualified applicant or a letter advising denial of the application.

If the application is denied, the applicant may appeal the decision.

License Issuance

When your application for salvage vehicle dealer or agent license has been received and approved, the department will issue you a Certificate of Salvage Vehicle Dealer or Agent License indicating your assigned dealer or agent license number.

The Certificate of Salvage Vehicle Dealer or Agent License will be mailed to the salvage vehicle dealer's business location address referenced on the application, unless the business mailing address is different than the business location.

The license will be issued for a 12-month period.

A license will not be issued in a fictitious name that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public.

A person whose license has been revoked will not be issued a new license before the first anniversary of the date of the revocation.

License Denials

The department will deny issuance of a salvage vehicle dealer or agent license if:

- all the information required on the application is not complete.
- the affidavit and business references required on the application are inadequate due to incomplete information being provided or misrepresentation of the applicant's reputation or character.
- the applicant has been convicted of a felony for which less than three years have elapsed since the termination of the sentence, parole, mandatory supervision, or probation.
- the applicant's previous salvage vehicle dealer or agent license was revoked and the first anniversary of the date of revocation has not occurred.
- the applicant is an immediate family member, such as a spouse, child, parent, grandparent, niece, nephew, uncle, or aunt, of a previously licensed salvage vehicle dealer whose license has been revoked, and the business location is the same as the location of the revoked salvage vehicle dealer.

License Suspension or Revocation

As set forth in Title 43, Texas Administrative Code, Subchapter E, the department may suspend or revoke a salvage vehicle dealer or agent license if the dealer or agent:

- fails to maintain purchase, sales, and inventory records;
- refuses to permit or fails to comply with a request by a representative of the department or a peace officer to examine, during normal working hours, or while the premises are occupied, the purchase, sales, and inventory records and ownership documents for salvage or nonrepairable motor vehicles or used parts owned by that dealer or under that dealer's control;
- holds one or more classifications of salvage vehicle dealer licenses and is found to be dealing in another classification for which a license has not been issued to the dealer;
- fails to notify the department of a change of address within 10 days after such change;
- fails to notify the department of a dealer's name or ownership change within 10 days after such change, or is found to be dealing in a salvage vehicle dealer classification for which they do not hold a license;
- fails to notify the department of the termination of an agent who was authorized to operate under the salvage vehicle dealer's license within 10 days after such termination;
- fails to follow the restriction of the sale, transfer, or release of a salvage or nonrepairable motor vehicle;

- fails to meet the timeframes and requirements;
- fails to remain regularly and actively engaged in the business for which the salvage vehicle dealer or agent license is issued;
- sells more than five salvage or nonrepairable motor vehicles to the same person in a casual sale during a calendar year;
- uses or allows use of the dealer's or agent's license or location for the purpose of avoiding the provisions of the salvage vehicle dealer law;
- sells or offers for sale salvage or nonrepairable motor vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department;
- is convicted of a felony after initial issuance or renewal of the salvage vehicle dealer or agent license or less than three years have elapsed since the termination of the sentence, parole, mandatory supervision, or probation for felony conviction of the applicant;
- makes a material misrepresentation in any application or other information filed with the department;
- fails to remit payment for civil penalties assessed by the department under Texas Administrative Code, Title 43, Chapter 1, Subchapter E; or
- violates any of the provisions of Transportation Code, Chapter 501, or Occupations Code Chapter 2302.

Non-Payment of Child Support

Family Code, Section 232.003, Suspension of License, reads as follows:

- (a) *A court or the Title IV-D agency may issue an order suspending a license as provided by this chapter if an individual who is an obligor:*
- (1) *owes overdue child support in an amount equal to or greater than the total support due for three months under a support order;*
 - (2) *has been provided an opportunity to make payments toward the overdue child support under a court-ordered or agreed repayment schedule; and*
 - (3) *has failed to comply with the repayment schedule.*

A court or the Title IV-D agency may issue an order suspending a license if a parent or alleged parent has failed, after receiving appropriate notice, to comply with a subpoena.

On receipt of a final order suspending a license, issued under Family Code, Section 232.008, the department will:

- suspend a dealer's or agent's license;
- charge an administrative fee of \$10 to a dealer or agent who is the subject of an order suspending license; and

- mail a notice of the suspension to the last known address of the dealer or agent by certified mail.

Notice Of Denial, Suspension or Revocation

If it is determined that your salvage vehicle dealer or agent license should be denied, suspended, or revoked, the director will mail a notice of the denial, suspension, or revocation to your last known address by certified mail.

Notice

The notice will clearly state:

- the reason for the denial, suspension, or revocation;
- the effective date of the denial, suspension, or revocation;
- your right as a dealer or agent to request an administrative hearing on the question of denial, suspension, or revocation; and
- that the notice of suspension or revocation will also apply to licensed salvage vehicle agents authorized by you.

Administrative Hearings

A request for an administrative hearing must be made in writing to the director within 10 days of the receipt of notice of denial, suspension, or revocation.

If timely requested, an administrative hearing will be conducted.

Restrictions

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

The department will not refund fees paid by a salvage vehicle dealer or agent if the license is revoked or suspended.

Note: Suspension or revocation of your salvage vehicle dealer license(s) also causes the suspension or revocation of any salvage agent licenses associated with your salvage vehicle dealer business or businesses.

License Renewals

License Expiration

A salvage vehicle dealer license or agent license expires on the first anniversary of the date of issuance. The license may be renewed annually on or before the expiration date with payment of the required renewal fee.

Renewal Letter and Affidavit

At least 30 days before expiration of a license, the department will mail the salvage vehicle dealer a renewal letter for the applicable license. A Salvage Vehicle Dealer License Renewal Letter (Form VTR-348-RLA) or Salvage Vehicle Agent Renewal Letter (Form VTR-437-RLA), for each agent operating under the salvage vehicle dealer's license, will be sent to the dealer's last known business address according to department records.

The renewal letter will include a license renewal affidavit that contains pre-printed information regarding the salvage vehicle dealer or agent, whichever applies, such as name, address, telephone number, type of license, etc. The dealer/agent shall verify that the pre-printed information is correct or shall provide corrected information, and must provide all other requested information.

The license renewal affidavit must be signed by the applicant (salvage vehicle dealer or agent) and the affidavit must be notarized.

On Time Renewal Fees

Renewal Fees (if received in our office prior to the expiration date) are:

- Salvage Vehicle Dealer: \$85 for each classification of license.,
- Salvage Vehicle Agent: \$85.

Note: A salvage vehicle dealer or agent, whose license has expired, may not engage in the activities that require a license until the license is renewed.

Late Renewals

An expired salvage vehicle dealer or agent license may be renewed under the following conditions:

- A license holder may renew a license by paying a renewal fee of \$127.50, if 90 days or fewer have elapsed since the license expired.
- A license holder may renew a license by paying a renewal fee of \$170, if more than 90 days have elapsed since the license expired.
- A license holder may renew a license by paying a renewal fee of \$170, if the license holder:
 - resides in another state and has been doing business as a salvage vehicle dealer in that state for at least two years;
 - provides a certificate or other official document issued by that state that demonstrates the license holder is doing business as a salvage vehicle dealer in that state; and
 - furnishes the expired Texas license number.

If a license has been expired for a period of one year or longer, the license holder must apply for a new license in the same manner as an applicant for an initial license except as provided under bullet three above.

Renewal Submission

Mail the completed, signed and notarized renewal letter and the appropriate renewal fee(s) to:

Texas Department of Transportation
Vehicle Titles and Registration Division
P.O. Box 13176
Austin, TX 78711

Licensing Status Change

A licensed salvage vehicle dealer is required to notify the department in writing within 10 days, if there is a:

- Licensee name change. Upon notification of a name change, the department will indicate the change on the dealer's file. The dealer will retain the same salvage vehicle dealer license number.
- Change of ownership. Upon notification of a complete change of ownership, the department will cancel the existing salvage vehicle dealer license. The new owner must qualify for a new salvage vehicle dealer license by submission to the department of a completed application for the new Texas salvage vehicle dealer, and any agents operating under the new salvage vehicle dealer's license.
- Change of operating status. A salvage vehicle dealer must notify the department in writing within 10 days of the closing of any dealer location.
- Termination of an agent. A salvage vehicle dealer must notify the department in writing within 10 days of the termination of an agent who was authorized to operate under the salvage vehicle dealer's license.
- Relocation of the business establishment.
- Opening of an additional salvage business establishment.

Evidence of Ownership for Purchases

A salvage vehicle dealer must receive a properly assigned certificate of title when acquiring ownership of a salvage or nonrepairable motor vehicle.

A salvage vehicle dealer licensed as a used vehicle parts dealer may not receive a motor vehicle unless the dealer first obtains a certificate of authority, sales receipt, or transfer document in accordance with Transportation Code, Chapter 683, or a certificate of title showing that there are no liens on the motor vehicle or that all recorded liens have been released.

Removal of Unexpired Plates and Registration Stickers

All unexpired license plates and registration validation stickers must be removed immediately by a salvage vehicle dealer who acquires a:

- a salvage or nonrepairable motor vehicle that has been acquired by a salvage vehicle dealer for the purpose of dismantling, scrapping, or destroying; or
- a motor vehicle (other than a salvage or nonrepairable motor vehicle) that is acquired by a salvage vehicle dealer.

Note: If the motor vehicle is to be dismantled, scrapped or destroyed, refer to Dismantled, Scrapped, or Destroyed Vehicles in this section for further information.

Removed license plates and registration validation stickers must be maintained in a safe, locked place.

Unique Inventory Numbers

A salvage vehicle dealer must assign a unique inventory number to each transaction in which the dealer purchases or takes delivery of one or more component parts to include the following:

Major Component Parts

Major component parts include:

- the engine
- the transmission
- the frame
- a fender
- the hood
- a door allowing entrance to or egress from the passenger compartment of the motor vehicle
- a bumper
- a quarter panel
- a deck lid, tailgate, or hatchback
- the cargo box of a one-ton or smaller truck, including a pickup truck
- the cab of a truck
- the body of a passenger motor vehicle
- the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

Minor Component Parts

Minor component parts include:

- an interior component part that includes a seat or radio of a motor vehicle;
- a special accessory part that includes a tire, wheel, tailgate, or removable glass top of a motor vehicle; or
- a motor vehicle part that displays or should display one or more of the following:
 - a federal safety certificate, as described by Occupations Code, Section 2302.001(4);
 - a motor number;
 - a serial number or a derivative; or
 - a manufacturer's permanent vehicle identification number or a derivative.

Unique Inventory Number

The unique inventory number must incorporate:

- the salvage vehicle dealer's license number;
- the day, month, and year of the purchase or delivery; and
- sequential log number.

Example of a Unique Inventory Number

Salvage vehicle dealer's license number:	123200500
Day, month, and year of the purchase or delivery:	290104
Sequential log number for that day:	010
Equals unique inventory number	123200500290104010

A salvage vehicle dealer must attach a unique inventory number to each motor vehicle that the dealer purchases.

- If a component part is removed, the salvage vehicle dealer must also attach to that part the unique inventory number of the motor vehicle from which the part was removed.
- The unique inventory number may not be removed from the component part while the part remains in the inventory of the salvage vehicle dealer.
- The salvage vehicle dealer who originally purchases a component part must retain that part in its original condition on the dealer's business premises. The component part must be retained for at least three calendar days, excluding Sundays.
- Exemptions to the unique inventory number requirement include:

- a non-operational engine, transmission or rear axle assembly purchased by one salvage vehicle dealer from another salvage vehicle dealer or from an automotive-related business;
- an interior component part or special accessory part that is from a motor vehicle more than ten years of age; or
- parts delivered to a salvage vehicle dealer by commercial freight line or commercial carrier; or
- rebuildable or rebuilt core, including an engine, block, crankshaft, transmission, or other core part that is acquired, possessed, or transferred in the ordinary course of business.

Dismantled, Scrapped, or Destroyed Vehicles

A salvage vehicle dealer that acquires any motor vehicle, regardless of the type of evidence of ownership obtained, for the purpose of dismantling, scrapping, or destruction, shall:

1. immediately remove all unexpired license plates and registration validation stickers; and
2. not later than the 30th day after the motor vehicle is acquired, surrender to a VTR Regional Office:
 - an Inventory Receipt for Surrendered Certificates of Title or Other Evidence of Ownership (Form VTR-340) certifying that all unexpired license plates and registration validation stickers have been removed from the motor vehicle, in accordance with Occupations Code, Section 2302.252; and
 - the properly assigned certificate of title or other evidence of ownership for each motor vehicle listed on the Form VTR-340.

Note: You must maintain photocopies of the front and back of all evidence of ownership surrendered to the department (i.e. out-of-state or foreign evidence of ownership, Auction Sales Receipt, etc.), unless the evidence of ownership is a Texas-issued title.

Department Action

Upon receipt of the report, the department will note the motor vehicle record to indicate the evidence of ownership has been surrendered to the department and will return the acknowledged, “Duplicate (Firm Copy)” of the Form VTR-340 to the salvage vehicle dealer.

The license plates and registration validation stickers removed from the vehicles listed on the Form VTR-340 shall be stored in a secure, locked location. They may be destroyed upon receipt of the “Duplicate (Firm Copy)” of the Form VTR-340 from the department.

If you sell a motor vehicle to someone other than a metal recycler, and the evidence of ownership has been surrendered to the department, you must apply to the department for the appropriate salvage ownership document (Salvage or Nonrepairable Vehicle Title) for the motor vehicle.

Note: If you sell a motor vehicle to a metal recycler and the evidence of ownership has been surrendered to the department, you must provide the metal recycler with a Form VTR-203, Salvage Bill of Sale.

In the past, these requests were processed at the 17 Vehicle Titles and Registration Division (VTR) Regional Offices and a no-charge

Texas Salvage Certificate would be issued. However, effective September 1, 2003, the department was prohibited from issuing Salvage Certificates and salvage document issuance was centralized at the VTR Headquarters Office in Austin. Therefore, these requests will now be processed at the VTR Headquarters Office upon proper application and payment of the \$8 application fee.

Upon receipt of a properly completed Form VTR-441, the required documents, and the \$8 fee, the department will issue an original Nonrepairable Vehicle Title or Salvage Vehicle Title.

Application Supporting Documentation

The application must be supported by the following, if:

In State Ownership

If Texas evidence of ownership is surrendered:

- Application for Salvage or Nonrepairable Vehicle Title
- (Form VTR-441) indicating whether they are applying for a Nonrepairable Vehicle Title or a Salvage Vehicle Title;
- \$8 application fee; and
- a copy of the Form VTR-340 surrendered to the department with the evidence of ownership that lists the applicable vehicle.

Out-of-state Ownership

If out-of-state evidence of ownership is surrendered:

- Application for Salvage or Nonrepairable Vehicle Title
- (Form VTR-441) indicating whether they are applying for a Nonrepairable Vehicle Title or a Salvage Vehicle Title;

- \$8 application fee;
- a copy of the Form VTR-340 surrendered to the department with the evidence of ownership that lists the applicable vehicle; and
- a copy of the front and back of the out-of-state evidence of ownership that was surrendered.

“For Export-only” Titles by Salvage Yards

If a person, such as a salvage vehicle dealer or metal recycler, surrenders a Salvage or Nonrepairable Vehicle Title that is stamped “For Export Only” on an Inventory Receipt for Surrendered Certificates of Title or Other Evidence of Ownership (Form VTR-340), VTR will:

- accept the surrendered Salvage or Nonrepairable Vehicle Title; and
- process the transaction as usual by adding a remark to the motor vehicle record that indicates the evidence of ownership has been surrendered to the department.

Since the motor vehicle sold for export only should have been removed from the United States, the department will forward photocopies of the front and back of the associated transfer documents to local law enforcement for investigation and enforcement action.

No subsequent Texas titles (Nonrepairable Vehicle Title, Salvage Vehicle Title or Texas Certificate of Title branded “Rebuilt Salvage.”) may be issued for the motor vehicle.

Off-site Sales

A salvage vehicle dealer or agent is not permitted to sell or offer for sale salvage or nonrepairable vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department.

Casual Sales by Salvage Vehicle Dealers

A casual sale is the sale by a salvage vehicle dealer or salvage pool operator at auction of not more than five salvage or nonrepairable motor vehicles to the same person during a calendar year. The term does not include:

- a sale at auction to a salvage vehicle dealer; or
- the sale of an export-only motor vehicle to a person who is not a resident of the United States.

A salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale must be titled with a Salvage or Nonrepairable Vehicle Title, or comparable out-of-state ownership document, prior to the sale and delivery to the casual buyer.

A casual buyer must be licensed as a salvage vehicle dealer, in accordance with Occupations Code, Chapter 2302 and Title 43, Texas Administrative Code, Chapter 17, Subchapter E. Salvage Vehicle Dealers, if the person:

- is in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing or otherwise dealing in salvage or nonrepairable motor vehicles, or used parts;
- repairs, rebuilds, or reconstructs three or more salvage or nonrepairable motor vehicles in a calendar year; or
- purchases more than five salvage or nonrepairable vehicles during a calendar year (January through December).

Records of each casual sale are required to be maintained.

Note: Refer to Casual Sale Records in this section for information regarding casual sales records required to be maintained by salvage vehicle dealers, including salvage pool operators.

Export-Only Sales

An export-only motor vehicle is a salvage or nonrepairable motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States (non-US resident).

Only a salvage vehicle dealer or a governmental entity may sell a salvage or nonrepairable motor vehicle to a person who is not a resident of the United States.

A Salvage or Nonrepairable Vehicle Title must be issued for the vehicle before it may be offered for sale to a non-U.S. resident.

Buyer's Identification

Before sale to a non-U.S. resident, the seller must obtain a legible photocopy of the buyer's government-issued photo identification document. The identification document must be issued by the jurisdiction in which the buyer resides and may consist of:

- a passport;
- a driver's license;
- consular identity document;
- national identification certificate or identity document; or
- other identification issued by the jurisdiction in which the purchaser resides that is able to be verified by law enforcement and includes the name of the issuing jurisdiction, the purchaser's full name, foreign address, date of birth, photograph, and signature.

Buyer's Certification

A Buyer's Certification of Export-only Sale (Form VTR-901) must be executed certifying that the buyer will:

- remove the vehicle from the United States;
- not return the vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- not operate the vehicle on a public highway in the United States.

The seller of an export-only motor vehicle must stamp the face of the Nonrepairable or Salvage Vehicle Title and each unused reassignment space on the back of the title with a stamp that includes the words "FOR EXPORT ONLY" and the salvage vehicle dealer number. The words must be at least 2 inches wide and clearly legible.

- A salvage or nonrepairable motor vehicle that is sold for export only:
- must be removed from the United States;
- may not be returned to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- may not be operated on a public highway in the United States.

Records of each export only sale are required to be maintained until the third anniversary of the date of sale.

Note: Refer to Export-only Sale Records in this section for information regarding export only sale records required to be kept.

Purchase, Sales, and Inventory Records

In accordance with Title 43, Texas Administrative Code, Section 17.80, (Salvage Vehicle Dealer rules) you are required to keep an accurate and legible record of each motor vehicle and each used part purchased or sold, or held in inventory on VTR's prescribed form, Inventory of Component Parts Purchased (Form VTR-207).

Records are required to be maintained in a bound book or electronically. If records are maintained electronically, the salvage vehicle dealer must print paper copies and keep those copies in a secure file. Records must be maintained for a five-year period. Records are required to include:

- the date of purchase for the motor vehicle or part;
- the name and address of the person selling the motor vehicle or part to the dealer;
- a description of the motor vehicle or part, including the model year, make, model and vehicle identification or part number, if applicable;
- the motor vehicle's ownership document number and state of issuance, if applicable;

- a copy of the front and back of the ownership document for the motor vehicle or part unless the model year is more than 10 model years older than the current model year;
- the date the ownership document was surrendered to the department;
- any evidence indicating that the motor vehicle was dismantled, scrapped, or destroyed;
- the date of sale; and
- the name and address of the person purchasing the motor vehicle or part from the dealer.

Parts Inventory

In addition, if you are a salvage vehicle dealer licensed as a used vehicle parts dealer you are also required to keep an accurate and legible parts inventory of each used component part purchased by or delivered to you.

The parts inventory must include:

- the date of purchase or delivery of the part;
- the name, age, address, sex, and driver's license number of the seller and a legible photocopy of the seller's driver's license;
- the license plate number of the motor vehicle used to deliver the used component part;
- a complete description of the item purchased, including the type of material and, if applicable, the make, model, color, and size of the item; and
- the vehicle identification number of the motor vehicle from which the used component part was removed.

Voluntary Records

In lieu of the information above, a salvage vehicle dealer may keep records of:

- the name of the person from which the motor vehicle or part is purchased or the motor vehicle from which the part obtained; and
- the Texas certificate of inventory number or federal taxpayer identification number of the person.

Records Not Required

A salvage vehicle dealer is not required to keep records under this subsection for:

- an interior component part or special accessory part that is from a motor vehicle more than ten years of age.
- parts delivered to a salvage vehicle dealer by commercial freight line or commercial carrier.

Require Historical Records

In accordance with Title 43, Texas Administrative Code, Section 17.80(c)(4), a salvage vehicle dealer:

- shall maintain two copies of each record for used component parts, as addressed under Purchase, Sales, and Inventory Records in this section, on a form prescribed by the department for one year after the date of sale or disposal of the item; and
- is required to keep, on the dealer's business premises, a record of each vehicle that is dismantled, scrapped, or destroyed, and a photocopy of the front and back of the evidence of ownership surrendered to the department, until the third anniversary of the date the report was filed with the department.

Casual Sale Records

A casual sale is the sale of a salvage or nonrepairable motor vehicle to an unlicensed buyer.

Licensed salvage vehicle dealers may sell up to five nonrepairable or salvage motor vehicles to the same person in a calendar year (January through December).

The casual buyer must be licensed as a salvage vehicle dealer if the person:

- buys or sells more than five salvage or nonrepairable motor vehicles in a calendar year; or
- repairs, rebuilds, or reconstructs, three or more salvage or nonrepairable motor vehicles in a calendar year.

A salvage vehicle dealer must maintain records of each casual sale made during the previous 36 months that at a minimum contain:

- the date of sale;
- the sales price;
- the name and address of the purchaser;
- a legible photocopy of the purchaser's government-issued photo identification;
- the form of identification provided, the identification document number, and the name of the jurisdiction that issued the identification document;
- the description of the motor vehicle, including the vehicle identification number, model year, make, body style, and model;
- a photocopy of the front and back of the properly assigned ownership document provided to the purchaser; and
- the purchaser's certification, on a form provided by the department, that the purchase of motor vehicles in a casual sale is not intended to circumvent the provisions of Transportation Code, Chapter 501 (relating to Certificates of Title) and Occupations Code, Chapter 2302 (relating to Salvage Vehicle Dealers).

Records shall be:

- maintained on a form (Casual Sales Record, Form VTR-903) provided by the department or in an electronic format;
- kept on the business premises of the salvage vehicle dealer; and
- made available for law enforcement inspection upon request.

Export-Only Sale Records

A salvage vehicle dealer that sells a salvage or nonrepairable motor vehicle for export only to a non-United States resident is required to:

- maintain records of each sale on the business premises of the salvage vehicle dealer for at least three years from the date of sale; and
- is required to make these records available for inspection upon request.

Records of each sale must include a:

- legible copy of the front and back of the stamped and properly assigned Salvage or Nonrepairable Vehicle Title;
- Buyer's Certification of Export-only Sale (Form VTR-901) including the buyer's certified statement;
- legible copy of each buyer's photo identification document;
- legible copy of any other documents related to the sale of the motor vehicle; and
- For Export-only Sales Record (Form VTR-902) listing each motor vehicle sold for export only.

The export-only sale records must be maintained either on a form provided by the department (For Export-Only Sales Record, Form VTR-902), or in an electronic format approved by the department.

A legible copy of the Form VTR-902 must be submitted to the department at the following address, within 30 days after the dates of sale of the motor vehicles listed on the form:

Texas Department of Transportation
Vehicles Titles and Registration Division
Attn: Vehicle Data Management Branch
Austin, TX 78779-0001

Upon receipt, the department will mark the record of each motor vehicle sold for export only with a remark that prevents processing of any subsequent titles or issuance of registration for the vehicle.

The motor vehicle record will reflect a remark that reads “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT).”

A vehicle for which the motor vehicle record indicates the above remark may not be registered or titled in Texas, under any circumstances.

Export-only Sale Reported in Error

The following procedure should be followed if a salvage vehicle dealer advises that an export only sale was reported to VTR in error on a For Export-only Sales Record (Form VTR-902), and requests removal of the “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)” remark.

The salvage vehicle dealer must submit:

- a statement of fact from the salvage vehicle dealer stating the error;
- a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the Vehicle Titles and Registration Division, if applicable.

Note: Refer to Certified Copies of Salvage or Nonrepairable Vehicle Titles Stamped “For Export Only” in Error in Section 1 for information regarding the procedures when “For Export Only” is stamped in error.

Records of Dismantled, Scrapped, or Destroyed Vehicles

A salvage vehicle dealer shall keep on the dealer's business premises a:

- record of each vehicle that is dismantled, scrapped or destroyed; and
- photocopy of the front and back of any evidence of ownership surrendered to the department, unless the evidence of ownership is a Texas-issued title (i.e. out-of-state or foreign evidence of ownership, Auction Sales Receipt, etc.).

These records must be maintained until the third anniversary of the date the report (Form VTR-340) was filed with the department.

Export-Only Sale Records

Rebuilt Salvage Motor Vehicles

This chapter contains the following sections:

- [Restrictions](#)
- [Application Procedures](#)
- [Rebuilt Salvage Title Issuance](#)
- [Title Documents for Rebuilt Salvage Vehicles](#)

Restrictions

Rebuilt salvage motor vehicles may not be rebuilt, reconstructed, retitled, or registered

May Not Retitle

A motor vehicle titled under one of the following nonrepairable ownership documents may not be rebuilt, reconstructed, retitled, or registered under any circumstances:

- a nonrepairable motor vehicle for which a Texas Nonrepairable Vehicle Title was issued on or after September 1, 2003;
- a comparable out-of-state title or other ownership document that indicates that the vehicle is nonrepairable, junked, or for parts or dismantling only; or
- a vehicle for which a Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking or Dismantling Only (COA) has been issued.

May Retitle

A motor vehicle titled under one of the following salvage ownership documents may be rebuilt, reconstructed, retitled, and registered:

- Texas Salvage Certificate issued prior to September 1, 2003;
- Texas Salvage Certificate of Title issued prior to September 1, 2003;
- Texas Nonrepairable Certificate of Title issued prior to September 1, 2003;
- Texas Salvage Vehicle Title issued on or after September 1, 2003; or
- Comparable out-of-state ownership document.

Application Procedures

Certificates of Title branded “Rebuilt Salvage”

Once a nonrepairable (if applicable) or salvage motor vehicle has been rebuilt, the owner (licensed salvage vehicle dealers excluded) must apply for a “blue” Texas Certificate of Title branded “Rebuilt Salvage” prior to further transfer of ownership.

Note: If rebuilt by a licensed salvage vehicle dealer, the dealer must provide their buyer with the properly assigned salvage ownership document and a Rebuilt Affidavit (Form VTR-61) executed by the rebuilder if component parts were used.

Place of Application

The owner must file an Application for Texas Certificate of Title (Form 130-U) for a “blue” Texas Certificate of Title branded “Rebuilt Salvage” with the County Tax Assessor-Collector's Office in the county in which they reside, or where the vehicle was purchased or encumbered.

Application Fee

In addition, to the statutory fee for a title application and any other applicable fees that may be required, a \$65 Rebuilt Salvage Fee will be assessed when an applicant applies for a Texas Certificate of Title branded “Rebuilt Salvage” unless the applicant provides a DPS Certificate of Inspection (Form MVT-9) described on the next page under [Evidence of Inspection](#).

Form 130-U, Application for Texas Certificate of Title, must be submitted.

Note: When applying for a Texas Certificate of Title branded “Rebuilt Salvage”, the \$65 Salvage Fee check box in block #21 of the Form 130-U must be checked.

Supporting Documents

The application for a Texas Certificate of Title (Form 130-U) must be accompanied by:

- [Evidence of Ownership](#)
- [Rebuilt Affidavit \(Form VTR-61\)](#)
- [Major Component Part Description](#)
- [Owner Information](#)
- [Evidence of Inspection](#)
- [Odometer Disclosure Statement](#)
- [Proof of Financial Responsibility](#)

- [Identification Certificate](#)
- [Release of Liens](#)

Evidence of Ownership

Evidence of ownership of a rebuilt salvage motor vehicle, properly assigned to the applicant including:

- a Texas Salvage Certificate;
- a Texas Salvage Certificate of Title issued prior to September 1, 2003;
- a Texas Salvage Vehicle Title;
- a Texas Nonrepairable Certificate of Title issued prior to September 1, 2003; or
- a comparable salvage certificate or salvage certificate of title issued by another jurisdiction

The documents may not include:

- a Texas Nonrepairable Vehicle Title issued on or after September 1, 2003;
- an out-of-state ownership document that indicates that the motor vehicle is nonrepairable, junked, for parts or dismantling only, or the motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; or
- a certificate of authority to dispose of a motor vehicle issued in accordance with Transportation Code, Chapter 683.

Rebuilt Affidavit (Form VTR-61)

A Rebuilt Affidavit (Form VTR-61) that includes:

- a description of the motor vehicle, which includes the motor vehicle's model year, make, model, identification number, and body style;
- an explanation of the repairs or alterations made to the motor vehicle;

Note: In instances where the damage to the vehicle is cosmetic only or does not require repairs to be operational, the applicant (owner) may state, under Explanation of Repairs, that “No repairs were necessary” or “Cosmetic damage only.”

Note: If a person purchases a salvage or nonrepairable (if applicable) motor vehicle that was repaired or rebuilt prior to the purchase and it is unknown what repairs were made, the applicant (owner) may indicate “Repairs unknown” under Explanation of Repairs, and the back of the form need not be completed.

Major Component Part Description

A description of each major component part used to repair the motor vehicle and showing the identification number required by federal law to be affixed to or inscribed on the part;

Note: The Form VTR-61 requires disclosure of the component part number or vehicle identification number for the body, frame, or engine of the vehicle from which the part was taken, if the vehicle has been rebuilt or assembled from component parts. If an applicant is unable to disclose the component part number or vehicle identification number of any replaced basic component parts used in the rebuilding process, the applicant must pursue title through a tax collector's hearing, bonded title or by court order from a county or district judge.

Owner Information

Include the name and address of the owner and a statement by the owner(s) that:

- they are the legal owner(s) of the vehicle;
- the vehicle has been rebuilt, repaired, reconstructed or assembled; and
- the vehicle identification number disclosed on the form is the same as the vehicle identification number affixed to the vehicle;
- the signature of the owner or the owner's authorized agent; and if component parts were used, a notarized certification by the rebuilder that:
 - the vehicle was rebuilt, repaired, reconstructed or assembled by that person and
 - the rebuilder legally obtained all component parts used.

Evidence of Inspection

Evidence of inspection submitted by the person who repairs, rebuilds, or reconstructs a salvage or nonrepairable motor vehicle in the form of:

- the current vehicle inspection sticker number and date of expiration, issued by an authorized state safety inspection station after the motor vehicle was rebuilt, if the motor vehicle will be registered at the time of application; or
- a Certificate of Inspection (Form MVT-9) executed by a specially trained commissioned officer of the Department of Public Safety prior to September 1, 2003, certifying that the rebuilt salvage or nonrepairable motor vehicle's parts and identification numbers have been inspected and that the vehicle complies with state safety standards.

Odometer Disclosure Statement

An odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if applicable.

Proof of Financial Responsibility

Proof of financial responsibility in the title applicant's name, as required by Transportation Code, Section 502.153, unless otherwise exempted by law.

Identification Certificate

The identification certificate required by Transportation Code, Sections 501.030 and 548.256, if the motor vehicle was last titled and registered in another state or country, unless otherwise exempted by law.

Release of Liens

A release of any liens unless there is no transfer of ownership and the same lienholder is being recorded as indicated on the surrendered evidence of ownership.

Rebuilt Salvage Title Issuance

Title Brands and Motor Vehicle Record Remarks

Until programming is completed to modify the certificate of title brands and motor vehicle record remarks, the documents issued and associated motor vehicle records will reflect the information in [Table 5-1](#):

Table 5-1 Title Brands and Remarks

Title Document Surrendered for a Texas Certificate of Title branded "Rebuilt Salvage"	Title Issued for a Rebuilt Salvage Vehicle Will Reflect the Following Title Brand	Associated Motor Vehicle Record Will Indicate the Following Remark
Texas Salvage Certificate issued prior to 9/1/2003	REBUILT SALVAGE - LOSS UNKNOWN	REBUILT SALVAGE - LOSS UNKNOWN
Salvage Certificate of Title issued prior to 9/1/2003	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Nonrepairable Certificate of Title issued prior to 9/1/2003	REBUILT SALVAGE - 95% PLUS LOSS	REBUILT SALVAGE - 95% PLUS LOSS
Salvage Vehicle Title (required) issued 9/1/2003 or later	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Salvage Vehicle Title (voluntary) issued 9/1/2003 or later	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Out-of-state Salvage Document (that allows rebuilding)	REBUILT SALVAGE - ISSUED BY (STATE)	REBUILT SALVAGE - ISSUED BY (STATE)
Nonrepairable Vehicle Title (required) issued 9/1/2003 or later	Vehicle may not be rebuilt, retitled, or registered.	
Nonrepairable Vehicle Title (voluntary) issued 9/1/2003 or later	Vehicle may not be rebuilt, retitled, or registered.	
Certificate of Authority to Demolish (COA) regardless of the date of issuance	Vehicle may not be rebuilt, retitled, or registered.	
Out-of-state Salvage Document (that does not allow rebuilding)	Vehicle may not be rebuilt, retitled, or registered.	

Title Documents for Rebuilt Salvage Vehicles

When a salvage motor vehicle or nonrepairable motor vehicle (so designated prior to 9/1/2003) motor vehicle is rebuilt and retitled, the Texas Certificate of Title issued will reflect the REBUILT SALVAGE title brands listed on the previous page.

Note: Once programming is completed, the department will begin issuing new title documents with a red REBUILT SALVAGE watermark.

Miscellaneous

This chapter contains the following sections:

- [Rights of Vehicle Document Holders](#)
- [Operation Restrictions](#)
- [Metal Recyclers](#)
- [Out-of-State Buyers](#)
- [Governmental Entities](#)
- [Ordering Additional Forms](#)
- [Definitions](#)
- [Questions and Answers](#)

Rights of Vehicle Document Holders

The owner of a motor vehicle for which a Salvage or Nonrepairable Certificate of Title was issued prior to September 1, 2003, or a Salvage Vehicle Title issued on or after September 1, 2003, may:

- possess, transport, dismantle, scrap, or destroy the motor vehicle;
- sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle;
- repair, rebuild, or reconstruct the motor vehicle; and
- register the motor vehicle upon application for a Texas Certificate of Title branded “Rebuilt Salvage.”

The owner of a motor vehicle for which a Nonrepairable Vehicle Title was issued on or after September 1, 2003, may:

- possess, transport, dismantle, scrap, or destroy the motor vehicle; or
- sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle.

Operation Restrictions

The owner, who retained a salvage or nonrepairable motor vehicle or a motor vehicle for which the following types of ownership documents have been issued, may not operate or permit the operation of the motor vehicle on a public highway until a Texas Certificate of Title branded “Rebuilt Salvage” is issued:

- Nonrepairable Certificate of Title (issued before 9/1/2003);
- Salvage Certificate of Title (before 9/1/03);
- Salvage Vehicle Title (after 9/1/03); and
- Salvage Certificate (before 9/1/03).

Note: Any vehicle titled by a Nonrepairable Vehicle Title (issued 9/1/2003 or later) may not be operated on a public highway and may not be repaired, rebuilt, reconstructed, retitled, or registered.

A person, who rebuilds a salvage or nonrepairable (if applicable) motor vehicle, must file an application (Form 130-U) for a “blue” Texas Certificate of Title branded “Rebuilt Salvage” with the County Tax Assessor-Collector's Office in the county in which they reside, or where the vehicle was purchased or encumbered.

Note: Refer to [Application Procedures](#) for further information.

Metal Recyclers

A metal recycler is a person who:

- is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;
- has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by a method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing; or changing the physical form or chemical content of the metal; and
- sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

Metal Recycler Inventory Number

A metal recycler, as described above, who does not obtain motor vehicles for reuse or resale, is required to apply to the department for a metal recycler inventory number.

A Metal Recycler Inventory Number Application (Form VTR-217) must be completed and submitted to the nearest Vehicle Titles and Registration Division Regional Office.

Upon approval of the application, the applicant will be issued a Certificate of Metal Recycler Inventory Number (Form VTR-246).

Surrender of Ownership Documents to the Department

In accordance with Transportation Code, Section 501.107, the holder of a metal recycler inventory number (INV#) that acquires ownership of a motor vehicle for the purpose of dismantling, scrapping, or destroying, must not later than the 60th day after the motor vehicle is acquired surrender to the department:

- a properly executed Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership (Form VTR-340) in accordance with Occupations Code, Section 2302.205; and
- the properly assigned certificate of title or other evidence of ownership for each motor vehicle listed on the Form VTR-340.

Note: You must maintain photocopies of the front and back of all evidence of ownership surrendered to the department (i.e. out-of-state or foreign evidence of ownership, Auction Sales Receipt, etc.), unless the evidence of ownership is a Texas-issued title.

Upon receipt of the report, the department will note the motor vehicle record to indicate the evidence of ownership has been surrendered to the department and will return the acknowledged, “Duplicate (Firm Copy)” of the Form VTR-340 to the salvage vehicle dealer.

The license plates and registration validation stickers removed from the vehicles listed on the Form VTR-340 shall be stored in a secure, locked location. They may be destroyed upon receipt of the “Duplicate (Firm Copy)” of the Form VTR-340 from the department.

Salvage Vehicle Dealer License

A metal recycler is required to obtain a salvage vehicle dealer license if the motor vehicle is:

- sold, transferred, released; or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts; and
- is used for that purpose.

Refer to [Salvage Vehicle Dealer License Application](#) for further information.

Out-of-State Buyers

An out-of-state buyer is a person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles; or nonrepairable motor vehicles based on:

- substantially similar licensing requirements; and
- whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction.

Governmental Entities

A governmental entity includes a state, county, or city agency or office.

Self-insured Vehicles

Before the 31st day after the damage occurred, a governmental entity must obtain a Salvage or Nonrepairable Vehicle Title if the motor vehicle:

- is owned by a governmental entity;
- is self-insured;
- has been damaged to the extent that the motor vehicle is classified as a salvage or nonrepairable motor vehicle; and
- has been removed from normal operation by the owner.

A governmental entity is required to apply to the department for a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of a motor vehicle.

Refer to [Application for Nonrepairable and Salvage Vehicle Titles](#) for information regarding obtaining title.

Salvage or Nonrepairable Motor Vehicle

A governmental entity acquiring ownership of a salvage or nonrepairable motor vehicle that has not been issued a Salvage or Nonrepairable Vehicle Title, or a comparable out-of-state ownership document must obtain a

Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the motor vehicle unless the motor vehicle will be dismantled, scrapped, or destroyed.

A governmental entity is exempt from obtaining a salvage vehicle dealer license.

Export-only Vehicles

A governmental entity that acquires a salvage or nonrepairable motor vehicle and offers it for sale to a non-United States resident must:

1. apply to the department for a Salvage or Nonrepairable Vehicle Title, before selling or otherwise transferring the salvage or nonrepairable motor vehicle and before delivery of the salvage or nonrepairable motor vehicle to the buyer;
2. before the sale, must obtain a legible photocopy of the buyer's government-issued photo identification that can be verified by law enforcement, and that is issued by the jurisdiction in which the buyer resides.
3. Provide valid identification documents that may consist of:
 - a passport;
 - a driver's license;
 - consular identity document;

- national identification certificate or identity document; or
 - other government-issued identification that includes the name of the jurisdiction issuing the document, the buyer's full name, foreign address, date of birth, photograph, and signature;
4. Obtain the buyer's certification on a form prescribed by the department that the buyer will:
 - remove the motor vehicle from the United States; and
 - not return the motor vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number;
 5. Stamp the words "FOR EXPORT ONLY" and the governmental agency or office name on the face of the title and any unused reassignments on the back of the title so as not to obscure any name, date, or mileage statement;
 6. Provide the buyer with a properly assigned Salvage or Nonrepairable Vehicle Title;
 7. Submit a legible copy of a For Export-Only Sales Record (Form VTR-902) to the department within 30 days after the dates of sale of the motor vehicles listed on the form; and
 8. Maintain records of all export-only salvage or nonrepairable motor vehicle sales:
 - for at least three years from the date of sale;
 - on the business premises of the governmental agency;
 - on a form provided by the department (Form VTR-902) or in an electronic form; and that includes:
 - legible copy of the front and back of the stamped and properly assigned Salvage or Nonrepairable Vehicle Title;
 - buyer's certified statement on a Buyer's Certification of Export-only Sale (Form VTR-901);
 - eligible copy of each buyer's photo identification document;
 - legible copy of any other documents related to the sale of the motor vehicle; and
 - For Export-only Sales Record (Form VTR-902) listing each motor vehicle sold for export only.

Ordering Additional Forms

Additional forms may be:

1. ordered by contacting the Special Services Branch at (512) 467-3998. Please have the form numbers and names available when you contact this branch; or
2. accessed from the TxDOT website at www.txdot.gov From the menu, select Automobiles, Registration and Titling (License Plates), scroll down to Vehicle Title and Registration Forms, and on the same line select Texas Salvage Forms.

Note: If you plan to completely automate these prescribed forms (including preprinted text), they must be approved by the department prior to initial use.

Definitions

Actual Cash Value

The market value of the motor vehicle as determined:

- from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or
- if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied in a uniform manner.

Casual Sale

The sale by a salvage vehicle dealer or an insurance company at auction, or salvage pool operator at auction of not more than five nonrepairable or salvage motor vehicles to the same person during a calendar year. The term does not include:

- a sale at auction to a salvage vehicle dealer; or
- the sale of an export-only motor vehicle to a person who is not a resident of the United States.

Certificate of Title

A written instrument that may be issued solely by and under the authority of the department and that reflects the transferor, transferee, vehicle description, license plate and lien information, and rights of survivorship agreement.

Certificate of Title Application

A form prescribed by the director of the department's Vehicle Titles and Registration (VTR) Division that reflects the information required by the department to create a motor vehicle title record.

Costs of Repair

The actual costs incurred to repair the damaged motor vehicle. Any costs associated with repairs related to gradual damage to the vehicle, hail damage, exterior paint damage, the cost of materials and labor for repainting, or sales tax on the cost of repairs will not be included in the calculations. The cost of repairs will be determined by:

- using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or
- an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

Damage

Sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

Date of Sale

The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

Department

The Texas Department of Transportation.

Export-only Motor Vehicle

A salvage or nonrepairable motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States.

Export-only Sale

The sale of a salvage or nonrepairable motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

Flood Damage

A title remark that is initially indicated on a Salvage or Nonrepairable Vehicle Title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title issuance.

Insurance Company

A person who:

- is authorized to write automobile insurance in this state; or
- an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

Major Component Part

A motor vehicle part that means one of the following parts of a motor vehicle:

- the engine;
- the transmission;
- the frame;
- a fender;
- the hood;
- a door allowing entrance to or egress from the passenger compartment of the motor vehicle;
- a bumper;
- a quarter panel;
- a deck lid, tailgate, or hatchback;
- the cargo box of a one-ton or smaller truck, including a pickup truck;
- the cab of a truck;
- the body of a passenger motor vehicle;
- the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

Manufacturer's Certificate of Origin

A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for certificate of title, showing, on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

Metal Recycler

A person who:

- is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;
- has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and
- sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

Minor Component Part

A motor vehicle part that includes:

- an interior component part that includes a seat or radio of a motor vehicle;
- a special accessory part that includes a tire, wheel, tailgate, or removable glass top of a motor vehicle; or
- a motor vehicle part that displays or should display one or more of the following:
 - a federal safety certificate;
 - a motor number;
 - a serial number or a derivative; or
 - a manufacturer's permanent vehicle identification number or a derivative.

Motor Vehicle

A motor vehicle is a:

- motor driven or propelled vehicle that is required to be registered under the laws of this state;
- trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;
- house trailer;
- an all-terrain vehicle designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state;
- motorcycle, motor-driven cycle, or moped that is not required to be registered under the laws of this state, other than a motorcycle, motor-driven cycle, or moped designed for and used exclusively on a golf course.

Nonrepairable Motor Vehicle

A nonrepairable motor vehicle is a:

- motor vehicle, regardless of the model year, that is damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal; or
- comes into this state under a title or other ownership document that indicates that the vehicle is nonrepairable, junked, or for parts or dismantling only.

Nonrepairable Vehicle Title

A document that evidences ownership of a nonrepairable motor vehicle.

Out-of-State Buyer

An out-of-state buyer is a:

- person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles; or nonrepairable motor vehicles based on substantially similar licensing requirements; and
- on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction.

Out-of-state Ownership Document

Out-of-state ownership document is a negotiable document:

- issued by another jurisdiction that the department considers sufficient to prove ownership of a salvage or nonrepairable motor vehicle; and
- to support issuance of a comparable Texas certificate of title for the motor vehicle; and
- the term does not include a title issued by the department, including a:

regular certificate of title;

- Nonrepairable Vehicle Title;
- Salvage Vehicle Title;
- Salvage Certificate;
- Certificate of Authority to Demolish a Motor Vehicle; or
- any other ownership document issued by the department.

Person

An individual, partnership, corporation, trust, association, or other private legal entity.

Rebuilder

A person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway three or more salvage motor vehicles in a calendar year.

Salvage Motor Vehicle

A motor vehicle, regardless of the model year that:

- has damage to or is missing a major component part to the extent that the cost of repairs, including parts and labor other than the cost of materials and labor for repainting the motor vehicle and excluding sales tax on the total cost of repairs, exceeds the actual cash value of the motor vehicle immediately before the damage; or
- is damaged and comes into this state under an out-of-state ownership document that states on its face “accident damage,” “flood damage,” “inoperable,” “rebuildable,” “salvageable,” or similar notation, and is not an out-of-state ownership document with a “rebuilt,” “prior salvage,” or similar notation, or a nonrepairable motor vehicle; and
- does not include a motor vehicle for which an insurance company has paid a claim for:
 - repairing hail damage; or
 - theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage.

Salvage Vehicle Agent

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:

- is a licensed salvage vehicle dealer;
- is a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;
- is an employee of a licensed salvage vehicle dealer; or
- only transports salvage motor vehicles for a licensed salvage vehicle dealer.

Salvage Vehicle Dealer

A person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or used parts.

The term includes a person engaged in the business of:

- a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in that business;
- dealing in nonrepairable motor vehicles or salvage motor vehicles, regardless of whether the person deals in used parts; or
- dealing in used parts regardless of whether the person deals in nonrepairable motor vehicles or salvage motor vehicles.

The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year.

Salvage Vehicle Title

A document issued by the department that evidences ownership of a salvage motor vehicle.

Self-insured Motor Vehicle

A motor vehicle for which the evidence of ownership is a manufacturer's certificate of origin or for which the department or another state or jurisdiction has issued a regular certificate of title, is self-insured by the owner, and is owned by an individual, a business, or a governmental entity, without regard to the number of motor vehicles they own or operate. The term does not include a motor vehicle that is insured by an insurance company.

Texas Certificate of Title Branded "Rebuilt Salvage"

A regular certificate of title evidencing ownership of a nonrepairable motor vehicle (only if issued a nonrepairable vehicle title prior to September 1, 2003), or salvage motor vehicle, that has been rebuilt.

Used Part

A part that is salvaged, dismantled, or removed from a motor vehicle for resale as is or as repaired. The term includes a major component part, but does not include a rebuildable or rebuilt core, including an engine, block, crankshaft, transmission, or other core part that is acquired, possessed, or transferred in the ordinary course of business.

Questions and Answers

Salvage Vehicle Dealer/Agent Licensing

Who is required to apply for a salvage dealer license?

You are required to have a salvage vehicle dealer license if you:

- acquire, sell, dismantle, repair, rebuild, reconstruct, or otherwise deal in nonrepairable motor vehicles, salvage motor vehicles, or used parts;
- hold a salvage inventory number issued by the department and deal in the salvage vehicle industry (excluding metal recyclers);
- deal in nonrepairable motor vehicles or salvage motor vehicles, regardless of whether you deal in used parts;
- deal in used parts regardless of whether you deal in nonrepairable motor vehicles or salvage motor vehicles;
- purchase more than five nonrepairable or salvage motor vehicles at casual sale in a calendar year; or
- repair, rebuild, or reconstruct three or more salvage motor vehicles in the same calendar year.

What application do I use for a salvage dealer license?

You must complete the Salvage Vehicle Dealer License Application (Form VTR-438-A).

How long will it take to receive my salvage dealer license?

It takes approximately two weeks to investigate the applicant and process the application. If all license qualifications are met and the required fees are paid, the department will issue the license.

What type of license do I need to operate my business?

The following six classifications are available for a Texas Salvage Vehicle Dealer License:

- New automobile dealer - primary business is selling new motor vehicles, but who may also buy nonrepairable and salvage motor vehicles to repair and sell;
- Used automobile dealer - primary business is selling used motor vehicles, but who may also buy salvage and nonrepairable motor vehicles to repair and sell;
- Used vehicle parts dealer - primary business is acquiring, possessing, or transferring used parts in the normal course of business;
- Salvage pool operator - primary business is selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction;
- Salvage vehicle broker - primary business is buying, selling, or exchanging salvage and nonrepairable motor vehicles with other licensed salvage vehicle dealers; or

- Salvage vehicle rebuilder - primary business is acquiring and repairing, rebuilding, or reconstructing for operation on a public highway three or more salvage motor vehicles in a calendar year.

Note: You may be required to hold multiple licenses dependent on the activities in which you are engaged (i.e. You currently hold a license as a used vehicle parts dealer; however, you also repair, rebuild, or reconstruct three or more salvage motor vehicles in a calendar year. You will be required to hold a used vehicle parts dealer and a salvage vehicle rebuilder license).

What is the fee to obtain a salvage vehicle dealer license?

\$95.00 for each license requested.

Do I have to provide my SSN and date of birth?

Yes. Your application will be rejected if this information is not provided.

Do I need a separate license for each of my business locations?

A license applicant, who intends to operate as a salvage vehicle dealer at more than one location within a county, can operate with one license. Each location must be listed on the application, and the department must be notified of any additionally acquired locations within that specific county. If operating as a salvage vehicle dealer within another county, or if locations are operated under different names, you will be required to obtain a separate license for those business names and/or locations.

What if I have to move my business location?

Our office must be notified in writing 10 days prior to the opening or relocation of a business location.

Do the three business references on the Salvage Vehicle Dealer License Application (Form VTR-438-A) need to be auto related?

No. Salvage vehicle businesses may be provided as references; however, any business reference is acceptable.

Do I have to have the application notarized?

Yes and the notary seal must be shown.

Note: It may not be notarized by anyone with an interest in the business.

What is a Salvage Agent License?

It is a certificate issued by the Texas Department of Transportation to a person who:

- acquires, sells, or otherwise deals in salvage or nonrepairable motor vehicles or used parts in this state as directed by the salvage vehicle dealer under whose license you operate; or

- acts as a salvage vehicle agent, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company, will apply on an Application for Salvage Vehicle Dealer Agent License (Form VTR-437-A); and does not include:
 - a licensed salvage vehicle dealer;
 - a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;
 - an employee of a licensed salvage vehicle dealer; or
 - only transporting salvage motor vehicles for a licensed salvage vehicle dealer.

Note: The holder of a salvage vehicle dealer license may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license.

What is the fee to obtain a salvage vehicle agent license?

\$95.00.

What if I am a Sole Proprietor?

Refer to Application for [Texas Salvage And Nonrepairable Vehicle Titles](#).

What other forms do I need to send with the application?

All applicants must submit:

- a photocopy of the current driver license for each owner, officer, director or partner;
- a photocopy of the current permit issued for the business by the Texas Comptroller of Public Accounts;
- if you will be doing business in a name other than your legal name, you must provide a photocopy of the Assumed Name Certificate on file with the Secretary of State or County Clerk's Office; and
- if the business is a corporation or limited liability company (LLC), a photocopy of the Certificate of Account Status verifying that your corporate franchise taxes have been paid.

Note: For additional information, refer to Application for Salvage Vehicle Dealer License in Section 1.

Who do I contact to see if my corporate franchise taxes have been paid?

You may contact the Texas Comptroller's Office at 1-800-252-5555 for assistance, or visit their website at www.window.state.tx.us. (Certificate of Accounts Status)

What if I want my spouse on the application, but he/she is not on the Assumed Name Certificate?

You will need to obtain a corrected Assumed Name Certificate that indicates all names.

What application do I use to become a salvage vehicle agent?

The Salvage Vehicle Agent License Application (Form VTR-437-A).

How do I obtain a State Sales Tax Number?

Contact the Texas Comptroller's Office at 1-800-252-5555.

Do I need a State Sales Tax License?

Contact the Texas Comptroller's Office for this information.

What is a Federal Tax ID Number?

Contact the Internal Revenue Service for this information.

Can a felon obtain a Salvage Vehicle Dealer License?

If you have been convicted of a felony, it must be at least three years since the termination of the sentence, parole, mandatory supervision, or probation for a felony conviction, before you will be eligible for a salvage vehicle dealer license.

Can I trade blue titled vehicles with my salvage license?

No. A salvage vehicle dealer license allows you to deal in SALVAGE VEHICLES ONLY. If you want to buy or sell vehicles with blue titles, you must obtain a General Distinguishing Number, which is also known as the "P" number. This number may be obtained from the Motor Vehicle Division of the Texas Department of Transportation at (512) 416-4800.

Must a salvage dealer obtain a used vehicle dealer license (GDN) if they sell more than five salvage or nonrepairable vehicles?

No, unless the salvage vehicle dealer is rebuilding and titling the vehicles in his name prior to retail sale.

Who enforces the salvage dealer licensing laws?

Any peace officer may enforce salvage vehicle dealer laws.

What is required for my business location?

Contact your City or County Zoning Office for questions regarding the location and type of business that you will be operating.

Am I required to renew my license each year?

Yes. Renewal letters are mailed approximately 45 days in advance of expiration.

Is there a late fee if my license has expired?

Yes. If you are less than 90 days past due, the fee is \$127.50 for each license classification. If you are more than 90 days past due, the fee is \$170.00 per classification.

Note: If your license has expired, you may not operate your business until your license has been renewed.

Salvage and Nonrepairable Motor Vehicles

Prior to sale, who is required to obtain a Salvage or Nonrepairable Vehicle Title?

All entities must obtain a Salvage or Nonrepairable Vehicle Title before sale except salvage vehicle dealers, metal recyclers, and governmental entities that are selling to a salvage vehicle dealer, metal recycler, governmental entity, insurance company, or out-of-state buyer.

Note: We recommend that all entities obtain a Salvage or Nonrepairable Title before selling the salvage or nonrepairable motor vehicles.

What sale restrictions apply to insurance companies, salvage companies and salvage vehicle dealers?

The following restrictions apply to insurance companies, salvage companies, and salvage vehicle dealers:

- For salvage and nonrepairable vehicles without appropriate titles, a salvage vehicle dealer may make a sale only to a salvage dealer, metal recycler, governmental entity, insurance company, or out-of-state buyer.
- For salvage and nonrepairable vehicles with appropriate titles, there is no restriction on sales by a salvage vehicle dealer, other than they may sell no more than 5 salvage or nonrepairable vehicles to a casual buyer in a calendar year.
- An insurance company, including a salvage pool operator that is acting as an agent for an insurance company, may not sell a salvage or nonrepairable vehicle without the appropriate title document, and may only sell to:
 - a salvage vehicle dealer;
 - an out-of-state buyer;
 - a casual buyer at auction; or
 - a metal recycler.
- A salvage vehicle dealer, including a salvage pool operator, may sell a salvage or nonrepairable vehicle:

- with the appropriate title document, to anyone except they may sell no more than five to a casual buyer in a calendar year; or without the appropriate title document, only to a governmental entity and those entities listed in (a) above.

Can an unlicensed seller sell more than three salvage titled vehicles?

Yes. However, a salvage vehicle dealer license is required if a person repairs, rebuilds, or reconstructs three or more salvage, or nonrepairable (if applicable) motor vehicles in a calendar year or purchases more than five salvage or nonrepairable motor vehicles in a calendar year.

Can a total loss drivable vehicle be registered, retitled or issued a temporary permit (one-trip, 30-day, etc.)?

Yes, unless the vehicle is damaged to the extent that it is a salvage or nonrepairable motor vehicle. The vehicle must meet the definition of “salvage motor vehicle” (damages exceed 100% of the vehicle's predamaged actual cash value) or nonrepairable motor vehicle (only residual value is a source of parts or scrap metal) for the owner to be denied registration.

If the owner has retained a salvage or nonrepairable motor vehicle, the owner must apply for and be issued the appropriate Salvage or Nonrepairable Vehicle Title. If a salvage motor vehicle, or nonrepairable vehicle issued a Nonrepairable Certificate of Title prior to September 1, 2003, the vehicle must then be repaired or rebuilt and retitled as a “rebuilt salvage” vehicle in order to be registered. A nonrepairable motor vehicle issued a Nonrepairable Vehicle title on or after September 1, 2003, may never be registered for operation on public highways.

Can an insurance company reassign a negotiable Texas title document?

Yes. If the insurance company pays a claim on a vehicle that is not damaged to the extent that the vehicle meets the definition of a salvage or nonrepairable motor vehicle, the insurance company may reassign the negotiable “blue” Texas title document. Insurance companies are exempt from the used motor vehicle dealer licensing requirements.

A title record shows a salvage ownership document has been issued, or the vehicle was owner retained, what should I do?

Should a county tax assessor-collector office collect the \$65 Rebuilt Salvage fee, require completion of a Form VTR-61 and brand a vehicle “Rebuilt Salvage” if a title application is filed, the title record shows a salvage vehicle title has been issued or an existing Rebuilt Salvage brand is recorded, and the application is supported by one of the following types of evidence of ownership:

- Mechanics/Storage Lien
- Auction Sales Receipt
- U.S. Marshall's Bill of Sale
- TAC Hearing Order

- Bonded Title
- Court Order; or
- Current Mexican Tarjeta de Circulacion?

Answer - When the title record shows a salvage ownership document has been issued, or if the vehicle was owner retained perform the following:

- A \$65 Rebuilt Salvage fee should be charged, unless the applicant provides a Form MVT-9 (DPS Certificate of Inspection) executed prior to September 1, 2003.
- The Form VTR-61 must be executed by the owner and rebuilder (if applicable) or the applicant.
- A Certificate of Title, with the proper “Rebuilt Salvage” brand will be issued. The brand will also be reflected in the motor vehicle record and carried forward upon subsequent title issuance.
- If the record indicates an existing Rebuilt Salvage brand, Form VTR-61 and \$65 Rebuilt Salvage fee should not be required, but brand must be carried forward to all subsequent titles.

How is a “duplicate” salvage certificate issued?

If a Texas Salvage Certificate is lost or destroyed, except for export only stamped documents, the owner may apply to the department for a replacement of the document unless the motor vehicle record reflects the following remarks:

- “LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT);” or
- “LEGAL RESTRAINT-CONTACT TXDOT (#OR).”

The Application for Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title (Form VTR-34-S) must be completed by the owner and submitted to the department with a \$2 fee.

A certified copy of a Texas Salvage Vehicle Title will be issued in lieu of a Salvage Certificate and mailed to the name and address provided on the Form VTR-34-S.

A Salvage Vehicle Title lacks complete assignments, is the current tax assessor-collector's hearing procedure or bonded title process the only option?

No. The option of a court order is also available. However, the tax collector's hearing procedure or bonded title process is not available if a Nonrepairable Vehicle Title was issued September 1, 2003, or later.

Does it matter who rebuilds the vehicle?

Yes. The owner (person to whom the title is assigned) at the time of rebuilding is required to apply for a rebuilt title, unless the rebuilder is a licensed salvage vehicle dealer. According to Texas Transportation Code, Section 501.100, if the applicant purchases a vehicle that has already been rebuilt from a licensed salvage dealer, the applicant is required to complete the Form VTR-61. The licensed salvage vehicle dealer who rebuilt the vehicle is required to execute the "Rebuilder Certification" portion of the Form VTR-61 if component parts were used.

If a person purchases a salvage or nonrepairable (if applicable) vehicle that has already been repaired or rebuilt, how does the purchaser complete the Rebuilt Affidavit (Form VTR-61) if that person did not repair the vehicle?

If the vehicle was purchased after the repairs were made, the purchaser may indicate "Repairs unknown" on the Form VTR-61.

Can a Mexican national file for a negotiable title?

We will not issue a title to a foreign resident.

Can a non-US resident sell the salvage vehicle by reassignment of the title to a Texas retail buyer?

If a Texas Salvage or Nonrepairable Vehicle (except nonrepairable issued after 9-1-03) Title is assigned to a foreign buyer (non-U.S. resident), the non-resident can sell the salvage vehicle by reassignment of the title to a Texas retail buyer as follows:

Sold prior to 9-1-03: Yes.

Sold on or after 9-1-03: Yes, unless sold by a salvage vehicle dealer or governmental entity for export only. If the salvage ownership document is stamped "FOR EXPORT ONLY" or the "LEGAL RESTRAINT-CONTACT TXDOT (#EXPORT)" remark is indicated on the vehicle record, a court order would be required to process the transaction.

Can a New Mexico (NM) resident file for a negotiable Texas title?

Although NM will accept a Texas Salvage Certificate of Title or Texas Salvage Vehicle Title, the department is aware that NM will not honor the Texas Salvage Certificate. We will accept and process an application for Title Only, indicating a NM address if a Texas Salvage Certificate is presented as the evidence of ownership.

The Forms VTR-131, 130-U, VTR-61, VTR-270, and the properly assigned Salvage Certificate are required to be filed at the County Tax Assessor-Collector's Office along with the \$65 rebuilt salvage fee and the appropriate title fee (\$28/\$33).

Note: Residents of New Mexico may also apply for a Texas Salvage Vehicle Title by completing the Form VTR-441 and surrendering the green Texas Salvage Certificate. The fee will be \$8 rather than \$28/\$33.

For a Certificate to Dispose of a Vehicle Purchased at Statutory Storage - Mechanics Lien Foreclosure Sale application, are there any changes?

There are no changes in applying for a certificate to dispose of a vehicle purchased at statutory storage mechanics lien foreclosure sale. However, House Bill 849 enacted by the 78th Texas Legislature, Regular Session, amended Occupations Code, Section 2303.151(d) to allow a vehicle storage facility (VSF) the option of electronic certified mail. These provisions became effective September 1, 2003, and apply to vehicles towed on and after this date.

Questions and Answers

Forms and References

This chapter contains the following sections:

- [Salvage Motor Vehicle and Dealer/Agent Forms](#)
- [Nonrepairable and Salvage Vehicles Transportation Code](#)
- [Salvage Vehicle Dealers Texas Occupations Code](#)

Salvage Motor Vehicle and Dealer/Agent Forms

Form references in this section are hot linked to the TxDOT web site at:

http://www.txdot.gov/txdot_library/forms/citizen/drivers_vehicles/dispose_salvage.htm

Forms are generally available in both pdf and Word formats. [Table 7-1](#) lists applicable Nonrepairable and Salvage Motor Vehicle related forms and descriptions. Click on the form name in blue to view, print, or save the form pdf directly.

Table 7-1 Salvage Dealer and Agent Forms.

Form Name	Description
Form 130-U	Application for Texas Certificate of Title (Instructions)
VTR-34-S	Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title
VTR-61	Rebuilt Affidavit
VTR-63	Component Part(s) Bill of Sale
VTR-71-2	Application for Authority to Dispose of a Motor Vehicle to a Demolisher
VTR-203	Salvage Bill of Sale
VTR-207	Inventory of Component Parts Purchased
VTR-217	Metal Recyclers Inventory Number Application
VTR-221	Statement of Fact for Out-of-state Evidence for a Salvage or Nonrepairable Vehicle
VTR-340	Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership
VTR-436	Owner Retained Report
VTR-437-A	Salvage Vehicle Agent License Application
VTR-438-A	Salvage Vehicle Dealer License Application
VTR-441	Application for Nonrepairable Vehicle Title or Salvage Vehicle Title

Nonrepairable and Salvage Vehicles Transportation Code

Form Name	Description
VTR-901	Buyer's Certification of Export-only Sale (English and Spanish)
VTR-902	For Export-only Sales Record
VTR-903	Casual Sales Record

Nonrepairable and Salvage Vehicles Transportation Code

Code references in this section are hot linked to the Texas Constitution and Statutes Home web site at:

<http://www.statutes.legis.state.tx.us/>

Click on the section number in blue to view the code language directly.

[Table 7-2](#) lists applicable Nonrepairable and Salvage Motor Vehicle code and descriptions.

Table 7-2 Subchapter E. Nonrepairable and Salvage Motor Vehicles

Section	Description
Sec. 501.091	Definitions.
Sec. 501.092	Insurance Company to Surrender Certificates of Title to Certain Salvage Motor Vehicles or Nonrepairable Motor Vehicles.
Sec. 501.093	Insurance Company Report on Certain Vehicles.
Sec. 501.094	Self-insured Motor Vehicle.
Sec. 501.095	Sale, Transfer, or Release of Nonrepairable Motor Vehicle or Salvage Motor Vehicle.
Sec. 501.096	Nonrepairable Motor Vehicle or Salvage Motor Vehicle Dismantled, Scrapped, or Destroyed.
Sec. 501.097	Application for Nonrepairable Vehicle Title or Salvage Vehicle Title.
Sec. 501.098	Rights of Holder of Nonrepairable Vehicle Title or Salvage Vehicle Title.
Sec. 501.099	Sale of Export-only Motor Vehicles.
Sec. 501.100	Application for Regular Certificate of Title for Salvage Vehicle.
Sec. 501.101	Issuance of Title to Motor Vehicle brought Into State.
Sec. 501.102	Offenses.
Sec. 501.103	Color of Nonrepairable Vehicle Title or Salvage Vehicle Title.
Sec. 501.104	Rebuilder to Possess Title or Other Documentation.
Sec. 501.105	Retention of Records Relating to Certain Casual Sales.
Sec. 501.106	Enforcement of Subchapter.

Section	Description
Sec. 501.091	Definitions.
Sec. 501.107	Applicability of Subchapter to Recycler.

Salvage Vehicle Dealers Texas Occupations Code

This section lists applicable Texas Occupations Code and descriptions.

Subchapter A. General Provisions

[Table 7-3](#) lists applicable General Provision code and descriptions.

Table 7-3 General Provisions

Section Number	Description
Sec. 2302.001	Definitions
Sec. 2302.0015	Consent to Entry and Inspection
Sec. 2302.005	Applicability of Certain Municipal Ordinances, Licenses, and Permits
Sec. 2302.006	Application of Chapter to Metal Recyclers
Sec. 2302.007	Application of Chapter to Insurance Companies

Subchapter B. Commission Powers and Duties

[Table 7-4](#) lists applicable Commission related code and descriptions.

Table 7-4 Commission Powers and Duties

Section Number	Description
Sec. 2302.051	Rules and Enforcement Powers
Sec. 2302.052	Duty to Set Fees
Sec. 2302.053	Rules Restricting Advertising or Competitive Bidding

Subchapter C. License Requirements

Table 7-5 lists applicable License Requirements code and descriptions.

Table 7-5 License Requirements

Section Number	Description
Sec. 2302.101	License Required for Salvage Vehicle Dealer
Sec. 2302.102	Salvage Vehicle Dealer License Classification
Sec. 2302.103	Application for Salvage Vehicle Dealer License
Sec. 2302.104	Contents of Application
Sec. 2302.105	Department Investigation
Sec. 2302.106	License Issuance
Sec. 2302.107	Salvage Vehicle Agent License
Sec. 2302.108	Disciplinary Action

Subchapter D. License Expiration and Renewal

Table 7-6 lists applicable License Expiration and Renewal code and descriptions.

Table 7-6 License Expiration and Renewal

Section Number	Description
Sec. 2302.151	License Expiration
Sec. 2302.152	Notice of Expiration
Sec. 2302.153	Procedures for Renewal

Subchapter E. Conducting Business

Table 7-7 lists applicable business related code and descriptions.

Table 7-7 Conducting Business

Section Number	Description
Sec. 2302.201	Duties on Acquisition of Salvage Motor Vehicle
Sec. 2302.202	Records of Purchases
Sec. 2302.203	Registration of New Business Location
Sec. 2302.204	Casual Sales
Sec. 2302.205	Duty of Metal Recycler

Subchapter F. Additional Duties of Salvage Vehicle Dealer in Connection with Motor Vehicle Component Parts

Table 7-8 lists applicable parts related code and descriptions.

Table 7-8 Motor Vehicle Component Parts

Section Number	Description
Sec. 2302.251	Definitions
Sec. 2302.252	Removal of License Plates; Inventory
Sec. 2302.253	Receipt of Motor Vehicle by Holder of Endorsement as Used Vehicle Parts Dealer
Sec. 2302.254	Record of Purchase; Inventory of Parts
Sec. 2302.255	Assignment of Inventory Number
Sec. 2302.256	Maintenance of Records
Sec. 2302.257	Surrender of Certain Documents or License Plates
Sec. 2302.258	Inspection of Records

Subchapter G. Motor Vehicle Salvage Yards in Certain Counties

Table 7-9 lists applicable county related code and descriptions.

Table 7-9 Salvage Yards in Certain Counties

Section Number	Description
Sec. 2302.301	Application of Subchapter
Sec. 2302.302	Limits on Operation of Heavy Machinery

Subchapter H. Penalties and Enforcement

Table 7-10 lists applicable penalty and enforcement code and descriptions.

Table 7-10 Penalties and Enforcement

Description	Description
Sec. 2302.351	Injunctions
Sec. 2302.353	Offenses

Salvage Vehicle Dealers Texas Occupations Code

Index

A

- Additional Forms 6-6
- Agent
 - Investigation by the department 4-9
 - License Denials 4-10
 - License Exemptions 4-8
 - License Fee 4-8
 - License Issuance 4-9
 - Requiring Licenses 4-8
- Application
 - Agents 4-8
 - for Nonrepairable and Salvage Vehicle Titles 1-4
 - Notarization 4-7
 - Without Proper Evidence Of Ownership 3-4
- Assignment and Reassignment of Salvage
 - Ownership Document 2-2
- Assignments Complete 2-2

B

- Blue Texas Certificate of Title 5-2
- Brands and Remarks 5-5
- Business References 4-7
- Buyer's Certification 4-21
- Buyer's Identification 4-20

C

- Cash Value 1-2
- Casual Sale 6-6
- Casual Sales 1-3, 2-2
 - by Salvage Vehicle Dealers 4-19
 - Records 3-8, 4-23
- Certificate of Authority to Demolish a Motor Vehicle (COA) 1-13
- Certified Copy of a Texas Certificate of Title 1-12
- COA 1-13

- Issued In Error 1-14
- Code
 - Finding 7-2
- Condition of a Motor Vehicle 3-1
- Corporations 4-6
- Cost of repairs 1-2, 6-7

D

- Damage 6-7
- Dealer
 - Classifications 4-4
 - License Application 4-4
 - License Exemptions 4-3
 - License Fee 4-4
 - license permissions 4-2
 - Requiring Licenses 4-1
- Dealers and Agents 4-1
 - Forms 7-1
 - Licensing Questions and Answers 6-13
- Definitions 6-6
 - Actual Cash Value 3-2, 6-6
 - Casual Sale 6-6
 - Certificate of Title 6-6
 - Certificate of Title Application 6-7
 - Corporation 4-6
 - Cost of Repairs 1-2, 3-2
 - Costs of Repair 6-7
 - Damage 3-1, 6-7
 - Date of Sale 6-7
 - Department 6-7
 - Export-only Motor Vehicle 6-7
 - Export-only Sale 6-7
 - Flood Damage 6-8
 - Insurance Company 6-8
 - Major Component Part 6-8
 - Manufacturer's Certificate of Origin 6-8
 - Metal Recycler 6-9
 - Motor Vehicle 6-9
 - New automobile dealer 4-4

- Nonrepairable Motor Vehicles [1-2](#)
- Out-of-State Buyer [6-10](#)
- Out-of-state Ownership Document [6-10](#)
- partnership [4-5](#)
- Person [6-10](#)
- Rebuilder [6-11](#)
- Rebuilt Salvage [6-2](#)
- Salvage Motor Vehicle [1-1, 3-1, 6-11](#)
- Salvage pool operator [4-4](#)
- Salvage Vehicle Agent [6-11](#)
- Salvage vehicle broker [4-4](#)
- Salvage Vehicle Dealer [6-11](#)
- Salvage vehicle rebuilder [4-4](#)
- Salvage Vehicle Title [6-12](#)
- Self-insured Motor Vehicle [6-12](#)
- Sole Proprietors [4-5](#)
- Texas Certificate of Title Branded “Rebuilt Salvage” [6-12](#)
- Used automobile dealer [4-4](#)
- Used Part [6-12](#)
- Used vehicle parts dealer [4-4](#)
- Vehicle Cash Value [1-2](#)
- Dismantled, Scrapped, or Destroyed Vehicles Records [4-25](#)
- Dismantling, Scrapping, or Destruction vehicles [4-17](#)
- Document Replacement [1-10](#)
- For Export Only [1-11](#)
- List [1-10](#)
- Titles Stamped “For Export Only” in Error [1-11](#)

E

- Evidence of inspection [5-4](#)
- Evidence of Ownership [1-7](#)
- for Purchases [4-14](#)
- Export-Only
- Sale Records [4-24](#)
- Sale Reported in Error [4-25](#)
- Sales [2-3, 4-20](#)
- Sales Buyer’s Certification [2-4](#)
- Sales Buyer’s Identification [2-4](#)
- Vehicle Sold To An Innocent Purchaser [2-4](#)

F

- Fee
- Dealers License [4-4](#)
- On time renewals [4-13](#)
- Felony Conviction license application [4-5](#)
- Flood Damaged Vehicles [2-5](#)
- Form
- Finding forms [7-1](#)
- Form 130-U [5-2](#)
- List of Applicable [7-1](#)
- VTR-207 [4-21](#)
- VTR-221 [1-7, 1-13](#)
- VTR-222-NR [1-9](#)
- VTR-222-S [1-9](#)
- VTR-340 [1-7, 4-2](#)
- VTR-348-RLA [4-13](#)
- VTR-34-S [1-10, 1-11](#)
- VTR-41-A [2-2](#)
- VTR-436 [3-5](#)
- VTR-436-E [3-6](#)
- VTR-441 [1-8, 1-9](#)
- VTR-61 [5-3](#)
- VTR-63 [7-1](#)
- VTR-68-A [1-15](#)
- VTR-71-3 [1-13](#)
- VTR-901 [2-4](#)
- Form 97
- United States Government Certificate to Obtain Title to a Vehicle [2-5](#)
- Form Find
- Form 130-U [7-1](#)
- VTR-203 [7-1](#)
- VTR-207 [7-1](#)
- VTR-217 [7-1](#)
- VTR-221 [7-1](#)
- VTR-340 [7-1](#)
- VTR-34-S [7-1](#)
- VTR-436 [7-1](#)
- VTR-437-A [7-1](#)
- VTR-438-A [7-1](#)
- VTR-441 [7-1](#)
- VTR-61 [7-1](#)
- VTR-63 [7-1](#)
- VTR-71-2 [7-1](#)
- VTR-901 [7-2](#)
- VTR-902 [7-2](#)
- VTR-903 [7-2](#)
- Form VTR-441

required information 1-5

Lost or destroyed titles 1-10

G

General Distinguishing Number 4-2

General Provision code and descriptions 7-3

Governmental Entities 6-4

Export-only Vehicles 6-4

Salvage or Nonrepairable Motor Vehicle 6-4

Self-insured Vehicles 6-4

H

Historical Records 4-23

I

Identification certificate 5-5

In this Document 1-3

Innocent purchaser 2-4

Inspection 5-4

Insurance company 3-1

Applications without Proper Evidence Of
Ownership 3-4

Who Must Apply 3-3

Inventory of Component Parts Purchased 4-21

Investigations and Reporting 4-9

Issuance

Title 1-9

L

Late Renewals 4-13

License

Renewals 4-12

Status Change 4-14

Suspension or Revocation 4-12

License Suspension or Revocation 4-10

Lien

Recording 1-8

Release 1-8

M

Major Component

Part Description 5-3

Parts list 4-15

Market value 6-6

May Not Retitle 5-1

May Retitle 5-1

Metal Recyclers 6-2

Definition 6-2

Inventory Number 6-2

Minor component parts list 4-16

N

New automobile dealer 4-4

Non-Payment of Child Support 4-11

Notice Of Denial, Suspension or Revocation 4-12

O

Occupations Code

Listing 7-3

Odometer disclosure statement 1-8, 5-4

Off-site Sales 2-5, 4-19

On Time Renewal Fees 4-13

Operation Restrictions 6-1

Ordering Additional forms 6-6

out-of-state buyer 6-3

Out-of-State Buyers 6-3

Out-of-state evidence, 1-6

Owner Retained Report 3-6

Owner Retained Vehicles 3-5

Ownership Documents

Surrender 6-2

P

Partnerships 4-5

Parts Inventory [4-22](#)
Prior Revocation [4-4](#)
Proof of financial responsibility [5-4](#)
Purchase, Sales, and Inventory Records [4-21](#)
Purpose of this publication [1-1](#)

Q

Questions and Answers [6-13](#)

R

Rebuilt Affidavit [5-3](#)
Rebuilt Salvage
 Application Fee [5-2](#)
 Component parts [5-3](#)
 Identification Certificate [5-5](#)
 Motor Vehicles [5-1](#)
 Odometer Disclosure Statement [5-4](#)
 Owner Information [5-4](#)
 Proof of Financial Responsibility [5-4](#)
 Rebuilt Affidavit [5-3](#)
 Restrictions [5-1](#)
 Supporting Documents [5-2](#)
 Surrender of Ownership Documents to the
 Department [6-2](#)
 Title Application [5-2](#)
 Title holder rights [6-1](#)
 Title Issuance [5-5](#)
 watermark [5-6](#)
Recording of Lien [1-8](#)
Records Not Required [4-22](#)
Regional Office Listing [1-2](#)
Rejected application reasons [4-7](#)
Release of liens [1-8](#)
Removal of Unexpired Plates and Registration
 Stickers [4-15](#)
Renewal Letter and Affidavit [4-13](#)
Retitle [5-1](#)
 Do not Retitle [5-1](#)

S

Sales
 Casual [2-2](#)
 Export-Only [2-3](#)
 Flood damaged [2-5](#)
 Off-site not permitted [2-5](#)
 Restrictions [2-1](#)
 Salvage vehicle [2-1](#)
 self-insured vehicles [2-2](#)
Salvage
 pool operator [4-4](#)
 vehicle broker [4-4](#)
 Vehicle rebuilder [4-4](#)
Salvage and Nonrepairable Motor Vehicles
 Questions and Answers [6-17](#)
Salvage Dealers Occupations Code
 Subchapter A. General Provisions [7-3](#)
 Subchapter B. Commission Powers and Duties
 [7-3](#)
 Subchapter C. License Requirements [7-4](#)
 Subchapter D. License Expiration and Renewal
 [7-4](#)
 Subchapter E. Conducting Business [7-4](#)
 Subchapter F. Additional Duties of Salvage
 Vehicle Dealer in Connection with Motor
 Vehicle Component Parts [7-5](#)
 Subchapter G. Motor Vehicle Salvage Yards in
 Certain Counties [7-5](#)
 Subchapter H. Penalties and Enforcement [7-5](#)
Salvage Motor Vehicle code
 Listing [7-2](#)
Salvage Or Nonrepairable Vehicle
 Title Requirements [1-1](#)
Salvage Ownership Document [1-4](#)
Salvage Vehicle
 Dealer License [6-3](#)
Salvage Vehicle Dealers Texas Occupations Code
 [7-3](#)
Self-insured motor vehicle [1-4](#)
sole proprietorship [4-5](#)

T

Texas Constitution and Statutes Home web site [7-2](#)
Texas Occupations Code [7-3](#)

- Title Application
 - Evidence of Ownership [1-7](#)
 - Exceptions [1-10](#)
 - Fee [1-5](#)
 - Odometer Disclosure Statement [1-8](#)
 - Out-of-state evidence [1-6](#)
 - Place of Application [1-4](#)
 - Release Of Liens [1-8](#)
 - Required Information [1-5](#)
 - Supporting documentation [1-6](#)
 - Title Issuance [1-9](#)
 - Voluntary Applications [1-8](#)
- Title Brands and Remarks [5-5](#)
 - Table of brands and remarks [5-5](#)
- Title Documents for Rebuilt Salvage [5-6](#)
- Title Requirements
 - Who Must Apply [1-2](#)
- Transportation Code [7-2](#)
- TxDOT web site [7-1](#)

U

- Unexpired Plates and Registration Stickers
 - Removal [4-15](#)
- Unique Inventory Number
 - Contents [4-16](#)
- Unique Inventory Numbers [4-15](#)
- Used
 - automobile dealer [4-4](#)
 - vehicle parts dealer [4-4](#)

V

- Vehicles
 - Do Not Retitle [5-1](#)
 - May Retitle [5-1](#)
- Voluntary Application [1-8, 2-5](#)
- Voluntary Records [4-22](#)
- VTR
 - Regional Office Listing [1-2](#)

