Motor Vehicle Title Manual

Texas Department *of* Motor Vehicles

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TxDMV April 2011

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Chapter 1

General Provisions

This chapter contains the following sections:

- Short Title
- Construction
- Applicability
- Conflicts with Business & Commerce Code Section

Short Title

Transportation Code Section 501.001

This chapter may be cited as the Certificate of Title Act.

The Certificate of Title Act was enacted in 1939 by the 46th Texas Legislature and created a public policy for titling of motor vehicles in Texas.

On May 3, 1941, the 47th Texas Legislature amended the Certificate of Title Act to change the state agency responsible for titling motor vehicles from the Texas Department of Public Safety to what was then called the Texas Highway Department. Later the department became the Texas Department of Transportation. Now the Texas Department of Motor Vehicles provides these services.

Effective Dates:

- Motor Vehicles - October 1, 1939
- House Trailers - July 1, 1947
- Trailers and Semitrailers - August 11, 1959
- Camper Trailers - September 1, 1967
- Off-Highway Motorcycles - September 1, 1975
- Mopeds - September 1, 1983
- ATVs - September 1, 1985
- Recreational Off-Highway Vehicles - September 1, 2009

Construction

Transportation Code Section 501.003

This chapter shall be liberally construed to lessen and prevent:

(1) the theft of motor vehicles;

(2) the importation into this state of and traffic in motor vehicles that are stolen; and

(3) the sale of an encumbered motor vehicle without the enforced disclosure to the purchaser of a lien secured by the vehicle.

Applicability

Transportation Code Section 501.004

(a) This chapter applies to a motor vehicle owned by the state or a political subdivision of the state.

(b) This chapter does not apply to:

(1) a trailer or semitrailer used only for the transportation of farm products if the products are not transported for hire;

(2) the filing or recording of a lien that is created only on an automobile accessory, including a tire, radio, or heater;

(3) a motor vehicle while it is owned or operated by the United States; or

(4) a new motor vehicle on loan to a political subdivision of the state for use only in a driver education course approved by the Central Education Agency.

See Chapter 5, “Certificate of Title Requirements”, for more information.

Conflicts with Business & Commerce Code Section

Transportation Code Section 501.005

Chapters 1-9, Business & Commerce Code, control over a conflicting provision of this chapter.

Chapter 2

Administration

This chapter contains the following:

- Rules; Forms
- Processing Of Application; Rules
- Customer Inquiries
- Release Of Information
- Vehicle Record (History)
- Acts by Deputy County Assessor-Collector
- Duty of County Assessor-Collector
- Transfer Fee; Late Fee
- Allocation of Fees (Relating to Transfer Fees and Late Fees)

Department Administration

Rules; Forms

Transportation Code Section 501.131

(a) The department may adopt rules to administer this chapter.

(b) The department shall:

(1) in addition to the forms required by this chapter, prescribe forms for a title receipt, manufacturer's certificate, and importer's certificate, and other forms the department determines necessary; and

(2) provide each county assessor-collector with a sufficient supply of the forms.

Processing Of Application; Rules

Transportation Code Section 520.034

(a) On receipt of an application for the transfer of a certificate of title and registration, the county assessor-collector shall process the application for transfer of title as provided under Chapter 501, and the department shall issue a transfer of registration receipt when the department receives the application for transfer of registration.

(b) The department may adopt rules and prescribe forms to implement this subchapter.

These sections delegate authority to the department to adopt administrative rules and regulations necessary to administer the Certificate of Title Act. The majority of regulations governing the titling of motor vehicles are found in this Act and you may find the rules adopted in the Texas Administrative Code, Title 43, Chapter 17.

There are many forms shown in this manual that are “prescribed (approved) but not required by the department.” The information and signatures requested on the forms provide guidelines of what is legally required for different situations. (For example, *Affidavit for Repossessed Motor Vehicle*, **Form VTR 264** or *Prescribed Form for Release of Lien*, **Form VTR 266**.)

Customer Inquiries

The Vehicle Titles and Registration Division (VTR) of the Texas Department of Motor Vehicles (TxDMV) maintains a telephone information center to provide title and registration service support. The VTR Call Center's telephone number is (512) 465-7611. Send written correspondence to TxDMV - VTR, Austin, Texas 78779-0001 or by internet at www.txdmv.gov/. In addition, there are VTR regional offices located in various counties throughout the state to provide support and assistance to the local county tax assessor-collectors, law enforcement agencies, and the general public.

Release Of Information

The release of information contained in VTR's motor vehicle records is restricted by Transportation Code, §502.008, the Texas Motor Vehicle Records Disclosure Act (Transportation Code, Chapter 730), and the federal Driver's Privacy Protection Act.

VTR provides non-personal information, such as vehicle specific information including year, make, model, weight, and the registration or title/document numbers and status, without restriction in response to an inquiry by vehicle identification number (VIN).

VTR cannot disclose personal information (names and addresses) within the department's motor vehicle records unless a person requesting the information submits a written request (*Request for Texas Motor Vehicle Information*, **Form VTR-275** with a revision date of 5/2005 or later) and certifies:

- they are a subject of the record;
- they have written authorization from a subject of the record; or
- the intended use is for one of the permitted uses defined by law.

Personal information provided by a telephone caller may be verified and confirmed for the caller. However, VTR cannot disclose motor vehicle record information in response to a telephone inquiry by license plate number.

Requests from Incarcerated Individuals

VTR may also deny requests for motor vehicle record information from individuals who are incarcerated (imprisoned or confined in a correctional facility) pursuant to Government Code, §552.028. (Refer to the Motor Vehicle Registration Manual and Transportation Code, §502.008, for additional information.)

Vehicle Record (History)

VTR images and maintains a record of all evidence submitted in support of an application for Texas title for a period of sixteen (16) years. If there is a question as to the legality of a transfer of a motor vehicle, the transaction documents may be used to determine if the transfer was fraudulent. A court of competent jurisdiction must make this determination.

VTR only provides copies of any documents contained in a vehicle record to persons who complete a *Request for Texas Motor Vehicle Information*, **Form VTR-275** with a revision date of 5/2005 or later. The requestor must certify the form (by initialing) that the intended use of the information is one of the permitted uses provided by law (as listed on the back of the form). The only exception to this law is a subpoena or court order that orders VTR to provide a title history or copies of the vehicle's documents. On receipt of a subpoena or court order, VTR must provide the requested information and a **Form VTR-275**, is not required.

County Administration

Acts by Deputy County Assessor-Collector

Transportation Code Section 501.136

A deputy county assessor-collector, other than a limited service deputy appointed under Section 502.112, may perform the duties of an assessor-collector under this chapter.

Duty of County Assessor-Collector

Transportation Code Section 501.137

(a) Each county assessor-collector shall comply with this chapter.

(b) An assessor-collector who fails or refuses to comply with this chapter is liable on the assessor-collector's official bond for resulting damages suffered by any person.

The county tax assessor-collectors and their deputies may not accept an application for title unless the evidence of ownership and supporting documents are in proper order and comply with the provisions of the Certificate of Title Act.

Violation by County Assessor-Collector; Penalty

Transportation Code Section 520.014

(a) A county assessor-collector commits an offense if the county assessor-collector knowingly accepts an application for the registration of a motor vehicle that:

(1) has had the original motor number removed, erased, or destroyed; and

(2) does not bear a motor number assigned by the department.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than $10 and not more than $50.

Transfer Fee; Late Fee

Transportation Code Section 520.032

(a) The transferee of a used motor vehicle shall pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of $2.50 for the transfer of the registration of the motor vehicle.

(b) If the transferee does not file the application during the period provided by Section 520.031, the transferee is liable for a late fee to be paid to the county assessor-collector when the application is filed. If the transferee holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the amount of the late fee is $10. If the transferee does not hold a general distinguishing number, subject to Subsection (b-1) the amount of the late fee is $25.

(b-1) If the application is filed after the 31st working day after the date the transferee received the documents under Section 520.022, the late fee imposed under Subsection (b) accrues an additional penalty in the amount of $25 for each subsequent 30-day period, or portion of a 30-day period, in which the application is not filed.

(c) The county assessor-collector and the surety on the county assessor-collector's bond are liable for the late fee if the county assessor-collector does not collect the late fee.

(d) Subsections (b) and (b-1) do not apply if the motor vehicle is eligible to be issued:

(1) classic vehicle license plates under Section 504.501; or

(2) antique vehicle license plates under Section 504.502.

Allocation of Fees (Relating to Transfer Fees and Late Fees)

Transportation Code Section 520.033

(a) The county assessor-collector may retain as commission for services provided under this subchapter half of each transfer fee collected and half of each late fee collected under Section 520.032.

(b) The county assessor-collector shall report and remit the balance of the fees collected to the department on Monday of each week as other registration fees are required to be reported and remitted.

(c) Of each late fee collected from a person who does not hold a general distinguishing number that the department receives under Subsection (b), $10 may be used only to fund a statewide public awareness campaign designed to inform and educate the public about the provisions of this chapter.

Chapter 3

Fees

This chapter contains the following sections:

- Collection and Disposition of Title Application Fees
- Certain Military Personnel Exempt From Title Fees
- Transfer Fee and Penalty
- Rejected Transactions
- Allocation of Transfer Fees
- Nonrepairable or Salvage Vehicle Title Application Fees
- Rebuilt Salvage Fees

Collection and Disposition of Title Application Fees

Transportation Code Section 501.138

(a) An applicant for a certificate of title, other than the state or a political subdivision of the state, must pay the county assessor-collector a fee of:

(1) $33 if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(2) $28 if the applicant's residence is any other county.

(b) The county assessor-collector shall send:

(1) $5 of the fee to the county treasurer for deposit in the officers' salary fund;

(2) $8 of the fee to the department:

(A) together with the application within the time prescribed by Section 501.023; or

(B) if the fee is deposited in an interest-bearing account or certificate in the county depository or invested in an investment authorized by Subchapter A, Chapter 2256, Government Code, not later than the 35th day after the date on which the fee is received; and

(3) the following amount to the comptroller at the time and in the manner prescribed by the comptroller:

(A) $20 of the fee if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(B) $15 of the fee if the applicant's residence is any other county.

(b-1)[Expires September 1, 2010]Fees collected under Subsection (b) to be sent to the comptroller shall be deposited as follows:

(1) before September 1, 2008, to the credit of the Texas emissions reduction plan fund; and

(2) on or after September 1, 2008, to the credit of the Texas Mobility Fund, except that $5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, shall be deposited to the credit of the Texas emissions reduction plan fund.

(b-2)[Expires September 1, 2015] The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1). On or before the fifth workday of each month, the department shall remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month. The department shall use for remittance to the comptroller as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

(b-3)([Expires August 31, 2019] This subsection and Subsection (b-2) expire September 1, 2015.

(c) Of the amount received under Subsection (b)(2), the department shall deposit:

(1) $5 in the general revenue fund; and

(2) $3 to the credit of the state highway fund to recover the expenses necessary to administer this chapter.

(d) The county owns all interest earned on fees deposited or invested under Subsection (b)(2)(B). The county treasurer shall credit that interest to the county general fund.

The county tax assessor-collector must report the department's share of title fees, together with all applications for title that are filed, within 24 hours after receipt. However, the tax collector may defer remittance of the fees for no more than 34 days provided the fees are deposited in an interest bearing account or certificate in the county depository or any investment authorized under the Public Funds Investment Act (Government Code, Chapter 2256). All interest earned under these conditions belongs to the county. If interest is earned on State funds deposited outside the county depository, or if interest is earned on State funds covering periods in excess of the 34 days, the interest belongs to the department.

Prior to May 3, 1947, "exempt" motor vehicles owned by the State of Texas or a subdivision were registered yearly. However, such vehicles were not required to be titled.

House Bill 273, Fiftieth Legislature, which became effective May 3, 1947, provided that motor vehicles owned or acquired after that date by the State of Texas or any of its subdivisions - county, city, school district, state supported institutions, or any other governmental agency created under Article 16, §59, of the Constitution of Texas – must be titled. House Bill 273 also provided that all provisions of the Certificate of Title Act apply to such vehicles except that they are "exempt" from all fees levied by the State of Texas.

Certain Military Personnel Exempt From Title Fees

Texas Government Code, Section 431.039, exempts military personnel who are being deployed to serve in a hostile fire zone from payment of the $28/$33 title application fee. (Refer to Table 3-1.) The exemption from payment applies only to title application transactions in which the service member is an applicant and is subject to payment of a title application fee. To receive the exemption, the person must be a member of the:

- United States Armed Forces on active duty in a hostile fire zone (See Table 3-1).
- National Guard on federal active duty in a hostile fire zone

An applicant must present a copy of their military orders as proof of being deployed to serve in a hostile fire zone (refer to the Military Orders Example). Counties must review the military orders to determine the deployment location. The "Purpose" area on most military orders provides the purpose of the orders, such as "Mobilization for Operation Iraqi Freedom". In some cases, the "Report" to area only provides where the member is to go for deployment preparation and not necessarily where they are being deployed.

If the applicant is eligible, the county tax office must write "Military/Exempt" to the right of the application fee area in Box 21 of the **Form 130-U** to indicate the applicant was exempted from payment.

Hostile Fire Zones

Table 3-1 lists hostile fire zones designated by the Secretary Of Defense.

Table 3-1 Hostile Fire Zones

Country/Area	
Afghanistan	Kenya
Algeria	Kuwait
Angola	Kyrgyzstan
Azerbaijan	Lebanon
Bahrain	Liberia
Bosnia-Herzegovina	Macedonia
Burundi	Malaysia
Colombia	Montenegro
Congo, Dem Rep of	Oman
Cote devoir	Pakistan
Croatia	Philippines
Cuba - Guantanamo Bay Detention Facilities only	Qatar Rwanda
Djibouti	Saudi Arabia
East Timor	Serbia *(includes Kosovo)*
Egypt	Sierra Leone
Eritrea	Somalia
Ethiopia	Sudan
Georgia	Syria
Greece - Athens area	Tajikistan
Haiti	Turkey
Indonesia	Uganda
Iran	United Arab Emirates
Iraq	Uzbekistan
Israel	Yemen
Jordan	

Water Areas	
Persian Gulf	Gulf of Aden
Red Sea	Somalia Basin (1110N3-05115E2,
Gulf of Oman	0600N6-04830E5, 0500N5-05030E8,
Arabian Sea north of 10 degrees N lat.	1130N5-05334E5; 0500N5-05030E8,
& W of 68 degrees E long	0100N1-04700E1, 0300S3-04300E7,
	0100S1-04100E5, 0600N6-04830E5)

Source: Department of Defense Press Operations, August 8, 2007

Military Orders Example

NATIONAL GUARD DEPLOYMENT ORDERS (FEDERAL ACTIVE DUTY)

TEXAS MILITARY FORCES

Army National Guard
Post Office Box 5218
Austin, Texas 78763-5218
ORDERS 220-286 08 August 2007
DOE, JOHN A. 000-00-0000 1LTE BRIGADE TEAM 1
(8BBM3-960) PO BOX 5218 AUSTIN TX 78763
You are ordered to active duty as a member of your Reserve Component Unit for the period indicated unless sooner released or unless extended. Proceed from your current location in sufficient time to report by the date specified.
You enter active duty upon reporting to unit home station.
REPORT TO HOME STATION: 20 September 2007, W8BB BDE TNG TM 3 TXARNG EL JF(W8BBM3),2200 W. 35TH ST., AUSTIN,TX 78703
REPORT TO MOB STATION: 23 September 2007, Ft Riley, KS

Purpose: OPERATION ENDURING FREEDOM OEF)

Mobilization Category Code: G
Additional instructions:

States type of Deployment
OEF= Afghanistan OIF = Iraq

Normally has this also

(a) **"Pursuant to Presidential Executive Order 13223, DTD 14 SEP 01,** you are relieved from your present reserve component status and are ordered to report for a period of active duty not to exceed 25 days for mobilization processing. Proceed in sufficient time to report by the date specified for active duty you fail to meet deployment medical standards (whether because of a temporary
(b) or permanent medical condition, then you may be released from active duty returned to your prior Reserve status, and returned to active duty subject to a subsequent order to active duty upon resolution of the disqualifying medical condition. If, upon reporting for active duty, you are found to satisfy medical deployment standards, then you are further ordered to active duty for a period not to exceed 400 days, such period
(c) to include the period (not to exceed 25 days) required for mobilization processing."
The mobilization period may be shortened or extended depending on mission requirements.
(d) You are ordered to active duty with the consent of the Governor. Transport of personal weapon is not authorized. Commercial air authorized for emergency returns. Unit members will travel as group. Excess baggage is authorized, not exceed four pieces.
(e) Travel will be paid for one time travel from home duty station to mob station and back and includes travel and per diem from home stations/ mobilization station or duty location/and return to home station as well as non-temp storage. Individual soldiers whose duty station is different from mob station will receive funding for one time travel and return from mob station to the duty station using the listed fund cites.
(f) Multiple trips such as soldiers who will visit installations across the country conducting inspections will be funded by the MACOMS' mission funding unless specific funding ERF, D has been provided by the army budget office for the mission.

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Additional instructions (cont):
(g) Following statement must be included on each individual mobilization
    order: Family members may be eligible for TRICARE (military health care)
      benefits. For details call 1-888-DoD-CARE (1-888-363-2273) or go to web
      address www.tricare.osd.mil/reserve/ or email TRICARE help@amedd.army.mil
      Unit SM will mobilize with Organizational Clothing Issue and Equipment.
      Units will be processed on active duty at their assigned mob station.
  (h) Soldier will hand-carry(if available) complete MPRJ health and dental,
      training and clothing records, if moving as an individual. Bring copies
      of rental or mortgage agreement, marriage certificate, birth certificate,
      birth certificate of natural children, or documentation of dependency or
      child support. Bring copies of family care plan, wills, power of
      attorney, and any other documentation affecting the soldier's pay status.
  (i) The mobilization period may be shortened or extended depending on mission
      requirements.
      Weapons are authorized to be transported in performance of duty per
      Federal Regulations.
  (j) RC units and individuals: If you have questions regarding your employment
      and reemployment rights, call 1-800-336-4590 (National Committee for
      employer support of the Guard and Reserve) or check on line at WWW.ESGR.ORG
  (k) OPERATION ENDURING FREEDOM
  (l) The National Defense Authorization Act 2004 sec 703 authorizes early eli-
      gibility for health benefits. A member of the Reserve component who issued
      a delayed-effective-date active-duty order, or is covered by such an order,
      that is for a period of active duty of more than 30 days, in support of a
      contingency operations, as defined in 10 USC(a)(13)(B), shall be eligible
      along with member's dependents, for medical and dental care, on either the
  (m) date of issuance of such an order, or 60 days prior to mobilization,
      whichever is later.Army One Source is available to assist Soldiers and family memb
      solutions in dealing with life's issues and questions during deployments.
      Contact by phone at(US 1-800-464-8107 or outside the US at 1-484-530-5889)
  (n) Pertaining to Permanent Order No. 1A-07-131-072
  (o) HQ's 1st U.S. Army, 4705 N. WHEELER DRIVE, FOREST PARK, GA
  (p) Meals and lodging will be provided at no cost to the Soldier.  Claims for
      reimbursement require a statement of non-availability control number.
  (q) For unresolved pay issues, contact the ARNG Pay Ombudsman at toll-free
      1-877-ARNGPAY or by email at ARNG-MILPAY@ARNG-FSC.NGB.ARMY.MIL
FOR ARMY USE
Auth: TITLE 10 USC, SECTION 12302/HQDA MSG 092139ZMay07/DAMO-ODM/: ORD
   TYP/MOBORD/HQDA No. 1288-07
Acct clas:
 Off pay/alw: 24961.010.0000 01-1100 P1W1C00 11**/12** VFRE F3203 5570 S12120
 S12120(OEF)
 S12120(OEF)
 HOR: 000 BRAE MOSS        , SAN ANTONIO      TX78249
 DOR: 15-JUN-02
 PEBD: 17-MAY-91
 Security Clearance: S
 ORDERS  220-286  HQ TX NG, OTAG,  08 August 2007
 FOR THE ADJUTANT GENERAL:

                                          \\\\\\\\\\\\\\\\\\\\\\\\\\\\
                                          \\     HQ,  TXARNG     //
                                          \\      OFFICIAL       //
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Transfer Fee and Penalty

Transportation Code Section 520.032

(a) The transferee of a used motor vehicle shall pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of $2.50 for the transfer of the registration of the motor vehicle.

(b) If the transferee does not file the application during the period provided by Section 520.031, the transferee is liable for a late fee to be paid to the county assessor-collector when the application is filed. If the transferee holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the amount of the late fee is $10. If the transferee does not hold a general distinguishing number, subject to Subsection (b-1) the amount of the late fee is $25.

(b-1) If the application is filed after the 31st working day after the date the transferee received the documents under Section 520.022, the late fee imposed under Subsection (b) accrues an additional penalty in the amount of $25 for each subsequent 30-day period, or portion of a 30-day period, in which the application is not filed.

(c) The county assessor-collector and the surety on the county assessor-collector's bond are liable for the late fee if the county assessor-collector does not collect the late fee.

(d) Subsections (b) and (b-1) do not apply if the motor vehicle is eligible to be issued:

(1) classic vehicle license plates under Section 504.501; or

(2) antique vehicle license plates under Section 504.502.

Delinquent Transfer Penalty

The purchaser of a used vehicle (dealers exempted) must, within 20 working days of the date of assignment, file an application for transfer of title and registration, if required, with the county tax assessor-collector. If the purchaser fails to apply for title within the 20 day filing period, a delinquent transfer penalty is assessed.

Note: Active duty military personnel must file transfers within 60 working days after the date of sale or pay a delinquent transfer penalty.

Collect the delinquent transfer penalty **only** when:

- A Texas titled vehicle is currently registered in Texas at the time of sale and
- An application for transfer of title is not filed within 20 working days from the date of sale and the application is for:

The amount of the delinquent transfer penalty varies dependent on when the transaction is filed and who is filing the transaction. The delinquent penalty only applies to vehicles currently registered and titled in Texas and the application is for:

- Transfer of title and registration; or
- Title Only, but only if the vehicle is eligible for registration and the applicant chooses to not register

This section makes no provisions for anyone to waive the delinquent transfer penalty when the penalty is due.

Filing period

Twenty days starts with the day following the date of assignment on the title and includes only those workdays the tax office is open. Saturdays, Sundays, and days the tax offices are closed are not included as a part of the twenty day or sixty day filing period. Use the date of assignment on the title and the filing date in determining the twenty day or sixty-day period.

Filing date

The date an application is accepted by a county tax assessor-collector's office is the official filing date. This date is indicated on the *Title Application Receipt*, **Form VTR-500-RTS,** or **Form VTR-31-RTS** and on the application.

Penalty Amounts

General Public

When an application is filed on the 21st working day after the date of sale or later (except military) and is subject to delinquent transfer penalties, the penalties are as follows:

- $25 if filed between the 21st and 31st working day after the date of sale; and
- If filed
- on or after the 32nd working day after the date of sale, an additional $25 for each 30 calendar day period or portion of a 30 calendar day period

Motor Vehicle Dealers

When a dealer filed transaction is filed on 21st working day after the date of sale or later the transaction is subject to delinquent transfer penalty of $10, regardless of how late it is filed.

Military Personnel

When an application is filed on the 61st working day after the date of sale or later it is subject to delinquent transfer penalties, the penalties are as follows:

- $25 if filed on or after the 61st working day after the date of sale; and

- An additional $25 penalty for each 30 calendar day period or portion of a 30 calendar day period.

Collection of Delinquent Transfer Penalties

Counties should collect all delinquent transfer penalties in accordance with the following:

Texas Titles

Collect the delinquent transfer penalty **only** when a Texas titled vehicle is currently registered in Texas at the time of purchase and

- an application for transfer of title is not filed within twenty (20) working days from the date of sale or
- The registration expired after the purchase date.

Note: A penalty is not due when the assignment of a Texas title is completed out-of-state.

Exceptions

The Delinquent Transfer Penalty does not apply to the following:

- Unregistered Texas-titled vehicles (this includes “Title Only”)
- Passenger vehicles, trucks or motorcycles that are 25 model years old or older
- New vehicles being transferred on a MCO
- Vehicles cover by out-of-state or out of country ownership documents
- Texas title transfers completed out-of-state
- US Government Vehicles (Federal or State Form 97 surrendered)
- A motor vehicle dealer that is applying for title in the dealership name
- Vehicles owned by exempt agencies
- Vehicles being sold by exempt agencies
- Vehicles being transferred by *Operation of Law* (i.e. court orders, repossession, Affidavit of Heirship)
- Corrected title transactions (no transfer of ownership)
- Off-highway motorcycles
- ATVs
- Stolen vehicles being titled by insurance companies
- Vehicles covered by salvage ownership documents (Texas or out-of-state), nonrepairable title, salvage certificate, etc.
- Non-titled vehicles (trailers/semitrailers, farm trailers/farm semitrailers Permit or Machinery plated vehicles

Dealers

A dealer is exempt from the twenty day filing period when an application for title is filed in the name of the dealership, provided the dealer has been issued a current dealer number and the number is shown in the transaction.

Transfers by Operation of Law

The person to whom a vehicle is transferred by operation of law (refer to Transfer of Vehicle) is exempt from the twenty day filing period. For example, the person designated as purchaser on an affidavit of heirship is not subject to the penalty nor is a lienholder who repossesses a vehicle. However, in case of repossession, if the lienholder assigns title, the purchaser would not be exempt (unless assigned to a dealer possessing a current dealer number).

Applications for corrected title

The 20 day filing period does not apply to applications for corrected title since no transfer is involved.

Off highway motorcycles and three or more wheel ATVs

The penalty does not apply to off highway motorcycles and three or more wheel ATVs, which are titled but not, registered.

Insurance companies

The penalty does not apply when an application for title is filed by an insurance company on a stolen vehicle provided the application is accompanied by an affidavit stating that the vehicle was stolen and a total loss claim has been paid.

- Salvage Vehicles

  The penalty does not apply to the purchaser of a vehicle, which is transferred on a salvage ownership document (Salvage Certificate, Salvage Vehicle Title, Nonrepairable Vehicle Title or out-of-state salvage document).

- Non-titled vehicles

  The penalty does not apply to non-titled vehicles, including:

  - Vehicles issued PERMIT or MACHINERY license plates;
  - Trailers and semitrailers with a gross weight of 4,000 pounds or under; or
  - Un-titled farm trailers and farm semitrailers.

Altered date of Assignment

If the date of sale on an assignment has been erased or altered in any manner, the seller must attach a statement of fact verifying the actual date of sale and furnishing a satisfactory explanation as to why the assignment was erased or altered. This statement from the seller is not necessary if the delinquent transfer penalty is collected

Rejected Transactions

If a vehicle purchaser attempts to file application for title and the title transaction is rejected by a county tax assessor-collector's office because the transaction is not in proper order, the purchaser is liable for the delinquent transfer penalty if the 20 day period has expired at the time the application is actually filed. The penalty for dealers is $10. The penalty for other applicants/customers is $25 for the initial 21-31 day period after sale and $25 for each additional 30 day period.

Allocation of Transfer Fees

Transportation Code Section 520.033

(a) [Effective until January 1, 2008] The county assessor-collector may retain as commission for services provided under this subchapter half of each transfer fee collected, half of each late fee, and half of each additional penalty collected under Section 520.032.

(b) [Effective on January 1, 2008] The county assessor-collector shall report and remit the balance of the fees collected to the department on Monday of each week as other registration fees are required to be reported and remitted.

(c) [Effective on January 1, 2008] Of each late fee collected from a person who does not hold a general distinguishing number that the department receives under Subsection (b), $10 may be used only to fund a statewide public awareness campaign designed to inform and educate the public about the provisions of this chapter

Title and transfer penalty fees are itemized on the *Title Application Receipt,* **Form VTR-500-RTS,** or **Form VTR-31-RTS**. These fees appear on appropriate reports generated by the registration and title systems, which also denote the fee split between the county and the department.

Nonrepairable or Salvage Vehicle Title Application Fees

Transportation Code Section 501.097

(a) An application for a nonrepairable vehicle title or salvage vehicle title must:

(1) be made on a form prescribed by the department and accompanied by a $8 application fee;

(2) include, in addition to any other information required by the department:

(A) the name and current address of the owner;

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number; and

(C) a statement describing whether the motor vehicle:

(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;

(ii) is a self-insured motor vehicle under Section 501.094;

(iii) is an export-only motor vehicle under Section 501.099; or

(iv) was sold, transferred, or released to the owner or former owner of the motor vehicle or a buyer at a casual sale; and

(3) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

(b) On receipt of a complete application, the properly assigned title or manufacturer's certificate of origin and the application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate title for the motor vehicle.

(c) A nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a regular certificate of title or registered in this state;

(C) be operated on a public highway, in addition to any other requirement of law; and

(2) may only be used as a source for used parts or scrap metal.

(d) The fee collected under Subsection (a)(1) shall be credited to the state highway fund to defray the costs of administering this subchapter and the costs to the department for issuing the title.

Rebuilt Salvage Fees

Transportation Code Section 501.100

(a) A vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003 or a salvage vehicle title has been issued may be issued a regular certificate of title after the motor vehicle has been repaired, rebuilt, or reconstructed by a person described by Section 501.104(a) and, in addition to any other requirement of law, only if the application is accompanied by a separate form that:

(1) describes each major component part used to repair the motor vehicle; and

(2) shows the identification number required by federal law to be affixed to or inscribed on the part.

(b) On receipt of a complete application under this section accompanied by the $13 fee for the certificate of title, the department shall issue the applicant a regular certificate of title for the motor vehicle.

Note: The application fee for a certificate of title was increased to $28 and $33 by the 78th Texas Legislature, 2003.

(c) A regular certificate of title issued under this section must:

(1) describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle; and

(2) bear on its face the words "REBUILT SALVAGE" in capital letters that:

(A) are red;

(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(C) do not prevent any other words on the title from being read or copied.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a $65 rebuilder fee.

(e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit $50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and $15 to the credit of the general revenue fund.

(f) The department may not issue a regular certificate of title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.096(b); or

(3) certificate of authority.

Chapter 4

Definitions

This chapter contains the following:

- Definitions

Definitions

Transportation Code Section 501.002

In this chapter:

(1) "Certificate of title" means an instrument issued under Section 501.021."

(2) Dealer" means a person who purchases motor vehicles for sale at retail.

(3) "Department" means the Texas Department of Motor Vehicles.

The name of the State Highway Department was changed to the State Department of Highways and Public Transportation by the 64th Texas Legislature, Regular Session, 1975, and more recently changed from the State Department of Highways and Public Transportation to the Texas Department of Transportation by the 72nd Texas Legislature, First Called Session, 1991. The 81st Texas Legislature formed a new Texas Department of Motor Vehicles currently responsible for vehicle titling and registration. Consequently, a reference in law to the "department," "Highway Department," "State Highway Department," "State Department of Highways and Public Transportation," or "Texas Department of Transportation" may be construed as meaning the "Texas Department of Motor Vehicles."

(4) "Distributor" means a person engaged in the business of selling to a dealer motor vehicles purchased from a manufacturer.

(5) "First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or licensed, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or licensing of that vehicle.

(6) "House trailer" means a trailer designed for human habitation. The term does not include manufactured housing.

(7) "Importer" means a person, other than a manufacturer, that brings a used motor vehicle into this state for sale in this state.

(8) "Importer's certificate" means a certificate for a used motor vehicle brought into this state for sale in this state.

Since the title law was passed in 1939, the volume of out-of-state vehicles being brought into this State by residents, nonresidents, new residents, members of the Armed Forces, auto auction companies, and dealers has grown to such extent that it is almost impossible for the tax collector to determine whether the vehicle was brought into this State for the purpose of sale as provided by this Section. For this reason, counties should not reject an application for Texas title supported by proper evidence of ownership for lack of an attached an importer's certificate.

(9) "Lien" means:

(A) a lien provided for by the constitution or statute in a motor vehicle; or

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title.

(C) a child support lien under Chapter 157, Family Code.

(10) "Manufactured housing" has the meaning assigned by Chapter 1201, Occupations Code.

Under the Texas Manufactured Housing Standards Act, the term "manufactured housing" includes mobile homes. Therefore, mobile homes are excluded from the provisions of the Certificate of Title Act.

(11) "Manufacturer" means a person regularly engaged in the business of manufacturing or assembling new motor vehicles.

In addition to persons engaged in the business of manufacturing new motor vehicles, the term "Manufacturer" includes persons engaged in the business of assembling vehicles for resale using all new component parts. All manufacturers are required to furnish a Manufacturer's Certificate of Origin (MCO) covering the entire vehicle they assemble, and the MCO must conform to the MCO approved by VTR except for trailer manufacturers. Trailer manufacturers are not required to utilize an MCO printed by a "secured" process; however, VTR recommends the "secure" MCO.

(12) "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle."

(13) Motorcycle" means a motor vehicle, other than a tractor, designed to propel itself with not more than three wheels in contact with the ground."

(14) Motor vehicle" means:

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a house trailer;

(D) an all-terrain vehicle or a recreational off-highway vehicle, as those terms are as defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or

(E) a 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.

(15) "New motor vehicle" means a motor vehicle that has not been the subject of a first sale.

(16) "Owner" includes a person, other than a manufacturer, importer, distributor, or dealer, claiming title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale.

A "dealer" is not an owner as defined in this Act.

(17) "Semitrailer" means a vehicle that is designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.

(18) "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A) the manufacturer's permanent vehicle identification number;

(B) a derivative number of the manufacturer's permanent vehicle identification number;

(C) the motor number; or

(D) the vehicle identification number assigned by the department.

(19) "Steal" has the meaning assigned by Section 31.01, Penal Code.

Under Section 31.01, Penal Code, "steal" means to acquire a service or property by theft.

(20) "Subsequent sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has been previously registered or licensed in this state or elsewhere, with intent to pass an interest in the vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurs; and

(B) the registration of the vehicle if registration is required under the laws of this state.

(21) "Title receipt" means an instrument issued under Section 501.024.

The term "title receipt" as defined above is the *Tax Collector's Receipt for Title Application / Registration / Motor Vehicle Tax*, **Form VTR-500-RTS**, or **Form VTR-31-RTS**.

(22) "Trailer" means a vehicle that:

(A) is designed or used to carry a load wholly on the trailer's own structure; and

(B) is drawn or designed to be drawn by a motor vehicle.

(23) "Used motor vehicle" means a motor vehicle that has been the subject of a first sale.

Chapter 5

Certificate of Title Requirements

This chapter contains the following sections:

- Applicability
- Motor Vehicle Definition
- Certificate of Title Required
- Trailers and Semitrailers
- Farm Trailers and Farm Semitrailers
- Issuance of Title to Government Agency
- Federal Government Vehicles
- Office of Foreign Missions
- Alias Certificate of Title
- Sale or Offer without Title Receipt or Title

Applicability

Transportation Code Section 501.004

(a) This chapter applies to a motor vehicle owned by the state or a political subdivision of the state.

(b) This chapter does not apply to:

(1) a trailer or semitrailer used only for the transportation of farm products if the products are not transported for hire;

(2) the filing or recording of a lien that is created only on an automobile accessory, including a tire, radio, or heater;

(3) a motor vehicle while it is owned or operated by the United States; or

(4) a new motor vehicle on loan to a political subdivision of the state for use only in a driver education course approved by the Central Education Agency.

Motor Vehicle Definition

Transportation Code Section 501.002 (14)

*"**Motor vehicle**" means:*

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a house trailer;

(D) an all-terrain vehicle or a recreational off-highway vehicle, as those terms areas defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or

(E) a 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.

Effective Dates:

- Motor Vehicles - October 1, 1939
- Trailers and Semitrailers - August 11, 1959
- Camper Trailers - September 1, 1967
- Off-Highway Motorcycles - September 1, 1975
- Mopeds - September 1, 1983
- ATVs - September 1, 1985
- Recreational Off-Highway Vehicles - September 1, 2009

History

The Certificate of Title Act required motor vehicles to be titled starting October 1, 1939; however, owners were given until January 1, 1942, to title any motor vehicle purchased after January 1, 1936. Under the requirements of this Act, a county tax assessor-collector could not register or reregister a motor vehicle until the vehicle was titled in the owner’s name.

New vehicles purchased prior to January 1, 1936, could be registered by presenting a previous year’s registration receipt showing “exempt” in the title number space. If an owner sells one of these untitled motor vehicles, the owner must title in their name prior to reselling. An owner of a motor vehicle that is registered at the time of title application is required to provide valid proof of financial responsibility.

Re-Registration

When a certificate of title and license receipt is presented as evidence for re-registration, the county tax assessor-collector should check the back of the title for any indication of a possible transfer of ownership.

- If the assignment of title has been completed showing transfer of ownership to a new owner, an application for title in the new owner's name must be filed before the vehicle can be registered.

- If an assignment of title shows a signature of the seller and the assignment has not been completed showing the name and address of a purchaser, the county should request identification from the applicant to determine that he or she is the same person whose name appears on the face of the title. If it is not the same person, counties should not issue registration until the assignment is completed and the new owner has filed an application for transfer of title.

Certificate of Title Required

Transportation Code Section 501.022

(a) The owner of a motor vehicle registered in this state may not operate or permit the operation of the vehicle on a public highway until the owner obtains a certificate of title for the vehicle or until the owner obtains registration for the vehicle if a receipt evidencing title to the vehicle is issued under Section 501.029(b).

(b) A person may not operate a motor vehicle registered in this state on a public highway if the person knows or has reason to believe that the owner has not obtained a certificate of title for the vehicle.

(c) The owner of a motor vehicle that is required to be registered in this state must apply for a certificate of title of the vehicle before selling or disposing of the vehicle.

(d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a metal dealer's license plate or a dealer's or buyer's temporary cardboard tag attached to the vehicle as provided by Chapter 503.

A certificate of title is an ownership document and should be kept in a safe place and not in the automobile (such as the glove compartment). On or after September 1, 2001, the owner of a vehicle may use a registration receipt issued under Transportation Code, Chapter 502 as proof of registration (initial or renewal) or the title application receipt as evidence of title. However, the receipt issued at the time of application for Registration Purposes Only may be used only as proof of registration. (For further information regarding Registration Purposes Only, refer to Chapter 6, “Application and Issuance of Certificate of Title”).

A registration receipt may not be used to transfer any interest or ownership in a motor vehicle or to establish a lien.

Retail Purchasers

The first retail purchaser must secure title in their name before transferring ownership of a motor vehicle to a subsequent purchaser.

Non Titled Vehicles

The term “motor vehicle” does not apply to implements of husbandry; therefore, these units cannot be titled.

Farm Tractors

Farm tractors owned by exempt agencies and farm tractors used as road tractors to mow the right-of-way or used to move commodities over the highway for hire are required to be registered and titled.

Distinguishing Plates

The $5.30 distinguishing license plate is issued in lieu of regular registration. Below are listed the vehicles eligible for the distinguishing plate, and such vehicles cannot be titled under this Act. (See Motor Vehicle Registration Manual for information on this plate.)

Machinery Plates

Machinery Plates are issued to:

- Construction machinery (unconventional vehicles)
- Water well drilling units

Permit Plates

VTR issues permit plates to oversize/overweight commercial mobile cranes or vehicles used solely for servicing, cleaning out, and/or drilling of oil wells. For further information, refer to the Motor Vehicle Registration Manual.

Trailers and Semitrailers

Owners of trailers and semitrailers having a gross weight (loaded) in excess of 4,000 pounds (Texas licensed dealers excepted) must title the vehicles. When a trailer or semitrailer is required to be registered but not titled, the owner should retain the evidence of ownership after showing it to the county tax assessor-collector.

Evidence of ownership required

Refer to Chapter 14, “Vehicle Types”.

Out of State

Trailers and semitrailers last registered or titled out-of- state - refer to Chapter 18, “Out of State Requirements”.

Details and Clarifications

Some details of clarification regarding trailers and semitrailers are:

- Jeep axles and converter axles are axle assemblies that are used in conjunction with truck tractor and semitrailer combinations for the purpose of increasing the overall carrying capacity of the combination. These axle assemblies are not titled. (Refer to the Motor Vehicle Registration Manual for a complete discussion.)
- House moving dollies are registered with "token trailer" plates and titled as semitrailers; however, only one dolly in a combination is required to be registered and titled.
- "Twin Twenties" are two separate semitrailers which, at times, may be buckled together to form one semitrailer. Owners must register and title each unit separately.
- "Double Bottom" is a term applied to a combination of two trailers (one semitrailer and one full trailer) pulled by one power unit. The rear most trailer is usually a semitrailer that has been converted to a full trailer by means of a "Trailer Axle Converter." Owners must register and title each of the trailers. (See Motor Vehicle Registration Manual for registration information).

Farm Trailers and Farm Semitrailers

Transportation Code Section 501.036

(a) Notwithstanding any other provision of this chapter, the department may issue a certificate of title for a farm semitrailer with a gross weight of more than 4,000 pounds if:

(1) the farm semitrailer is eligible for registration under Section 502.276; and

(2) all other requirements for issuance of a certificate of title are met.

(b) To obtain a certificate of title under this section, the owner of the farm semitrailer must:

(1) apply for the certificate of title in the manner required by Section 501.023; and

(2) pay the fee required by Section 501.138.

(c) The department shall adopt rules and forms to implement and administer this section.

Note: Transportation Code 502.276 was repealed by the 78th Legislative Session, effective September 1, 2003, and re-codified under Transportation Code 504.504. An error was made in the re-codification on the weight criteria subject to correction in future legislation.

Certificate of Title Act Requirements

Farm trailers and farm semitrailers are exempt from the Certificate of Title Act requirements. Owners should retain evidence of ownership that is not retained by the county.

If the owner requests a title, VTR may issue a certificate of title for a farm semitrailer with a gross weight over 4,000 pounds if:

- the farm semitrailer is eligible for registration in accordance with Transportation Code, Section 504.504;
- the owner applies for a certificate of title under Transportation Code, Section 501.023; and
- the owner pays the required fees under Transportation Code, Section 501.138.

Should an owner file an application for title, they must surrender the ownership document with the application.

Farm Usage

Farm trailers or farm semitrailers are those trailers owned by farmers used exclusively to transport seasonally harvested agricultural products or livestock from the place of production to the place of processing, market, or storage; or farm supplies from the place of loading to the farm. These vehicles cannot operate for hire. Also included are: farm trailers owned by a cotton gin and used exclusively to transport agricultural products from place of production to place of process (not for hire); trailers used to transport fertilizer to the farm and return without charge; and, trailers hauling cottonseed between place of supply or storage to farms or place of process and return without charge.

Light Trailers

A farm trailer or farm semitrailer with a gross weight not exceeding 4,000 pounds is exempt from registration and title. This type of vehicle should be sold by a bill of sale; and when sold, if the purchaser is not a farmer, the purchaser must register the vehicle with regular trailer license plates.

Heavy Trailers

A farm trailer or farm semitrailer with a gross weight in excess of 4,000 pounds, but not exceeding 34,000 pounds, is exempt from title requirements and qualifies for a $5.30 distinguishing license plate. This type trailer should be sold on a bill of sale. Exceptions are those owners desiring a title for farm semitrailers in excess of 4,000 pounds that may be issued a certificate of title as provided in Transportation Code, Section 501.036.

Trailers Sales

If a non-titled farm trailer or farm semitrailer is sold:

- To a farmer, the $5.30 plate should be transferred by the use of the **VTR-500-RTS** or **Form VTR-31-RTS Receipt**.
- To a non-farmer, the $5.30 plate should be surrendered to the county tax assessor-collector and the trailer registered with regular registration. If the trailer requires a title, the owner should file an application for title supported by a bill of sale and an affidavit that the trailer was purchased from a farmer. They must also attach the title copy of the registration receipt and, if the vehicle is a full trailer, a weight certificate.

Trailer Transfers

Farm semitrailers titled under Transportation Code, Section 501.036, must transfer by proper assignment of title from the owner to the new owner. If the new owner qualifies for farm plates, they may file an application of title supported by the assigned title. If the owner does not wish to title the farm semitrailer the owner may apply for registration only.

Trailers Required to be Titled

Owners of farm trailers and farm semitrailers in excess of 34,000 pounds must register and title the trailer.

If a semitrailer with a gross weight of 4,000 pounds or less is issued a temporary additional weight receipt for seasonal agricultural products which brings the gross weight of the vehicle above 4,000 pounds, the semitrailer may not be titled because the vehicle returns to its previous status when the temporary additional weight receipt expires.

Issuance of Title to Government Agency

Transportation Code Section 501.034

The department may issue a certificate of title to a government agency if a vehicle or part of a vehicle is:

(1) forfeited to the government agency;

(2) delivered by court order under the Code of Criminal Procedure to a government agency for official purposes; or

(3) sold as abandoned or unclaimed property under the Code of Criminal Procedure.

For further information, refer to Chapter 16, “Operation of Law”.

State Government Vehicles

Motor vehicles owned or acquired by the State of Texas or any of its subdivisions - county, city, school district, state supported institutions, or any other governmental agency are required to be titled. All provisions of the Certificate of Title Act apply except these vehicles are “exempt” from all fees levied by the State of Texas.

Exempt license plates are issued to vehicles owned and operated by the State of Texas or any of its subdivisions, school districts, counties, or cities.

Counties should not collect title fees for liens recorded on vehicles owned by exempt agencies. Instances when the title fee is collected are below.

Note: Exempt license plates are discussed in detail in the Motor Vehicle Registration Manual.

Trailers

House trailers, trailers, and semitrailers owned by an agency of the State of Texas are covered by the registration and title laws.

Dealer Owned School District Vehicles

A dealer owned vehicle loaned to a school district may be registered with exempt plates. Applicants must submit the *Application for Standard Texas Exempt License Plates*, **Form VTR-62-A** and the *Exempt Vehicle Affidavit Driver Education*, **Form VTR-62-E**. A new motor vehicle on loan to a school district to be used only in driver education courses approved by the Central Education Agency is exempt from the titling requirement. If the school uses the vehicle for purposes other than driver education, they must describe on **Form VTR-62-E** the intended use of the vehicle, such as “for use in FFA program,” etc., and an application for title is required in the name of the dealer with the title fee paid in full.

Leased Vehicles

Exempt agencies operating leased vehicles must submit the *Leased Vehicle Affidavit*, **Form VTR-62-L** with the **Form VTR-62-A** and application for title. The application for title must be in the name of the lessor and counties must collect a title fee. The **Form VTR-62-A** must show the names of both the lessee and the lessor.

Unconventional Machinery

Unconventional machinery type vehicles owned by exempt agencies are issued Exempt license plates, but a certificate of title is not required. An exception is farm type (pneumatic tired) tractors with or without machinery attached. The owner must title these tractors before receiving exempt license plates.

Fire Fighting Vehicles

Privately owned fire fighting vehicles and vehicles owned by volunteer fire departments may qualify for Exempt license plates. Application for the plates is made on *Application for Exempt Registration of a Fire Fighting Vehicle*, **Form VTR-62-F**. Privately owned vehicles must be designed and used exclusively for fire fighting in order to qualify for exempt plates. Vehicles owned by volunteer fire departments do not have to be designed for fire fighting but operate exclusively to conduct the business of the volunteer fire department in order to qualify for exempt plates.

To secure Exempt license plates, applicants must file an application for title together with proper evidence of ownership and the **Form VTR-62-F** with the county tax assessor-collector. These vehicles are exempt from registration fees, but are not exempt from payment of the title fee.

Note: Operators of a fire-fighting vehicle owned and operated by a subdivision of the State of Texas should submit Form VTR-62-A rather than Form VTR-62-F and are exempt from the title fee.

Civil Air Patrol

The Civil Air Patrol, Texas Wing, qualifies for Exempt license plates on vehicles owned by them provided the vehicles are operated exclusively as emergency services vehicles by members of that organization. Application is made on the *Application for Armed Forces, Coast Guard Auxiliary, or Texas Wing Civil Air Patrol License Plates*, **Form VTR-227**. An application for title is required if a record of Texas title cannot be established in the name of the applicant. These vehicles are exempt from registration fees, but they are not exempt from payment of the title fee.

Volunteer Ambulance

Nonprofit, volunteer ambulance companies qualify for Exempt license plates on vehicles operated exclusively as ambulances. The companies should make application on **Form VTR-62-EMS** accompanied by a copy of the vehicle registration certificate issued by the Department of Health qualifying the vehicle as an emergency medical services vehicle. These vehicles may be owned by a city or county and operated by the ambulance company. Counties should require an application for title if a record of Texas title does not exist in the name of the applicant or in the name of the city, county, etc. that actually owns the vehicle. A nonprofit, volunteer ambulance company is exempt from registration fees but is not exempt from payment of the title fee.

State Purchasing and General Services Commission

The State Purchasing and General Services Commission, an exempt agency, may assign a manufacturer's certificate to another agency of the State of Texas. This Commission is the central purchasing agency for the State of Texas and is the only state agency authorized to make assignments on manufacturer's certificates.

Federal Government Vehicles

A Texas Certificate of Title is not issued for vehicles owned by the federal government.

The State of Texas does not title motor vehicles owned by the United States Government. The federal government desires that the *United States Government, Certificate to Title a Vehicle*, **Form 97** (refer to Chapter 10, "Evidence of Ownership") serve as the only legal evidence of ownership to any motor vehicle owned by the federal government.

U. S. Government provides license plates and identifying numbers on these vehicles instead of Texas registration. However, if a federal government agency desires Texas Exempt license plates, they may make application on an *Affidavit and Application for Exempt License Plates*, **Form VTR-62-A**.

Vehicles Leased from the Government

In the event a person, firm, or corporation leases a motor vehicle from the United States Government, the vehicle must be registered and fees collected. Furthermore, receipt for Registration Purposes Only must be secured in the name of the lessee. The operator must file the application with the county tax assessor-collector, and pay the title fee. The following evidence must support the application:

- *Application for Registration Purposes Only*, **Form VTR-272**.
- A document, which describes the leased vehicle and denotes government ownership of the vehicle.

Local Government Vehicles

If an application for title shows a local government as the owner (for example, "City of Dallas Housing Authority") an official of that agency should attach a statement stating that the vehicle is not owned by the federal government. If it is owned by the federal government, counties may not issue Texas title to the vehicle.

Private Mail Carriers

Motor vehicles privately owned used to transport the United States mail are not eligible for "Exempt" license plates.

Office of Foreign Missions

The U. S. Department of State, Office of Foreign Missions, issues “Diplomat” license plates and title documents for vehicles owned by foreign diplomats and consular officers who are located in the United States as official representatives of foreign countries. Any lien recorded on the title must be properly released. Customs documentation or an *Out-of-state Identification Certificate,* **Form VI-30,** is not required to support this type of transfer. The Office of Foreign Missions also issues a “Certificate of Authority to Export a Vehicle.” Operators may not use this document to sell or to register and title a vehicle.

Alias Certificate of Title

Transportation Code Section 501.159

On receipt of a written request approved by the executive administrator of a law enforcement agency, the department may issue a certificate of title for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation.

Sale or Offer without Title Receipt or Title

Transportation Code Section 501.152

(a) Except as provided by this section, a person commits an offense if the person:

(1) sells, offers to sell, or offers as security for an obligation a motor vehicle registered in this state; and

(2) does not possess the title receipt or certificate of title for the vehicle.

(b) It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the certificate of title to the vehicle if the sole reason he or she does not have possession of the certificate of title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code.

No person in this state may offer for sale any motor vehicle registered out of state without having in his or her possession a title or registration receipt if the motor vehicle is from a non title state.

Chapter 6

Application and Issuance of Certificate of Title

This chapter contains the following sections:

- Application for Certificate of Title (Form 130-U)
- Information on Application for Certificate of Title
- Social Security Number of Title Applicant
- Title Receipt
- Title Only
- Issuance of Certificate of Title
- Use of Registration Receipt or Title Receipt to Evidence Title
- Registration Purposes Only (RPO)
- Duplicate Title Receipt
- Alteration of Certificate or Receipt
- Rejected Title Transactions
- Retention of Rejected Title Transaction Documents
- Stop Title Requests
- Lost Title Report or Transaction
- Returned Titles
- Title Transaction Assembly Procedures

Application for Certificate of Title (Form 130-U)

Transportation Code Section 501.023

(a) The owner of a motor vehicle must apply for a certificate of title:

(1) to the county assessor-collector in the county in which:

(A) the owner is domiciled; or

(B) the motor vehicle is purchased or encumbered; and

(2) on a form prescribed by the department.

(b) The assessor-collector shall send the application to the department not later than 24 hours after receiving the application.

(c) The owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.054 that is applying for a certificate of title for purposes of registration only must be made directly to the department. Notwithstanding Section

501.138(a), an applicant for registration under this subsection shall pay the department the fee imposed by that section. The department shall send the fee to the appropriate county assessor-collector for distribution in the manner provided by Section 501.138.

Place of Application

Purchasers should file an application for title on a vehicle in the county in which they reside or the county in which the vehicle is purchased or encumbered. Transportation Code, §501.0234, requires licensed motor vehicle dealers to apply for a certificate of title and registration for a motor vehicle in the county as directed by the purchaser on the *County of Title Issuance*, **Form VTR-136** (refer to Chapter 29, "Motor Vehicle Dealers"). The initial registration may also be issued in the county in which the application for title is filed; but thereafter, the owner must register in the county in which they reside. The application and registration receipt must indicate the owner's resident address and county.

Applicants should be Texas residents to apply for a Texas Certificate of Title and registration.

Exceptions are made for military personnel and part-time residents when the application is submitted with required documentation.

Part-time residents (i.e. full-time students) are defined as persons who have dual residency in Texas for part of the year and another jurisdiction for the remainder of the year. Dual residency customers must use the established Texas residence address on the application.

Visitors to Texas without a Texas address are not allowed to title and register a vehicle in Texas.

Out-of-country residents who qualify for a Texas Certificate of Title should use their Texas address.

Application for Title

Owners must apply for title using the *Application for Texas Certificate of Title*, **Form 130-U**.

The *Application for Texas Certificate of Title*, **Form 130-U**, is a universal type application for title, which accommodates any type of title transaction regardless of the class of vehicle involved and regardless of whether the transaction covers a transfer of ownership or the correction of an error or both.

When correcting an error in the description of vehicle on an existing Texas title, it is important to mark the appropriate correction block on the application; otherwise, the same make, year model, body style, and VIN as recorded in the old title record is automatically carried forward to the new title when issued. In addition to serving as an application for title, the **Form 130-U** also contains a joint affidavit from the seller and purchaser regarding the taxable value of the vehicle, which eliminates the necessity for a separate sales tax affidavit to accompany the title transaction.

Information on Application for Certificate of Title

When an owner files an application for title with the county tax assessor-collector's office, the application information is used to prepare the *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax*, **VTR-500-RTS**, or **Form VTR-31-RTS**. VTR then uses this information to create or update the motor vehicle record and to print the certificate of title.

Required Information

Applicants must type or print the following required information in (blue or black ink, except the owner's signature.)

Make of Vehicle

The "make" of vehicle as designated by the manufacturer and shown on the surrendered evidence must appear on the application for title and **Form VTR-500-RTS**.

Note: An exception is evidence of ownership from Mexico (MCO or registration [Tarjeta de Circulacion]) that indicates General Motors (GM) as the make, rather than the established GM car line (Buick, Cadillac, Chevrolet, GMC, Oldsmobile, or Pontiac). In this situation, applicants must correct the "make" to indicate the correct GM make/car line as shown on the Vehicle Identification Certificate.

Vehicle Identification Number

The Vehicle Identification Number (VIN) must appear clearly and in its entirety within its proper space. Strikeovers or erasures, which leave a doubt as to the legibility and correctness of the number are not acceptable. (Refer to Chapter 13, "Vehicle Identification Numbers" for a complete discussion of vehicle identification numbers.

Current Texas License Number and Month and Year of Expiration

The current Texas license number must appear on the *Application for Texas Certificate of Title*, **Form 130-U**, and the **VTR-500-RTS,** if the vehicle is required to be registered. The license plate number must agree with the classification of vehicle.

- On applications for corrected title (no transfer of ownership), the previous year's license number must appear even if the vehicle is not currently registered. Current registration is not required because the application is correcting the Texas Certificate of Title which recorded current registration at the initial issuance of title.
- Only qualified farmers may indicate farm trailer, farm truck or farm truck tractor license plate on the application. They must also complete the affidavit on the *Application for Farm Trailer, Farm Truck, or Farm Truck Tractor,* **Form VTR-52-A**. (Refer to the Motor Vehicle Registration Manual for information on farm plates.)
- The notation "Not Reg" should appear in the space for license number covering off highway motorcycles, three or more wheel ATVs, ROVs, and title only.

Year Model

The year model of the vehicle as shown on the application and **VTR-500-RTS**, should agree with the year model as shown on the surrendered evidence. If an application is supported by out-of-state documents that show "year made" instead of "year model," the year model shown may vary one year from "year made" in order to show the correct year model.

Note: Counties should determine the year model from the vehicle identification number.

Body Style

The *Standard Abbreviations for Vehicle Makes and Body Styles***, Form VTR-249**, provides a list of acceptable body styles.

Passenger Vehicles

The body style must describe the vehicle and should not be in conflict with the evidence surrendered in support of the application for title.

Commercial Vehicles

A body style that correctly describes the type of commercial vehicle being registered is acceptable. For example: stake, flat, van, dump, panel, etc.

House Trailers

The body style for "House Trailers" or "Travel Trailers" should appear as "Camper Trailer (CT)."

Motorcycles and Mopeds

The body style should appear as motorcycle or moped. A motorbike should appear as a motorcycle or moped, if applicable (for example, MC-Motorcycle) .

Trailers and Semitrailers

The body style should appear as trailer or semitrailer, and the type of bed must be included. (Example: UT – utility trailer)

Manufacturer's Rated Carrying Capacity

The rated carrying capacity in “tons” must appear for all commercial motor vehicles.

The rated carrying capacity must be carried forward to the new application and **VTR-500-RTS**, if it is recorded on the surrendered Texas title. If it is not recorded on the surrendered title, it must be established (possibly from the model number).

The “manufacturer's rated carrying capacity” as carried forward to the application for title must not be different from that shown on the surrendered evidence.

Weight

Passenger Vehicles

The correct Texas registration weight should appear on the application and the **VTR-500-RTS**. It is determined by rounding off the shipping weight to the next highest hundred pounds plus one hundred (100) pounds.

Many states use other methods for determining the license fees for passenger vehicles; therefore, counties should exercise caution when using the weight shown on any out-of-state title or registration receipt to establish the correct Texas registration weight.

In most cases, counties should reference the Branham Guide to determine the correct shipping weight of the model vehicle.

Commercial Vehicles

Applicants should show the actual empty weight of the commercial vehicle rounded up to the next one hundred (100) pounds. The shipping weight of a commercial vehicle is seldom the actual weight of the same vehicle at the time of registration because a body, bed, or other additions of equipment is often made after the commercial vehicle leaves the manufacturer.

Applicants should obtain a weight certificate on new and out-of-state vehicles, if applicable, as explained in Chapter 10, “Evidence of Ownership”.

House (Travel) Trailers

Applicants must enter the empty weight and carrying capacity which reflects the correct actual gross weight of a house trailer. This weight is used to determine the registration fees for house trailers. Refer to Chapter 10, “Evidence of Ownership”.

Motorcycles, Mopeds, and Three Wheeled Vehicles

VTR does not require the weight of these vehicles on titles.

Trailers and Semitrailers

Applicants must show the empty weight for trailers and semitrailers. Refer to Chapter 5, “Certificate of Title Requirements”.

Odometer Reading

Unless the vehicle is exempt from odometer disclosure requirements, every application for title and **Form VTR-500-RTS** must record the mileage as it appears on the vehicle's odometer. Odometer requirements are discussed in detail in Chapter 15, “Odometers”.

Previous Owner

The previous owner is defined as the person, firm, or dealer from whom a vehicle was acquired. Applicants must show:

- The previous owner's name and address (city and state only).
- The word “Unknown” if the previous owner is unknown,
- Either the former name of the owner or the name of the previous owner as shown on the title if their name has changed due to marriage or by other process of law. Refer to Chapter 16, “Operation of Law” for information on transfers.
- The manufacturer's name as the previous owner if a dealer holding a manufacturer's certificate desires title in the dealership's name.
- The word “NONE” for previous owner if the manufacturer desires title in the manufacturer’s name.

Name of Owner and Signature of Owner

(Refer to Chapter 11, “Signature - Authority to Sign” for information on signatures and signature authority.)

The name of owner and the signature of owner as shown on the face of the application should agree with the name of the purchaser on the supporting evidence, except that adding or omitting a middle name or initial is immaterial if it does not conflict with the middle name or initial shown elsewhere in the transaction. The surname must agree in all cases, but the Christian name and the middle name or initial may vary.

For example: John Tom Doe on assignment may be shown as John T. Doe on the application or vice versa; or the name or signature may appear as J. T. Doe, Johnny Doe, or J. Doe.

If there are any doubts as to the identity of the signor, counties should request a statement of fact from the person in question to clarify that he or she is one and the same person. Examples include a name change due to marriage or divorce, or where a title reflects the name of John Doe and the signature reflects John Doe, Jr.

Applicants may show joint ownership (two or more owners) as “Mr. and Mrs. John Doe,” “Mary and John Doe,” or “Mary Doe and John Doe” and both owners must sign their own names on the application. They should not use the word “or” or “and/or” either on the assignment or on the face of the application to denote joint, dual, or co ownership.

Applicants should not use the word “and” to connect the signatures of joint owners, as each owner must sign for them self.

Lessee and Lessor

A leased vehicle should always be titled in the name of the lessor (person or firm who actually owns the vehicle).

An application for title is not acceptable if the name of the owner and lienholder is the same.

The name and address of the lessor should be shown in field 14, Applicant’s / Owner’s Name(s) which enables a leasing company to receive the negotiable title.

The name and address of the lessee (person or firm to whom the vehicle is leased) should appear on the application for title in field 14a, Registrant’s Name (Renewal Notice Recipient field), which allows the lessee to receive the renewal notices.

Applicants should complete the field as follows:

14. Applicant/Owner’s Name(s)	
American Fleet Corporation (Lessor)	
14800 Central Street	Harris
Houston, Texas 77060	County Name
14a. Registrant’s Name	
Tom McWright	Harris
1811 Oakland Drive	County Name
Houston, Texas 77055	

In order to identify this type of transaction as a leased vehicle, the word “Lessor” should follow the owner’s name in parentheses as indicated above.

Address of Owner

The address of owner/title recipient should always be the resident street address. If, however, a resident mail delivery is not available, a P. O. Box number is acceptable. If a “P. O. Box” address is used in fields 14 and/or 14a of the *Application for Texas Certificate of Title*, **Form 130-U**, a resident street address must be shown in field 14b (Vehicle Physical Location). See Address Confidentiality Program for exceptions. Counties should show the “P. O. Box” address in the “Owner/Title Recipient Address” or “Renewal Notice Recipient” field and the resident street address in the “Vehicle Physical Location” field on the RTS “Owner Address” screen.

Note: Owners of fleet vehicles may show a post office box number in lieu of a street address.

- Out-of-country and part-time residents must provide their established Texas residence address.
- The address of owner should be complete and legible and must include the zip code number.
- An application which shows the applicant's address to be the same as the lienholder's is acceptable, but VTR may reject any application which shows what appears to be a false or fictitious address such as that of the selling dealer or the dealer's agent or employee.
- The notation "in care of" (c/o or %) on an application for Texas title signifies a mailing addresses.

Address Confidentiality Program

Code of Criminal Procedure, Sec. 56.82. Address Confidentiality Program.

(a) The attorney general shall establish an address confidentiality program, as provided by this subchapter, to assist a victim of family violence or an offense under Section 22.011, 22.021, 25.02, or 42.072, Penal Code, in maintaining a confidential address.

(b) The attorney general shall:

(1) designate a substitute post office box address that a participant may use in place of the participant's true residential, business, or school address;

(2) act as agent to receive service of process and mail on behalf of the participant; and

(3) forward to the participant mail received by the office of the attorney general on behalf of the participant.

The Address Confidentiality Program (ACP) protects the victims of certain crimes, such as sexual assault and stalking. The Office of the Attorney General (OAG) assigns a post office box for use in lieu of participant's physical address. This is designed to help protect the crime victim by providing the victim an additional layer of confidentiality.

The OAG, Crime Victim Services Division issues ACP participants a card that includes their name, the seal of the Office of the Attorney General, and the number of the assigned post office box. Any transaction involving an ACP participant may use this post office box number instead of any physical address VTR may otherwise require.

Counties or dealers can validate participation in the program by asking the person to produce the authorization card issued by the OAG for this program. The card contains the proper post office box number.

Liens

(Refer to Chapter 12, “Liens” for information on liens.)

The heading over the lien space on the application for title states “This Motor Vehicle is Subject to the Following First Lien”; therefore, the word **“**None” is unnecessary on the application if the vehicle is not subject to a lien.

Applicants should show the word “None” on the **VTR-500-RTS**, in the space for first lienholder if there is no lien. This hinders anyone altering the receipt copies later to claim a lien was filed when it was not. If there is a first lien but no second lien, the word “None” should be shown in the space for second lienholder.

The first lien information shown on the application should show the correct and complete date of lien and the name of lienholder. The mailing address must be correct and complete to ensure the post office can deliver the Texas Certificate of Title to the lienholder.

Applicants should show only one address when there are joint lienholders.

Applicants should complete an *Additional Liens Statement*, **Form VTR-267**, and attach it to the *Application for Texas Certificate of Title*, **Form 130-U**, when more than one lien exists.

Erasure or alterations of a lienholder’s name is not acceptable.

Strikeovers and erasures, which leave any doubt to the correct date of lien, are not acceptable.

The name of a nationally known lienholder may be abbreviated in the space provided on the application for the “Lienholder Name,” such as GMAC.

The word “or” or “and/or” may not connect the names of joint lienholders.

Title Application Receipt Information

The transaction number of the **VTR-500-RTS** must be shown on the title application in the space provided for the receipt number, along with the county tax assessor-collector's name and county.

The date the title application was filed as shown on the application must agree with the date the **VTR-500-RTS** was issued.

Social Security Number of Title Applicant

As of June 2009 Transportation Code Section 501.0235 is repealed. Section 501.0235 required all title applicants to provide their Social Security Number. Do not record the applicant’s social security number on the *Application for Texas Certificate of Title*, **Form 130-U**.

Title Receipt

Transportation Code Section 501.024

(a) A county assessor-collector who receives an application for a certificate of title shall, after the requirements of this chapter are met, including the payment of the fees required under Section 501.138, issue a title receipt on which is noted information concerning the motor vehicle required for the certificate of title under Section 501.021, including a statement of the existence of each lien as disclosed on the application or a statement that no lien is disclosed.

(b) If a lien is not disclosed on the application for a certificate of title, the assessor-collector shall mark the title receipt "original" and deliver it to the applicant.

(c) If a lien is disclosed on the application for a certificate of title, the assessor-collector shall issue duplicate title receipts. The assessor-collector shall:

(1) mark one receipt "original" and mail or deliver it to the first lienholder disclosed on the application; and

(2) mark the second receipt "duplicate original" and mail or deliver it to the address of the applicant provided on the application.

(d) A title receipt authorizes the operation of the motor vehicle on a public highway in this state for 10 days or until the certificate of title is issued, whichever period is shorter.

The **Form VTR-500-RTS**, issued by the county tax assessor-collector to the applicant and lienholder (if any) at the time application for Texas Certificate of Title is filed, constitutes proof of ownership pending the issuance of certificate of title. This form is designed as a combination receipt for title application, registration, and motor vehicle tax.

Title Only

Transportation Code Section 501.0275

(a) The department shall issue a certificate of title for a motor vehicle that complies with the other requirements for issuance of a certificate of title under this chapter except that:

(1) the vehicle is not registered for a reason other than a reason provided by Section 501.051(6); and

(2) the applicant does not provide evidence of financial responsibility that complies with Section 502.153.

(b) On application for a certificate of title under this section, the applicant must surrender any license plates issued for the motor vehicle and any registration insignia for validation of those plates to the department.

On September 1, 1999, the department began issuing negotiable Texas Certificates of Title without requiring Texas registration (Title Only). In addition to requiring the negotiable evidence of ownership, release of lien (if applicable), etc. the applicant must complete a *Request to Issue a Negotiable Certificate of Title Without Registration (Title Only)*, **Form VTR-131,** and an Application for Texas Certificate of Title, **Form 130-U**.

Form VTR-131

The applicant must complete the **Form VTR-131** providing the vehicle description, including vehicle year, make, body style, license plate number, year of license, VIN, and registration sticker number, if applicable.

The applicant must check one of the three applicable boxes on the **Form VTR-131**:

1. If application is being made by an applicant for a vehicle with current Texas or out-of-state registration, then check the first check box. VTR may not accept an application for Texas title without registration if an applicant does not surrender:
   - the vehicle's license plates (regardless of registration status)
   - the vehicle's registration sticker if currently registered and if a registration sticker was issued
2. Check the second check box if the vehicle is new or is not currently registered and the vehicle has no license plates or registration.
3. Check the third check box if applying for Texas title without Texas registration under Transportation Code, §502.0025. This applies to Texas residents who are active military personnel and have current registration in another country (military or registration under the host nation). Applicants must provide proof of valid military registration to the tax assessor-collector's office. Valid proof includes:
   - a letter written on official letterhead by the applicant's unit commander attesting to the registration of the vehicle; or
   - the registration receipt issued by the appropriate branch of the armed forces or host nation.

Note: For additional information on military Title Only applications, refer to Chapter 20, "Military" of the Vehicle Title Manual.

The signature of the applicant on the **Form VTR-131** verifies that the applicant understands that the vehicle may not be operated on the public streets and highways of Texas without the applicant obtaining and displaying current registration.

Miscellaneous

VTR does not issue Title Only for a vehicle if the title is currently suspended or revoked. Counties should advise applicants of the reason for the suspension or revocation and that the title must be cleared before VTR can issue a vehicle a title without registration.

VTR does not issue a Title Only for slow-moving vehicles or ATVs.

VTR does issue 30-day Permits to vehicles titled as a Title Only or when an application for Title Only has been filed. (Refer to Chapter 16, “Operation of Law”.)

The applicant does not have to provide proof of insurance at the time of application for title without registration.

Vehicles with a Texas title obtained without registration are not subject to inspection under Transportation Code, §548.052.

Issuance of Certificate of Title

Transportation Code Section 501.027

(a) On the day that a county assessor-collector issues a title receipt, the assessor-collector shall mail to the department:

(1) a copy of the receipt; and

(2) the evidence of title delivered to the assessor-collector by the applicant.

(b) Not later than the fifth day after the date the department receives an application for a certificate of title and the department determines the requirements of this chapter are met, the department shall issue the certificate of title. If a lien is not disclosed on the application, the department shall send the certificate by first class mail to the applicant at the address provided on the application. If a lien is disclosed on the application, the department shall send it by first class mail to the first lienholder as disclosed on the application.

Encumbered Motor Vehicles

When a vehicle is encumbered (lien), VTR provides the lienholder the negotiable Texas Certificate of Title and the owner a title application receipt. The receipt serves as the owner’s evidence that title application was filed recording him or her as owner and recording the lien. Before the owner may sell, trade, or otherwise dispose of the vehicle, the lienholder must release the lien.

Unencumbered Motor Vehicles

When a vehicle is unencumbered (no lien), VTR provides the owner a negotiable Texas Certificate of Title.

Applications to be Kept Together

When one document has to support several transactions (such as a power of attorney covering two vehicles), counties should submit all related transactions in a "SPECIAL HANDLING" envelope with a note stating the transactions should be kept together. An acknowledged copy of the document should support any additional transactions. Additionally, the county should submit a certification concerning the number of transactions for which the original document was submitted. (Refer to Chapter 11, "Signature - Authority to Sign" for information on acknowledgements and certifications.)

Signature of Owner

The certificate of title has a space on the front for the owner to sign upon receipt of the title. The signature of owner in this space is preferred; however, the lack of an owner's signature does not invalidate a certificate of title.

Use of Registration Receipt or Title Receipt to Evidence Title

Transportation Code Section 501.029

(a) A person may use a registration receipt issued under Chapter 502 or a title receipt to evidence title to a motor vehicle and not to transfer an interest in or establish a lien on the vehicle.

(b) The department by rule may provide for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. The fee for application for the receipt is the fee applicable to application for a certificate of title.

Non-negotiable "Duplicate Original" Certificates of Title

Prior to September 1, 2001, the department issued "Duplicate Original Certificates of Title" which were non-negotiable and nontransferable. These non-negotiable titles provide no space on the reverse side for the assignment of the vehicle and are not valid for transfer of an interest in or to establish a lien on a vehicle. VTR may issue "Duplicate Original" Certificates of Titles in the following situations:

Lien Recorded on a Negotiable Texas Certificate of Title

A Duplicate Original Certificate of Title was issued to the Texas recorded owner when application for a negotiable Texas Certificate of Title was filed that recorded a lien (encumbered motor vehicle). These non-negotiable titles provided an ownership document for the owner since the negotiable title was provided to and held by the lienholder.

Non-negotiable Title for Registration Purposes Only (RPO)

Texas non-negotiable titles for “Registration Purposes Only” were issued for any vehicle last registered or titled in another state but required Texas registration and the owner or operator could not or did not wish to surrender the negotiable out-of-state evidence of ownership to obtain a negotiable title.

Use of Title or Registration Receipt

On or after September 1, 2001, the owner of a vehicle may use a registration receipt issued under Transportation Code, Chapter 502 as proof of registration (initial or renewal) or the title application receipt as evidence of title. However, the owner may use the receipt issued at the time of application for Registration Purposes Only as proof of registration.

Owners may not use the title or registration receipt to transfer any interest or ownership in a motor vehicle or to establish a lien.

Registration Purposes Only (RPO)

VTR issues Registration Purposes Only for a vehicle that was last registered or titled in another state, which is subject to registration in this State, and for which the owner cannot or does not wish to surrender the out-of-state evidence of ownership. This type of registration was designed to enable the owner to register the vehicle in Texas without applying for a negotiable Texas Certificate of Title.

Registration Purposes Only is not allowed for an unregistered new vehicle.

Use of Title or Registration Receipt

Prior to September 1, 2001, Texas non-negotiable titles were issued for Registration Purposes Only.

On or after September 1, 2001, a receipt is issued at the time of application for Registration Purposes Only is used as proof of registration.

Owners may not use a title receipt or registration receipt to transfer any interest or ownership in a motor vehicle or to establish a lien.

Application for Registration Purposes Only

An owner or agent of a vehicle must complete an *Application for Registration Purposes Only*, **Form VTR-272**, and *Application for Texas Certificate of Title*, **Form 130-U** and file them with the county tax assessor-collector's office in the owner's Texas county of residence. Effective September 1, 1999, commercial vehicle owners operating under the International Registration Plan (IRP) may apply for "Registration Purposes Only" at the county tax assessor-collector's office or a VTR regional office.

Application Fee

The **a**pplication fee or Registration Purposes Only is $28/$33 (the same fee that is applicable to applications for certificate of title under Transportation Code, §501.138). The applicant must remit the $28/$33 application fee and any other applicable fees (registration, sales tax, etc.) with the application.

The registration receipt and the applications (**Form 130-U** and **Form VTR-272**) must always be in the name of the owner of the vehicle. (An exception is vehicles leased from the federal government.)

Form VTR-272

Applicants must show the name of the state in which the vehicle was last registered and, when available, the out-of-state license number and year of issuance. If some of this is omitted, applicants may locate and carry forward information from other documents in the transaction, such as the Vehicle Identification Certificate.

Evidence of Ownership

No evidence of ownership, other than a properly completed **Form 130-U, Form VTR-272**, a copy of the title or registration receipt, an *Out-of-state Identification Certificate*, **Form VI-30,** and a weight certificate verifying the empty weight of a commercial vehicle, if in excess of one ton, should support the Application for Registration Purposes Only.

Out of State Evidence of Ownership

If out-of-state evidence of ownership (title, registration receipt, etc.) is presented to the county tax assessor-collector, and the out-of-state evidence reflects a lien, which has not been released, applicants should show the lien on the *Application for Texas Certificate of Title*, **Form 130-U**. They should also indicate the name of the state in which the vehicle was last registered and/or titled in the previous owner area. Counties should then return the out-of-state evidence of ownership to the applicant with the registration purposes only receipt, the appropriate license plates and the windshield or plate sticker, if applicable.

Apprehended Vehicles

If the vehicle has been apprehended, a self certification as to the correct VIN may be acceptable in lieu of the *Out-of-state Identification Certificate*, **Form VI-30**, provided an out-of-state address is shown on the **Form VTR-272**. (Refer to Transportation Code, §501.030.) In addition, an officer of the Department of Public Safety may waive the requirement of a weight certificate.

Power of Attorney

A power of attorney or other evidence of authority need not be attached for an agent or operator to sign for an owner, company, firm, or corporation.

Approval of the Application

Upon approval of the application, VTR issues a receipt that indicates the application filed was for registration purposes only. The receipt serves as proof of registration and owners may not use it to transfer any interest or ownership in a motor vehicle or to establish a lien on the vehicle.

Vehicles Located Out of State

If a vehicle requires and is eligible for Texas registration but the vehicle is not located in Texas, a **s**elf-certification of the VIN would be necessary. In this situation, the safety inspection requirements prescribed under Transportation Code, §501.030 are not applicable; therefore, an *Out-of-state Identification Certificate*, **Form VI-30,** issued by a State appointed Safety Inspection Station, is not required. However, applicants must complete the self-certification portion of the *Application for Registration Purposes Only*, **Form VTR-272** to certify the vehicle identification number on the vehicle. (Refer to Chapter 18, “Out of State Requirements”, for information concerning self-certification and application from out-of-state).

Issued to Texas Licensed Dealers

If a Texas licensed dealer desires to register any vehicle including a new vehicle covered by a manufacturer's certificate, a used vehicle covered by the *United States Government Certificate to Obtain a Title to a Motor Vehicle*, **Form 97**, a *Texas Salvage Vehicle Title*, **Form VTR-222-S**, or a *Texas Salvage Certificate*, **Form VTR-222**, the dealer must apply for a negotiable Texas Certificate of Title.

Foreign/Imported Vehicles

(Refer to Chapter 19, “Imported Vehicles” for information concerning foreign/imported vehicles).

Under certain conditions, VTR may issue Registration Purposes Only on an imported vehicle that cannot be sold or titled in Texas. The owner of a nonconforming vehicle may need to secure Texas registration for failure to display the international marker or if the foreign license plates expire or become lost or stolen. In these instances, the applicant must complete an *Application for Registration Purposes Only*, **Form VTR-272**, including the imported vehicle portion of the form.

If a seized or forfeited vehicle is awarded by the courts to a law enforcement agency for their official use, and the vehicle information provided indicates the vehicle does not conform to USDOT safety requirements (i.e., does not have the U.S. safety labels attached to the vehicle) VTR issues a receipt for Registration Purposes Only in the name of the law enforcement agency and the vehicle record is marked "DOT PROOF REQUIRED". The transaction, in the name of the law enforcement agency should be submitted to VTR for processing and issuance of EXEMPT registration. (Refer to Chapter 16, "Operation of Law" for further information.)

Correction of Registration Purposes Only Record

If a "Registration Purposes Only" title, issued prior to September 1, 2001, or an application receipt for Registration Purposes Only issued on or after September 1, 2001, is incorrect, owners can surrender it for cancellation and file for a new application. If the correction is due to a customer error, the new application must include the same evidence as any other application for a "Registration Purposes Only".

Older Non-negotiable Titles

Previously, the department issued a non-negotiable title showing the following stamp across the face of the title.

FOR REGISTRATION
PURPOSES ONLY Refer Okla. , 1966, Lic. #1234

If the owner of the vehicle for which Registration Purposes Only was issued does not remember which state issued the outstanding negotiable title, he may request this information by writing the Texas Department of Motor Vehicles, Vehicle Titles and Registration Division. The written request should include the document number on the registration purposes only receipt or non negotiable title issued prior to September 1, 2001, current Texas license number, and vehicle identification number.

Application for Negotiable Texas Certificate of Title after Issuance of Registration Purposes Only

If the holder of a Texas Registration Purposes Only receipt or non-negotiable title issued prior to September 1, 2001 (or verification of the non-negotiable title) wants a Texas negotiable Certificate of Title in their name, they must file a new application for title and the proper out-of-state ownership evidence surrendered. They must also surrender the Texas registration receipt or non-negotiable title issued prior to September 1, 2001 (or verification of the non-negotiable title) indicating registration purposes only with the transaction. The holder need not attach an *Out-of-state Identification Certificate*, **Form VI-30** if the Texas registration receipt or non-negotiable title issued prior to September 1, 2001 (or verification of the non-negotiable title) indicating registration purposes only is surrendered with the transaction.

If the holder of a Texas Registration Purposes Only receipt or non-negotiable title desires to transfer ownership of the vehicle, the holder may assign the out-of-state title or the out-of-state registration receipt if the vehicle was last registered in a non title state.

Non-Negotiable Titles Issued by Other States

Non-negotiable titles are referred to by several states under different names, such as Nontransferable Titles, “Registration Purposes Only” Titles, Memorandum Titles, Goldenrods, etc. These titles are **not** acceptable as evidence of ownership in applying for Texas registration or title.

Duplicate Title Receipt

Transportation Code Section 501.132

Except as otherwise provided by department rule, the department may not issue a duplicate title receipt unless the original title receipt or certificate of title is surrendered.

In the event the owner or lienholder loses a receipt, **Form VTR-500-RTS,** and a duplicate is necessary, the county tax assessor-collector may issue a duplicate receipt. The method of obtaining a duplicate certificate of title is discussed in Chapter 24, “Certified Copies”.

Alteration of Certificate or Receipt

Transportation Code Section 501.154

A person commits an offense if the person alters a manufacturer's or importer's certificate, a title receipt, or a certificate of title.

An altered receipt, **Form VTR-500-RTS** or **Form VTR-31-RTS**, certificate of title, or manufacturer's certificate attached to a title transaction received by the department constitutes valid reason for the rejection of the transaction.

Rejected Title Transactions

The following procedures apply to the rejection of title transactions that the county tax assessor-collector determines to be incorrect after the “voiding” period has expired:

1. The county tax assessor-collector should stamp or write the word “Rejection” in the lower portion of the **VTR-500-RTS**. The county should also make a photocopy of the **VTR-500-RTS** and mail it in a separate envelope marked “Rejections” on top of the title package report to VTR. The original title transaction should remain at the county tax assessor-collector’s office until the corrections are made. If the title transaction has been mailed before the error is discovered, the county tax assessor-collector’s office should notify their VTR regional office.
2. Once the copy of the **VTR-500-RTS** is received, VTR enters the rejection remark into the data base.
3. After the original title transaction has been corrected, counties should mail it to the department.

- Title transactions corrected through the RTS Rejection Correction Event should remain in place with the other title transactions processed for the same day.
- Counties should separate transactions that cannot be corrected through RTS and send to VTR in an envelope labeled Resubmit.

Note: Do not use this process for a “stop” title request unless the title transaction has a valid rejection. Otherwise, a temporary restraining order or temporary injunction issued from a county or district court is required to stop the title from issuing.

Retention of Rejected Title Transaction Documents

County tax assessor-collectors should follow the procedures in this section regarding the retention of rejected title transaction documents. Retain all documents that remain uncorrected or unresolved for a minimum period of two years. Base the start of the retention period on the date that the title transaction was rejected.

Note: Extending this retention period may be warranted based on any ongoing communication with a customer trying to resolve the problem.

At the end of two years, review the file for each rejected title transaction to verify that the county attempted to contact the customer or owner/lienholder shown on the title application. The contact documentation may include, but is not limited to:

- copies of all correspondence that was sent to the customer - certified mail delivery confirmation
- any notes that were taken during phone calls or attempted calls
- screen shots showing internet search for phone and address information

If no contact information is available on file, the county should make an attempt to contact the customer to resolve the pending issues. If all attempts to resolve the rejected title transaction are unsuccessful after two years, shred the original title transaction documents.

Advise customers who contact the office after destruction of the documents to pursue a Tax Collector Hearing, Bonded Title, or Court Order procedure to obtain title.

Stop Title Requests

VTR only stops a title transaction upon receipt of a temporary restraining order or temporary injunction issued by a county or district court restraining the department from issuing the title. Additionally, the department does not return the transaction to the seller or buyer until directed by the court.

1. As with other civil cases, a petition to the court is filed under the Rules of Civil Procedure.

2. The applicant must file a case in county or district court. Customers may obtain routine sample petitions and sample orders from the VTR Correspondence Branch by request. The department must be made a party to the proceedings as well as any other interested party, including the recorded owner and any lienholder of record. Legal notices and process may be served informally by first-class mail to the Office of General Counsel, Texas Department of Transportation, 125 E. 11th Street, Austin, Texas 78701, or if asked in advance, by fax

Note: Local offices, such as district, area, maintenance, and regional offices, are not authorized to accept citations on behalf of the department.

3. On receipt of a properly filed petition, the department's Office of General Counsel can file an Answer to the Court explaining any irregularities and ensure that relevant parties are notified so they may intervene to protect their interests if they wish to do so, before a final order or judgment is issued.

4. VTR does not represent any person's interest in these cases.

5. VTR cannot comply with the terms of an order if we have no record of being served with a petition.

Corrected Title

In many instances, a court order is not necessary since VTR can correct the title after it is issued. Customers can file an application for corrected title supported by the proper documentation to correct errors:

Some correctable errors are:

- Vehicle description (make, year model, body style, VIN)
- Name
- Address (if the owner wants the address change shown on the title)
- Wrong Lien
- Lien Omitted
- Wrong Evidence (refer to Chapter 7, “Corrections”)

Temporary Hold Title Requests

VTR accepts a written request to place a temporary hold for 10 business days on a motor vehicle title record when the requestor pursues litigation through a Texas court of competent jurisdiction (county or district court) to prevent title issuance.

Make all requests for temporary holds in the form of a letter either faxed to (512) 467-5936, emailed to VTR_TitleLitigation@dot.state.tx.us or mailed to the address below.

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Title Control Systems Branch-Litigation Section
4000 Jackson Avenue
Austin, Texas 78731

If VTR is not restrained by an injunction or restraining order, which specifically prohibits the department from issuing title, it removes the temporary hold at the end of 10 business days.

Lost Title Report or Transaction

When a county tax assessor-collector mails a title report to the Austin Headquarters and title has not issued after twenty working days, the county tax assessor-collector should notify their local VTR regional office. Follow these procedures for missing reports:

- Austin Headquarters generates a copy of the Title Report.
- Do not resubmit copies of the **Forms VTR-500-RTS** that accompanied the original report. VTR produces the receipt from the vehicle inquiry event.

When a transaction is rejected or received by the department and it is determined lost, the same basic procedure as outlined in the paragraph above apply. Since these are individual transactions and not covered by a report or title fees VTR can access the vehicle inquiry event and produce the receipt.

- If the transaction included a Certificate of Title Surety Bond, then a duplicate bond with original signatures and a power of attorney are also required.
- When applications are lost VTR and the county coordinates the appropriate steps to resolve the problem.

Returned Titles

Certificates of title returned by the post office because of an insufficient or incorrect address are destroyed. To obtain a replacement title, the owner or lienholder must submit an Application for a *Certified Copy of a Texas Certificate of Title for a Motor Vehicle*, **Form VTR-34**, (with the correct address), the fee and supporting documents to VTR. Customers should also attach a change of address notice to the **Form VTR-34** to correct the address in VTR's database.

Title Transaction Assembly Procedures

This section contains county tax assessor-collector title transaction assembly procedures.

Assembly

Assemble documentation in the following order for each title transaction and securely stapled together one inch from the top left corner:

1. *Title Application Receipt*, **VTR-500-RTS**
2. *Application for Texas Certificate of Title*, **Form 130-U** and, when applicable, followed by *Request to Issue Negotiable Certificate of Title without Registration (Title Only)*, **Form VTR-131**.
3. Supporting Evidence of Ownership:

- Manufacturer’s Certificate of Origin (MCO)
- *Texas Certificate of Title*, **Form 30-C**
- *Texas Certificate of Title, Certified Copy* **Form 30-CCO**
- Negotiable out-of-state title
- Out-of-state/country registration receipt
- Foreign evidence of ownership
- Valid court order
- County Tax Assessor-Collector’s Ruling

- Original surety bond or *Certificate of Title Surety Bond*, **Form VTR-130-SB** (and if applicable) a Surety Bond Rider and a Power of Attorney

Note: Surety Bonds must be filed at the county within 30 days from the effective date of the bond.

4. Other Supporting Evidence:

- *Tax Collector's Receipt for Texas Title Application /Registration/Motor Vehicle Sales Tax*, **Form VTR 31-RTS**
- *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR 41-A**
- *Power of Attorney to Transfer Motor Vehicle*, **Form VTR-271**
- *Power of Attorney for Transfer of Ownership to a Motor Vehicle*, **Form VTR-271-A**
- Bill of Sale
- *Application for Farm Trailer/Semitrailer, Farm Truck, or Farm Truck Tractor License Plates*, **Form VTR-52-A**

5. For persons claiming the motor vehicle sales tax orthopedically handicapped exemption, a *Texas Motor Vehicle Orthopedically Handicapped Exemption Certificate*, **Form 14-318**.

6. Out-of-state Vehicles:

- *Vehicle Identification Number Self -certification*, **Form VTR-272-B**
- *Identification Certificate (Out-of-state Vehicles)*, **Form VI-30 or VI-30-A**
- Request for Pencil Tracing of Vehicle Identification Number (VIN), **Form VTR-301** or
- *Statement of Physical Inspection*, Form-270

Note: The above is not intended as an all inclusive list of supporting evidence.

Bundle Order

See Figure 6-1 for an example of how to bundle documents for delivery to VTR.

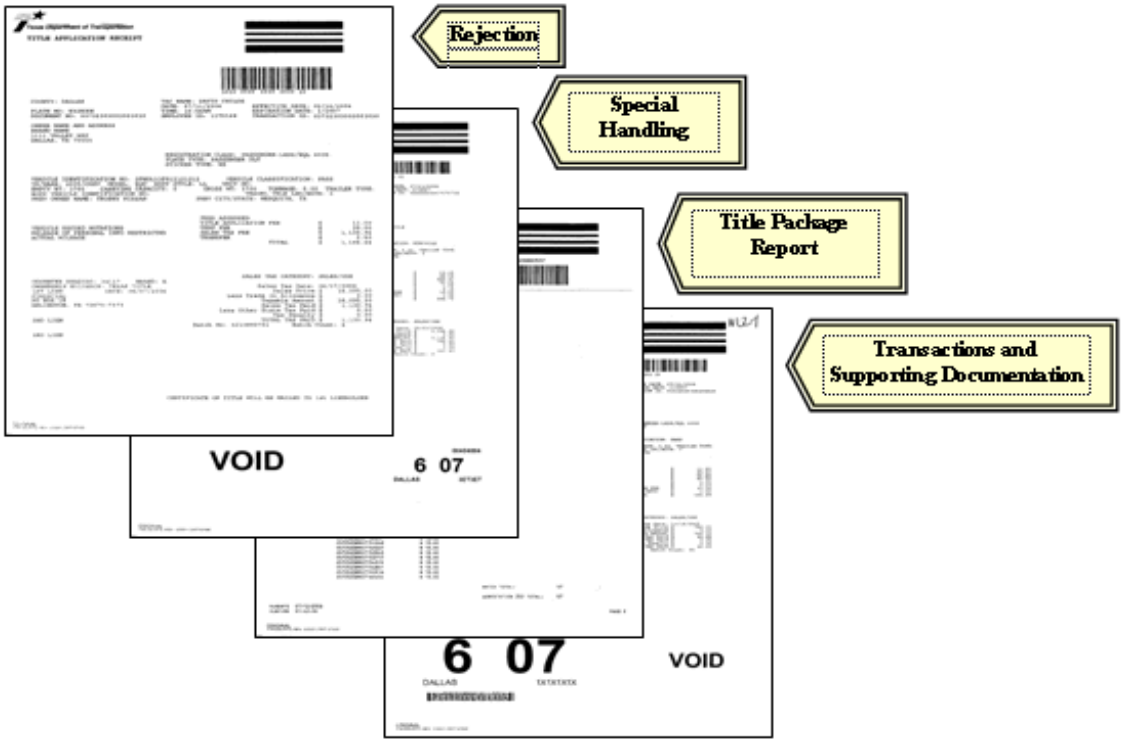
1. Top of Bundle: Specially Marked Envelopes (for example, [1]Rejections, Special Handling, Bonded Titles, Lemon Laws, Resubmits, Red Flag, and Exam Required)

2. Middle of Bundle: Title Package Report(s)

3. Bottom of Bundle: Transactions and Supporting Documentation

1.Always place photocopies of rejections on the top of the bundle.

Figure 6-1 Title Package Report Assembly Procedures



Bundle Notes

All work must be from the same date.

Bundles should be no larger than six inches in height.

Secure bundles with rubber bands.

Do not:

- split or separate workstations from their Title Package Report.
- staple the Title Package Report to transactions or envelopes.
- submit Non-Title Vehicle Receipts, Additional Collections Receipts, Funds Remittance Reports, Funds Summary Reports, or Voided Transactions.

Specially marked envelopes always go on top of the Title Package Report(s) for each bundle.

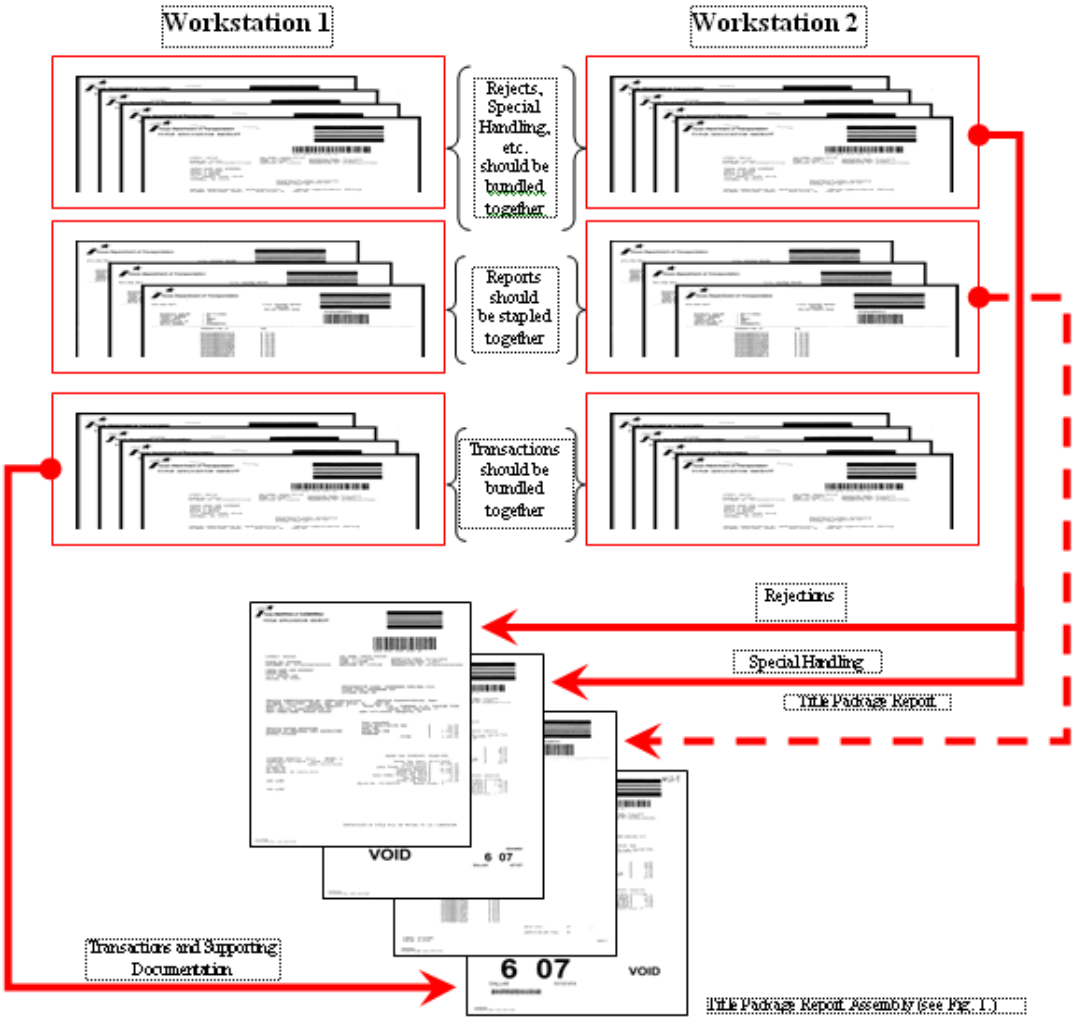
Consolidating Multiple Workstations

1. Staple the respective Title Package Reports together (RTS POS5911).
2. Do not staple the Title Package Report to transactions or envelopes.

3. Workstation bundles should contain all the transactions listed in the Title Package Reports.

4. Bundle transactions requiring special handling together and place them in a separate envelope marked with the appropriate special category (e.g., Special Handling, Bonded Titles, Lemon Laws, Resubmits, Red Flag, Exam Required, and Rejections). These envelopes should be placed on top of the Title Package Report(s).

Figure 6-2 Consolidating Multiple Workstations



Special Categories and Examples of Transaction Types

This section describes transactions requiring additional processing within VTR. Submit special handling transactions in 8 ½" x 11" specially marked envelopes or under a colored cover sheet.

Special Handling

These include transactions in which license plates are not directly issued by the county (e.g., CMOH, LOV, Honorary Consul, Foreign Organization, etc.)

Bonded Titles

Transactions supported by Certificate of Title Surety Bond

Resubmits

Transactions corrected outside of RTS (for example, application errors, document errors, missing supporting documentation, etc.)

Do not include "Rejection Correction" transactions (for example, data entry errors corrected through RTS).

Red Flag

These include suspicious documentation that suggests possible odometer tampering or fraud.

Exam Required

Only submit those transactions that the county considers "Questionable" and that you would request headquarters to re-examine. DO NOT submit every transaction regarding Rebuilt Salvage, Out of State, etc.

Rejections

"Photocopies" of the *Title Application Receipt* **Form VTR-500-RTS** with the word "Rejection" printed on the face of each form. Do not submit original title transactions. Rejections must stay with their respective Title Package Report and workstation bundle.

Registration Purposes Only (RPO)

All RPO transactions without registration (apportioned trucks and five year token trailers).

Mailing Instructions

Refer to Table 6-1 for mailing title transactions.

Table 6-1 Mailing Instructions

Transaction	Address
Mail Assembled Title Package Reports To: (Do not include checks)	Vehicle Titles and Registration Division Texas Department of Motor Vehicles PO Box 26420 Austin, TX 78755-0420
Mail Overnight/Courier Services To: (Do not include checks)	Vehicle Titles and Registration Division Attn: TCS 4000 Jackson Avenue, Building 1 Austin, TX 78731
Mail All Negotiable Checks, Currencies, Or Funds Remittance Reports To:	Finance Division PO Box 5020 Austin, TX 78763-5020

Chapter 7

Corrections

This chapter contains the following sections:

- Statements of Fact
- Corrected Manufacturer's Certificate of Origin (MCO)
- Corrected Texas Certificates of Title
- Incorrect Lien Recorded
- Name Change Due to Marriage
- Two-Chain Record of Title
- Owner's Record Superseded
- Switched Evidence
- Vehicle Description Corrections
- Motor and Permanent VIN Errors
- Out of State Make, Year Model, and Body Style Errors
- Commercial Vehicles
- Optional Classification Vehicle
- Buses

Statements of Fact

Statements of Fact are requested to explain errors, corrections, or conditions from which doubt does or could arise concerning the legality of any document. A person relevant to the issue in question is usually required to complete a statement of fact.

Some conditions, however, arise which necessitate that a particular person complete the statement of fact as shown in the following examples.

- When the purchaser's name or date on the assignment has been erased or blacked out, the execution of the statement is restricted to the seller.
- When there is any question relating to the lien information, the execution of the statement is restricted to the lienholder.
- When the lien information is completely erased on the assignment of manufacturers' certificates, the execution of the statement is restricted to the seller shown on the assignment.
- When the name on a title is different from the signature on an assignment (because of a name change resulting from marriage or divorce, or indicates Sr./Jr.), the execution of the statement is restricted to the person in question.

The statement of fact must properly identify the vehicle. The vehicle description should include, at the minimum, the vehicle identification number.

To reduce the requirement for Statements of Fact only line through incorrect information on the assignment or any other document and show the correct information. VTR does not allow the use of white-out or liquid paper on any title transfer documents. If an obvious error is lined through and the correct information is shown, VTR accepts the transaction provided there is no conflict elsewhere in the transaction.

Corrected Manufacturer’s Certificate of Origin (MCO)

Incorrect Vehicle Identification Number (VIN)

If the evidence supporting a Texas application is an MCO and the vehicle identification number is erroneous, illegible, or altered, a corrected MCO showing the correct number is required.

In the event the vehicle identification number is recorded in error on a Texas title (supported by an incorrect MCO as revealed by VTR records) and the vehicle is less than two years old, not counting the present year model, a corrected MCO showing the correct number is required. The procedure to obtain a corrected MCO is as follows:

- In some cases, the manufacturer may require a letter from this department stating that the MCO has been recorded and destroyed.
- The dealer or distributor to whom the MCO was issued should request a corrected certificate from the manufacturer. They should attach the above mentioned letter to the request, if required.

Dealers should file the application for corrected title supported by the incorrect negotiable Texas Certificate of Title (or a Certified Copy of Texas Title) and the corrected MCO with the county tax assessor-collector.

The VIN on the MCO must be the same as stamped on the vehicle identification number plate by the manufacturer.

If an error exists in the motor or vehicle identification number and the application for Texas title is supported by out-of-state evidence, refer to Out of State Make, Year Model, and Body Style Errors for correction procedure.

Incorrect Weight

MCOs not showing a rated carrying capacity in tons, showing “GVW” (gross vehicle weight), or showing “nominal tonnage rating” (NTR) in lieu of the rated capacity are not acceptable if issued to a Texas dealer or owner.

VTR accepts a corrected MCO, if the MCO is invoiced to a dealer in another state and the manufacturer's rated carrying capacity (MRCC) is omitted. Counties can often determine weight from the model and VIN number.

VTR accepts a letter from the manufacturer instead of a corrected MCO. The letter should be on the manufacturer's official letterhead and should include a description of the vehicle model series and the tonnage rating for the vehicle model. The manufacturer should provide the letter to Texas franchised dealers, who should then provide it to the county tax assessor-collector when processing the title and registration transaction for the vehicle. A photocopy of the manufacturer's letter is acceptable. If a manufacturer cannot provide a letter stating the MRCC for Texas franchised dealers, VTR continues to collect registration fees for the highest NTR rating.

Corrected Texas Certificates of Title

Processing Corrected Titles

Owners may correct errors on Texas titles by filing an application for corrected title with the county tax assessor-collector. However, the county tax assessor-collector may not waive the title fee or issue a "no charge" **VTR-500-RTS**. The only process for correcting errors without charge is through the department.

Mark the correction block on the application for corrected title when there is a correction to the description of a vehicle.

- The applicant who needs to change or correct the description of a vehicle must have the basic evidence of ownership in their name or the evidence assigned to them. In the case of a transfer of ownership, the purchaser may use an application to make the correction and transfer ownership at the same time.
- When an application for corrected title is filed to correct the description of vehicle or name of owner and the correction does not require the collection of an additional registration fee, the applicant's copy of the **Form VTR-500-RTS** serves as a corrected registration receipt.
- When a vehicle is changed from a classification requiring the issuance of a certificate of title to a classification which does not require titling, the applicant should not surrender the title to this department for cancellation. (Example: A titled trailer licensed with regular trailer registration is subsequently changed to the farm trailer registration classification.) The owner should retain the certificate of title as their evidence of ownership.

No Charge Corrected Titles

The following procedures apply when a vehicle owner/lienholder notifies a county tax office or VTR of a title error caused by a county office or the department that is verifiable by department records.

1. If a customer informs a county tax office that a title is in error, the county should contact their regional office to determine and validate a data entry error occurred.

2. The regional office verifies the error by reviewing title history documents. If confirmed, region personnel complete and issue an authorization form indicating:

   - Specific item(s) requiring correction
   - The Filenet number (if applicable)

Note: If the customer contacts a regional office or VTR headquarters to advise that a title is in error, VTR reviews and examines the title history documents. If confirmed, VTR directs the applicant to submit the title to their county tax office for correction either in-person or via mail.

3. Regional offices then fax or e-mail the completed authorization form directly to the county tax office to grant authorization to process a corrected title transaction through RTS at no additional charge.

   - In-person corrected transaction(s) requires the customer's signature on the Regional Authorization Form. A county deputy should obtain the customer's signature prior to processing the title correction.
   - Mail-in transaction(s) must include a written request from the applicant (i.e. signature not required on Authorization form).

Note: Regional office personnel only issue authorizations and provide the authorization form directly to county tax offices.

4. The county tax office processes the transaction through the Corrected Title event in RTS at no charge. The corrected title transaction should include the following documents:

   - Regional Office Authorization form, with customer acknowledgment, or Written request (if mail-in)
   - Incorrect title (if applicable)
   - RTS title application receipt

Note: The above procedures:

- **Are not applicable in situations where the title applicant caused the error. In such cases, the owner/lienholder must apply for a corrected title and pay the statutory fee.**
- **Do not apply if the vehicle has been sold. The county should make the correction at the time of transfer and collect all applicable fees.**
- **Do not apply in situations where VTR is required to revoke the title record (i.e. lien omits or lien in error).**

Note: VTR does not issue a corrected title when it cannot confirm the error by department records. The applicant must file an application for corrected title with the county tax assessor-collector supported by proper evidence to substantiate the correction.

Record Showing Prior CCO Issued

When a corrected title is requested with no change of ownership and the vehicle record indicates that a certified copy has been issued, the corrected title issued is a certified copy. All subsequent certificates of title bear the words “Certified Copy” and the vehicle record indicates a “Prior CCO Issued” notation until the motor vehicle is transferred to a new owner. The new owner receives an original certificate of title or a registration receipt if the title reflects a lien.

Examples of when a corrected title is issued as a certified copy when a certified copy certificate of title exists are when:

- An application for a corrected title is filed through a county tax office to record or remove a lien; or
- A title is issued incorrectly and a corrected title is issued by VTR to correct the error.

Incorrect Lien Recorded

If a lienholder’s name is recorded in error on a Texas title, the lien may be released, and/or an application for corrected title filed with a statement of fact from the lienholder stating that they are the correct lienholder and there is no such lienholder as that recorded on the certificate of title. In addition, the lienholder must attach a copy of the security agreement to the transaction.

Name Change Due to Marriage

VTR may approve an application for corrected title changing the wife's maiden name to her married name provided a statement “Name Change Due to Marriage” is attached or shown on the application. However, if the wife desires to transfer her title from her name to her and her husband's name, then she must complete an assignment of title and they should file an application for transfer of title.

Two-Chain Record of Title

A “two-chain” record of title is created when the records of VTR show that two different vehicles of the same make have the same motor or vehicle identification number (VIN).

Removing Duplicate Records

If it is determined by VTR's title records and the evidence submitted that two titles have been issued for one vehicle, the two-chain is automatically broken; and the title record with the oldest date or title number is removed. The determining factors in this situation are the year model, VIN, body style, license number, previous title record, and name(s) of owner(s).

VIN in Error

If the transaction being examined has two or more title records in the computer system and VTR determines that a “two-chain” exists, the “two-chain” may be broken by returning the transaction for a pencil tracing of the motor or VIN. The title record covering the other vehicle should be marked “VIN IN ERROR”.

- When the pencil tracing returns to VTR and the tracing shows the number to be the same as the number on file, VTR issues title. The “VIN IN ERROR” remains on the other title record.
- If a returned pencil tracing shows a number different from the records of this department, the complete transaction is handled in the same manner as discussed in Chapter 13, “Vehicle Identification Numbers” regarding VIN errors. The “VIN IN ERROR” is then removed from the other title record.

Owner’s Record Superseded

When a vehicle owner attempts to renew the vehicle’s registration and their record appears superseded due to a later title transfer, they should order a title history.

If the VIN on the vehicle matches the VIN on the owner’s title or if the title history reveals that the title was transferred due to an input error, such as an incorrect VIN or license plate number being accessed during the transfer, the regional office notifies the department to reinstate the title record and place a “VIN IN ERROR” on the subsequent title record. After the record is reinstated, the owner can renew their vehicle registration through their county tax office.

Switched Evidence

If evidence of ownership for two vehicles is switched VTR can correct the errors by one of the following methods:

Incorrect Entries

If Texas titles are switched on two vehicles and, as a result, incorrect titles are issued on each vehicle, the first owner discovering the error should make a pencil tracing of the motor or vehicle identification number (VIN) and prepare a statement of fact stating that they did not make any change in the description of the vehicle and that the incorrect evidence was assigned to them at the time the vehicle was

purchased. The owner should file an application for corrected title supported by the incorrect title, the pencil tracing, and the statement of fact. The county tax assessor-collector's office should submit the transaction to VTR in a separate envelope marked "Switched Evidence."

Upon arrival VTR checks the title record and contact the other owner by letter requesting they follow the same procedure to correct their title. It is also possible for each owner to assign their incorrect title to the other and new applications for titles filed.

Switched MCOs and One Vehicle Titled

If a dealer switches manufacturer's certificates of origin (MCOs) and one vehicle is titled before the error is discovered, the dealer should assign the correct MCO to the proper owner. They should contact the recorded owner and/or lienholder to obtain the incorrect Texas Certificate of Title. The dealer should also apply for a duplicate MCO from the manufacturer on the vehicle that is still in stock. Upon receipt of the incorrect title, the dealer should file an application for corrected title supported by the correct MCO and the incorrect title.

Switched MCOs and Both Vehicles Titled

If a dealer switches MCOs and both vehicles are titled before the error is discovered, the dealer must file a case with the county or district court before VTR can alter the ownership records (refer to Chapter 8, "Refusal/Denial of Title"). It is also possible for each owner to assign their incorrect title to the other and corrected applications for titles filed.

Vehicle Description Corrections

An application for corrected title supported by proper evidence is required:

- to correct the VIN, make, year model, weight, or body style of a vehicle;
- when a change has occurred in any of the
- three basic component parts of a motor vehicle (motor, frame, and body) which alters the appearance of the motor vehicle or removes that component part upon which the identifying number of the motor vehicle is located Refer to Chapter 25, "Reconstructed or Assembled Vehicles" for further information.

The applicant who desires to change or correct the description of a vehicle must have the basic evidence in his or her name, or the evidence assigned to the applicant. If transfer of ownership is involved, the purchaser may use an application for title to make the correction and transfer ownership at the same time.

Motor and Permanent VIN Errors

Correcting a certificate of title that records an incorrect motor number or VIN is the same as for any vehicle description correction; however, a pencil tracing of the VIN is required. If it is not possible to obtain a pencil tracing due to the location of the vehicle identification number, VTR may accept a *Statement of Physical Inspection*, **Form VTR-270**.

MCO in Error

If VTR's records reveal the VIN on the manufacturer's certificate of origin (MCO) is in error on a vehicle two or less years old (not including the current year model), the applicant must attach a corrected MCO to the transaction before VTR can issue a title. If the motor vehicle is more than two years old (not including the current year model) and the applicant desires to correct a one or two character error, a pencil tracing of the VIN must support the application for corrected title. If it is not possible to obtain a pencil tracing due to the location of the VIN, VTR may accept a *Statement of Physical Inspection*, **Form VTR-270**.

Errors of VIN Characters

If an applicant desires to correct an error of more than two characters in the VIN, and the correction does not agree with VTR's records, a corrected MCO or a bill of sale for "Motor Only" or "Body Only," if applicable, must support the application for corrected certificate of title. If, however, the motor vehicle is over two years old and the evidence unobtainable, the owner must request a "Tax Collector's Hearing". (If out-of-state evidence supported the first Texas title application, refer to Out of State Make, Year Model, and Body Style Errors.

Out of State Vehicles (One or Two VIN Characters)

In the event an error of one or two characters is detected in the VIN on a Texas title and the VTR records reveal that the first application for Texas title was supported by out of state evidence, the owner may correct the error by filing an application for corrected title supported by the incorrect Texas title and a pencil tracing of the correct number. If it is not possible to obtain a pencil tracing, the owner must complete a *Statement of Physical Inspection*, **VTR-270**.

Out of State Vehicles (More than Two VIN Characters)

In the event an error of more than two characters in the vehicle identification number is detected on a Texas title and the records of this department reveal that the first application for Texas title was supported by out-of-state evidence, the error is corrected only upon verification of the correct number from the issuing state; otherwise, the owner must obtain corrected out of state evidence. If a corrected out-of-state title or verification is unobtainable, the owner must request a "Tax

Collector's Hearing." (Refer to Chapter 8, "Refusal/Denial of Title".) If a motor or body change has been made, refer to Chapter 25, "Reconstructed or Assembled Vehicles". An *Out-of-state Identification Certificate*, **Form VI-30**, issued by a State appointed Safety Inspection Station must support the application for corrected title.

Out of State Vehicles (One or Two Characters)

If a one or two character error in the vehicle identification number is discovered on the out-of-state evidence, VTR can correct the error without verification from the authorities of the issuing state. The owner must provide the application for title, showing the correct VIN must be supported by the out-of-state evidence, the *Out-of-state Identification Certificate*, the title copy of the registration receipt, and a pencil tracing of the correct vehicle identification number. If it is not possible to obtain a pencil tracing, VTR accepts a *Statement of Physical Inspection*, **Form VTR-270**, verifying the correct vehicle identification number. In the event an error is discovered in the vehicle identification number on the *Out-of-state Identification Certificate*, **Form VI-30**, VTR requires a corrected certificate.

Physically Altered VINS

An assigned number is required when a motor or vehicle identification number has been removed, changed, or obliterated. Refer to Chapter 13, "Vehicle Identification Numbers" for information on assigned numbers.

Lack of Basic Evidence

You must contact VTR for information before filing an application to correct the description if the applicant or the county tax assessor-collector can not determine the basic evidence which supported the first Texas title.

Out of State Make, Year Model, and Body Style Errors

If an applicant desires to correct an error in the make, year model, or body style, no evidence is required to correct the error if the correct make, year model, or body style can be determined from VIN specifications or VTR's records. However, if the error remains unconfirmed, the customer must attach evidence of ownership for the change involved or verification from the proper out-of-state authorities and pay the application fee for a corrected title.

When an error can be confirmed by records VTR authorizes counties to correct the error without charge.

The make of vehicle, year model, and body style as shown on the out-of-state evidence must agree with the description as shown on the *Out-of-state Identification Certificate*, **Form VI-30**, except when the out-of-state evidence is in error or there is a mistake in the description of vehicle and the vehicle identification number

verifies the correct vehicle make, year model, or body style. If the vehicle make, year model, or body style is in error on the out-of-state evidence but appears correctly on the *Out-of-state Identification Certificate*, it is not necessary to obtain verification from the state that issued the incorrect evidence of ownership. If the out-of-state evidence is correct but the *Out-of-state Identification Certificate* is in error, VTR does not require a corrected certificate.

Commercial Vehicles

The method and necessity of correcting title for a commercial vehicle regarding errors in the make, year model, body style, or vehicle identification number is generally the same as that discussed in preceding paragraphs of this section. However, there is some difference in details.

A Commercial Motor Vehicle is defined in Transportation Code, §502.001 as "a motor vehicle, other than a motorcycle, designed or used primarily to transport property. The term includes a passenger car reconstructed and used primarily for delivery purposes, with the exception of passenger cars used in the delivery of the United States Mail."

Converted Passenger Vehicles

In the event a passenger vehicle is converted by means of a permanent body change into a commercial vehicle, correction of the title and exchange of registration is required. (Refer to the Motor Vehicle Registration Manual for the procedure to exchange registration.) A weight certificate, a copy of the commercial registration receipt, a photograph of the vehicle, evidence of ownership for the body or an explanation of the change, and the title must support the application for corrected title.

Pickup Trucks

Counties must correct registration classification and title to describe a "½ ton pickup" if a customer removes a vehicle trunk lid and installs a pickup bed. The *Rebuilt Vehicle Statement*, **Form VTR-61**, explaining the change and a photo must support the transaction.

Do not register passenger cars converted to commercial vehicles with a **c**arrying capacity of less than 1,000 pounds.

Station Wagons

Counties should correct cases where owners modify regular station wagon-type passenger vehicles to commercial vehicles in the following manner:

- the seats (except front seat) were completely removed
- the side windows in back of the front doors were painted and fastened so they cannot lower or open

- further alteration may have occurred, such as removing the rear section of the body)

Counties should classified these as commercial vehicles and correct the title to show tonnage as “½ ton” and “panel” as the body style. The owner must change license plates from passenger to commercial showing the carrying capacity not less than 1,000 pounds. The owner must submit a *Rebuilt Vehicle Statement*, **Form VTR-61,** stating that the above changes have been made, a photograph, and a weight certificate with the application for corrected title.

Trucks Converted to Truck Tractors

In the event a truck is converted into a truck tractor and the registration classification is changed from “truck” to “combination”, an exchange of license plates is required; but the owner is not required to correct his or her title unless the change is of a major permanent reconstruction nature. In this instance, the owner must file an application for corrected title. Evidence required to support the application is the owner's negotiable title, a weight certificate, exterior and interior photographs, and a statement explaining what alterations were made to the vehicle using the **Form VTR-61**.

Truck Tractors Converted Into Trucks

If a truck tractor is converted into a truck and the registration classification is changed from “combination” to “truck,” the license plates are not exchanged unless the change involves a major permanent reconstruction change, such as when the frame of a truck tractor is altered to accommodate the installation of a different type bed or body. In this instance, the owner must exchange license plates and file an application for corrected title. Evidence required to support the application is the owner's negotiable title, a weight certificate, exterior and interior photographs, and a statement explaining what alterations were made to the vehicle (**Form VTR-61**).

Truck Tractors Converted To Passenger Vehicles

If a truck tractor is converted into a passenger vehicle, the owner has the option to register the converted truck tractor with passenger plates. If the owner wishes to change to passenger plates, the registration classification is changed from “combination” to “motor home.” An exchange of license plates is required; but the owner is not required to correct his or her title unless the change is of a major permanent reconstruction nature. In this instance, the owner must exchange license plates and file an application for corrected title. Evidence required to support the application is the owner's negotiable title, a weight certificate, exterior and interior photographs, and a statement explaining what alterations were made to the vehicle (**Form VTR-61**).

To qualify for passenger plates, a converted truck tractor:

- May pull only recreational-type trailers, such as a boat trailer, camper trailer, etc.
- May not operate for hire, or pull trailers that represent commercial entities such as, racing vehicle trailer, competition horse trailer, vending trailer, etc., as they are subject to the laws that govern commercial vehicles. It is the owner's responsibility to make this usage known at the time of application for title and registration.

Note: If a vehicle displaying passenger license plates is stopped by law enforcement for a traffic violation and is found to be operating for hire or for commercial purposes, fines could result. In addition to fines, other fees and a penalty are assessed to register the vehicle with proper commercial registration.

Note: When a certificate of title is issued for this type of vehicle, the notation "Reconstructed" is recorded on the title. Under no circumstances authorize a refund in registration fees when a combination plate is exchanged for truck plates as the result of a reconstruction change

Optional Classification Vehicle

If an optional classification vehicle is initially registered and titled as a passenger car, the owner may later choose to exchange the plates for commercial plates or reregister the vehicle with commercial plates. If so, an application for corrected title is required to establish the manufacturer's rated carrying capacity in tons if the tonnage has not already been established and recorded on the outstanding certificate of title.

Buses

Buses reconstructed by completely removing the seats (except driver's seat) classed as commercial vehicles and the title corrected to show "1 ½ ton van" or "2 ton van," depending on the manufacturer's rated carrying capacity for the chassis; but in no case shall the carrying capacity be less than 3,000 pounds. In addition, the operator must exchange registration for commercial. A *Rebuilt Vehicle Statement*, **Form VTR-61,** explaining the change, a weight certificate, and a photograph of the interior of the finished vehicle must support the application for corrected title. The corrected title shows the notation "Reconstructed."

Chapter 8

Refusal/Denial of Title

This chapter contains the following sections:

- Refusal to Issue, Revocation or Suspension of Certificate
- Appeal Hearings for Title Refusal, Revocation or Suspension
- Tax Collector Hearing
- Filing of Bond as Alternative to Hearing
- Bonded Title
- Denial for Failure to Provide Proof of Emissions Testing
- Denial for Safety Responsibility Suspension

Refusal to Issue, Revocation or Suspension of Certificate

Transportation Code Section 501.051

The department shall refuse to issue a certificate of title or shall suspend or revoke a certificate of title if:

(1) the application for the certificate contains a false or fraudulent statement;

(2) the applicant failed to furnish required information requested by the department;

(3) the applicant is not entitled to a certificate of title;

(4) the department has reason to believe that the motor vehicle is stolen;

(5) the department has reason to believe that the issuance of a certificate of title would defraud the owner or a lienholder of the motor vehicle;

(6) the registration for the motor vehicle is suspended or revoked; or

(7) the required fee has not been paid.

This section of the title law delegates authority to the department to require that applicants furnish certain information and evidence of ownership supporting the issuance of title. Such authority gives the department the right to reject any application for Texas certificate of title that fails to show the required information.

- Upon an application for title rejection, VTR places the registration and title record of the vehicle in a state of suspense.
- VTR may not accept the application at any future date until the correction of the reason for the rejection.
- VTR may not renew the vehicle registration.

- VTR may not accept an application for title until the collection of all proper fees.

Note: To collect additional fees, counties should use the RTS Additional Collections event. Make corrections on the appropriate documents and process the title record data correction in the "Correct Title Rejection" event.

Rejections due to Fraud

VTR cannot honor requests for the rejection of applications for "skips," "hot checks" and "fraudulent deals" unless a county or district court of competent jurisdiction issues a restraining order.

Stolen Vehicles

Under certain conditions, VTR suspends or revokes a title until a correction occurs. For example: If notice is received from a law enforcement agency or the National Automobile Theft Bureau that a Texas certificate of title showing a fictitious vehicle identification number has been issued, the title is revoked until the matter has been corrected. Refer to Chapter 13, "Vehicle Identification Numbers".

Appeal Hearings for Title Refusal, Revocation or Suspension

Transportation Code Section 501.052

(a) An interested person aggrieved by a refusal, suspension, or revocation under Section 501.051 may apply for a hearing to the county assessor-collector for the county in which the person is domiciled. On the day an assessor-collector receives the application, the assessor-collector shall notify the department of the date of the hearing.

(b) The assessor-collector shall hold the hearing not earlier than the 11th day and not later than the 15th day after the date the assessor-collector receives the application for a hearing.

(c) At the hearing, the applicant and the department may submit evidence.

(d) A determination of the assessor-collector is binding on the applicant and the department as to whether the department correctly refused to issue or correctly revoked or suspended the certificate of title.

(e) An applicant aggrieved by the determination under Subsection (d) may appeal to the county court of the county of the applicant's residence. An applicant must file an appeal not later than the fifth day after the date of the assessor-collector's determination. The county court judge shall try the

appeal in the manner of other civil cases. All rights and immunities granted in the trial of a civil case are available to the interested parties. If the department's action is not sustained, the department shall promptly issue a certificate of title for the vehicle.

Tax Collector Hearing

Transportation Code, §501.052 provides that a person interested in a motor vehicle that the department has refused to issue, suspended or revoked the title is entitled to a hearing by their local county tax assessor-collector. The county tax assessor-collector, after examining the evidence at hand and hearing testimony from both the applicant and VTR, determines to issue title. If the county tax assessor-collector sustains the department's decision, the applicant may then appeal the ruling to the county court.

Note: A tax collector's hearing is not available when an applicant is unable to provide proof of compliance with U.S. Department of Transportation Safety requirements for a vehicle not manufactured for sale or distribution in the United States.

Insufficient evidence

When there is a question as to whether an owner has sufficient evidence to secure a certificate of title, the owner may submit the evidence of ownership directly to the department together with a request to advise if the department will issue title. This request must be in writing and submitted directly to one of the various VTR regional offices located throughout the State. It is not necessary for the owner to register the vehicle and file an official application for title prior to submitting such a request. (See Documentation Lacking for Title Issuance for determination by county tax assessor-collector.)

Title Refused

If VTR cannot issue title from the evidence submitted, it advises the applicant of the evidence needed to complete the transaction. If the applicant cannot obtain such evidence, they may appeal the department's decision by requesting their county tax assessor-collector to hold a hearing. The county tax assessor-collector must hold a hearing before requiring the applicant to seek legal title through a county court. If the applicant requests a hearing after the determination by VTR, they should submit the request to the county tax assessor-collector with an application for title, evidence of ownership, and a copy of the department's letter advising that the applicant does not have sufficient evidence to obtain a title.

Holding a Hearing

Upon receiving an application for a hearing, the county tax assessor-collector then notifies VTR of the date set for the hearing. This date should not be less than 10 days or more than 15 days from the date of receipt of the request for hearing. (It is not necessary for the county tax assessor-collector to resubmit the title papers to VTR with the notification.) If requested by the county tax assessor-collector, the department sends a representative to attend the hearing in defense of its actions.

Note: Counties should mail notifications of hearings to the local VTR regional office.

1. The county tax assessor-collector sets the date for a hearing and notifies all parties that might appear to have an interest in the vehicle in question, including the owner and lienholder of record, if any, so they may have an opportunity to appear at the hearing and protect their interest.
2. After hearing the evidence presented by all parties, the county TAC may award ownership of the vehicle to the applicant by executing a written order. The owner then should submit a formal application for certificate of title and register the motor vehicle. Attach all evidence presented at the hearing to the order and submit it with the title application to the department. The department abides by this decision and issues title.
3. If the county tax assessor-collector's decision is not to overrule the department, they should notify the applicant by official letter signed by the county tax assessor-collector stating the applicant has five days to appeal this decision to the county court.
4. Transportation Code, §501.052 (e) provides that on an appeal from a title hearing, a county judge shall try the appeal in the manner of other civil cases. As with other civil cases, the avenue of appeal is through a petition filed under the Rules of Civil Procedure.
5. The applicant must file a petition in county court. (Sample petitions and sample orders are available from the department by request.) The applicant must notify VTR of the proceedings as well as any other interested party, including the recorded owner and any lienholder of record. Legal notices and process may be served informally by first-class mail to the Office of General Counsel, Texas Department of Motor Vehicles Austin, Texas or, if requested in advance, by fax.

   Local offices, such as district, area, maintenance, and regional offices, are not authorized to accept citations on behalf of the department.

6. On receipt of a properly filed petition, the department's Office of General Counsel files an Answer to the Court explaining any irregularities and ensures that relevant parties are notified so they may intervene to protect their interests if they wish to do so, before a final order or judgment is issued. The department does not represent any person's interest in these cases.
7. It is the department's position that if we receive an order and have no record of being served with a petition, we cannot comply with the terms.
8. If the county court reverses the county tax assessor-collector's decision, VTR accepts the application for title supported by a certified copy of the court order. If a recorded lienholder is not made a party to the suit and the court order does not vest title free and clear of all liens, then the applicant must attach a release of the recorded lien to the title transaction.

Documentation Lacking for Title Issuance

An applicant is also entitled to a hearing in cases when a county tax assessor-collector determines proper documentation is lacking for title issuance. The county tax assessor-collector provides the applicant with a Notice of Title Rejection indicating the evidence needed to complete their transaction. If the applicant cannot obtain the evidence, they may appeal the decision by requesting a tax collector hearing.

Hearings after Department Rejection

An applicant is also entitled to a hearing in cases when VTR rejects an application for title after it is filed with the county tax assessor-collector. If the applicant is unable to secure the necessary evidence to satisfy the rejection and requests the county tax assessor-collector to hold a hearing, the county then returns the rejected application for title and all supporting evidence to VTR with notification of the date set for the hearing. The department then reviews the evidence. If VTR finds sufficient evidence, they notify the county that the title shall issue. Otherwise, follow the hearing procedure in Holding a Hearing.

Note: When a vehicle's serial number or VIN has been removed, altered, or obliterated, the owner may apply to VTR or a court for a new identification number. Refer to Assignment of Identification Number by Department.

Filing of Bond as Alternative to Hearing

Transportation Code Section 501.053

(a) As an alternative to the procedure provided by Section 501.052, the person may file a bond with the department. On the filing of the bond, the department may issue the certificate of title.

(b) The bond must be:

(1) in the form prescribed by the department;

(2) executed by the applicant;

(3) issued by a person authorized to conduct a surety business in this state;

(4) in an amount equal to one and one-half times the value of the vehicle as determined by the department; and

(5) conditioned to indemnify all prior owners and lienholders and all subsequent purchasers of the vehicle or persons who acquire a security interest in the vehicle, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, occurring because of the issuance of the certificate of title for the vehicle or for a defect in or undisclosed security interest on the right, title, or interest of the applicant to the vehicle.

(c) An interested person has a right of action to recover on the bond for a breach of the bond's condition. The aggregate liability of the surety to all persons may not exceed the amount of the bond.

(d) A bond under this section expires on the third anniversary of the date the bond became effective. The department shall return an expired bond to the person who filed the bond unless the department has been notified of a pending action to recover on the bond.

Bonded Title

The provisions of Transportation Code, §501.053 provide an alternative to a tax collector's hearing. Under this section, the department may issue a certificate of title in instances when a person interested in a motor vehicle that the department has refused to issue a certificate of title, or that the department has suspended or revoked a Texas certificate of title, files a surety bond with the department. The bond must be in the form prescribed by the department and completed by the applicant and by a person authorized to conduct a surety business in this State. In order to determine qualifications (refer to Initial Requirements and Final Requirements) for a surety bond, the title applicant is required to complete the *Statement of Fact*, **Form VTR-130-SOF**.

Initial Requirements

An applicant must meet one of the requirements listed below in order to pursue the bonded title procedure.

- The title applicant is a Texas resident or military personnel stationed in Texas, or
- The title applicant is not a Texas resident, but a registration and title verification indicates that a Texas title record exists on the vehicle, and is the latest record of title for the vehicle.

Final Requirements

If the title applicant meets one of the requirements of the Initial Requirements above, the subject vehicle must meet all of the following applicable requirements:

- The vehicle must be subject to the Texas Certificate of Title Act, Transportation Code Chapter 501.
- The vehicle must be eligible to be registered and/or titled in Texas and is in the possession of, and legally controlled by, the title applicant.
- If the applicant is a Texas resident, but the evidence indicates that the vehicle is an out of state vehicle, the vehicle must meet current VIN verification procedures before the applicant may obtain registration. A State appointed Safety Inspection Station must verify the serial number or VIN and the applicant must attach a completed *Out-of-state Identification Certificate*, **Form VI-30**, to the application for title. If the bonded title application is for “Title Only,” the **Form VI-30** can be waived; however, the “VIN CERTIFICATION WAIVED” remark must be placed on the title record.

Ineligible Transactions

Circumstances that do not fall under the provisions of Transportation Code, §501.053 because there are other statutory or judicial remedies available are:

- Vehicles subject to any of the provisions of the Transportation Code Chapter 683, Abandoned Motor Vehicles (i.e., abandoned vehicles, junked vehicles issued a Certificate of Authority, vehicles declared a public nuisance, vehicles left at parking facilities, etc.).
- Vehicles on which a person holds storage or mechanic's charges under the provisions of Occupations Code, Chapter 2303 or Chapter 70, State Property Code.
- Stolen vehicles.
- Vehicles involved in ownership litigation.

- Applicant is unable to provide proof of compliance with U. S. Department of Transportation safety requirements for a vehicle that was not manufactured for sale or distribution in the United States.
- Export only salvage vehicles. See Export-Only Salvage and Nonrepairable Motor Vehicles.

Review of Evidence

Upon initial contact at a regional office by a title applicant requesting a review of evidence of ownership, the applicant must complete a written explanation of how and from whom the vehicle was obtained (*Statement of Fact*, **Form VTR-130-SOF**).

If it is determined from the explanation that the circumstances addressed fall under the conditions of Ineligible Transactions the applicant must follow the remedy available for that particular circumstance.

If the explanation does not address any of the conditions of paragraph Ineligible Transactions but does address at least one of the requirements of paragraph Initial Requirements and all applicable requirements of Final Requirements, the VTR regional office examines the evidence of ownership. In addition to examining the evidence, regional office personnel obtain the necessary information on the subject vehicle before issuing a rejection letter.

- VTR searches the motor vehicle database for a title and registration verification. (The VIN is the primary means of access.)

Note: If no record is found and it appears that the VIN is a non-USA (gray market) VIN, the applicant must provide proof of compliance with U. S. Department of Transportation safety requirements. (Refer to Chapter 19, "Imported Vehicles" for further details.)

- If the vehicle is registered and/or titled in another state, the applicant should make every effort to obtain a registration and title verification from such state before taking further action. However, due to the enactment of federal privacy laws (i.e., Driver Privacy Protection Act), many states do not provide this information to individuals or may only provide the information for certain uses.

Note: An out-of-state title that has a "Bonded Title" notation recorded should not carry forward to the Texas title.

Rejection Letter Contents

If it is determined that the applicant is eligible for a bonded title, VTR sends a rejection letter with the applicant's evidence and informs the title applicant of the options available to obtain title in their name including the bond amount.

Determining Vehicle Values

In accordance with §501.053, the amount of the bond must be equal to 1.5 times the value of the vehicle as determined by the department. This amount will appear in the rejection letter.

VTR determines the value using:

- The Standard Presumptive Value (SPV) from the TxDMV web site (www.txdmv.gov) as the primary source.
- If a SPV is not available, a national reference guide
- If a value is not available through one of the above, a licensed motor vehicle dealer or insurance adjuster may appraise the vehicle on a form provided by VTR.

The VTR regional offices incorporate the reasons for rejection into the rejection letter. They enclose a *Certificate of Title Surety Bond*, **Form VTR-130-SB** with each rejection letter and send a copy of the rejection letter to the owner and lienholder of record. Prepare the copies as a bcc: (blind courtesy copy) to the owner and lienholder. Obtain mailing addresses from the printout of the latest Texas title and registration verification, the out of state verification, or other supporting evidence.

Note: VTR may not provide a printout of the record to the applicant (attached to the rejection letter or otherwise) unless the applicant completes a *Request for Texas Motor Vehicle Information*, Form VTR-275, and certifies, by initialing, that the intended use of the information is for one of the permitted uses and pays the applicable fee. Refer to Vehicle Registration Manual for information regarding restrictions on release of information.

Vehicle Value Undetermined

If VTR **c**annot determine the value of the vehicle from the reference material and the title applicant does not wish to submit an appraisal to the regional office, advise the applicant that they must obtain all acceptable ownership and transfer documents or pursue a tax collector hearing or court order.

Suspended or Revoked Existing Titles

In situations where the title applicant desires to pursue the bonded title procedure because VTR has suspended or revoked an existing title, upon written request from the title applicant, the regional office should contact the VTR Austin Headquarters to determine the office responsible for the suspension or revocation.

Upon such contact, VTR determines whether or not the bonded title procedure is available to the title applicant. (Refer to Initial Requirements, Final Requirements, and Ineligible Transactions.)

If the bonded title procedure is available, the regional office prepares the rejection letter necessary to purchase a bond and:

- indicates the amount of bond in the space provided on the rejection letter
- completes and encloses a rejection list with each rejection letter
- encloses a *Certificate of Title Surety Bond*, **Form VTR-130-SB**, with each rejection letter, and
- sends a copy of the rejection letter to the owner and lienholder of record and any other interested parties, if applicable, via first class mail. Prepare such copies as a bcc: (blind courtesy copy) to the owner and lienholder. Obtain mailing addresses from the printout of the latest Texas title and registration verification, the out of state verification, or other supporting evidence. Send a blind courtesy copy to the Correspondence Services at Austin Headquarters for filing in the suspension or revocation file

If the bonded title procedure is not available, advise the applicant that a county tax assessor-collector hearing or court order must resolve the matter.

County Processing

When the county tax assessor-collector's office receives a bonded title transaction, examine the transaction for completeness and ensure that the surety bond is correct. The bond must be the *Certificate of Title Surety Bond*, **Form VTR-130-SB**, or must contain the exact wording. The county office should verify that:

- the bond contains a "Bond Number";
- the bond has been issued for an amount that is equal to or greater than the amount determined by VTR;
- all vehicle information is correct;
- the bond is signed and dated by both the principal (applicant) and an agent for the surety company;
- the bond contains the surety company's seal (embossed, stamped, digitized or affixed);
- no more than 30 days has elapsed since the effective date of the bond (note the date received on the application); and the name of the applicant is the same as the principal on the bond.

Late Transactions

Transactions received more than 30 days after the effective date of the bond may not be accepted. Instruct the title applicant that they must include a bond amendment (rider) or an original surety bond extending the bond for the expired period before the transaction is acceptable. The agent for the surety company must sign this amendment. (Refer to the letter in the transaction to verify the appropriate

bond amount.) If the transaction does not include the letter, which established the bond amount, do not accept the transaction and instruct the title applicant to contact the appropriate regional office to secure a letter, which establishes the amount of bond.

Require Documentation

Applicants must support bonded title transaction by the following documentation when filing with the county tax assessor-collector's office:

- VTR's letter establishing the amount of bond with all enclosures noted and attached. The date on the letter may not exceed one year from the date of filing. At a minimum the enclosures must include the original *Statement of Fact*, **Form VTR-130-SOF**, and the documents used to establish the bond amount (i.e., photocopies or printouts of the applicable reference pages or the original appraisal of the vehicle);
- The properly completed original surety bond, and, if applicable, an original or certified copy of the power of attorney and/or an original bond amendment (refer to Department Processing);

Note: VTR accepts electronic signatures on a Surety Bond POA if the POA also includes an embossed or digital seal. All other POA's must have original signatures or be certified as a "true and correct copy of the original." The Certificate of Title Surety Bond must include original signatures.

- Verify the VIN. If the vehicle is from another state or country, an *Out-of-state Identification Certificate*, **Form VI-30**, issued by a State appointed Safety Inspection Station is required to obtain registration; otherwise, the transaction must contain either a *Statement of Physical Inspection*, **Form VTR-270**, or a legible pencil tracing of the VIN; and
- Valid proof of **f**inancial responsibility in the applicant's name.

Note: If the bonded title application is for "Title Only," counties can waive the Form VI-30, however, they must place the "VIN CERTIFICATION WAIVED" remark on the title record.

Fee Collection

If the transaction is complete and received within 30 days of the effective date of the bond or the bond amendment, counties should collect all applicable fees and issue a **Form VTR-500-RTS**.

Assemble the Transaction

Counties should assemble these transactions for examination by VTR as follows:

If the top document is a **Form VTR-500-RTS**, place the **Form VTR-500 RTS** on top of the *Application for Texas Certificate of Title*, **Form 130-U**. Place the top right staple in the center top portion of the RTS-generated Title Application Receipt. Place the top left staple 1/2 inch from the top and about one inch to the right of the TxDMV logo.

The assembly order of title transfer documents, starting with the top document, is as follows:

1. The RTS-generated Title Application Receipt with the bar code.
2. The *Application for Texas Certificate of Title*, **Form 130-U**.
3. The properly completed original surety bond and original bond amendment (rider), if applicable, and an original or certified copy of the power of attorney.
4. The department's letter establishing the amount of bond with all enclosures such as the *Statement of Fact*, **Form VTR-130-SOF**, documents used to establish the bond amount (i.e., photocopies or printouts of the applicable reference pages or the original appraisal of the vehicle).
5. Verification of the vehicle identification number. To obtain registration, a **Form VI-30** *Out-of-state Identification Certificate* is required if the vehicle is from another state or country; otherwise, a *Statement of Physical Inspection*, **Form VTR-270**, or a legible pencil tracing of the VIN.
6. Any other evidence the applicant may have (dealer reassignment, bill-of-sale, power of attorney, etc.) attached in no particular order.
7. Assemble the documents face-up, lying flat and staple together in the upper left corner. Only fold documents which are longer than eleven inches.

Place the transactions in a separate envelope labeled "BONDED TITLE" and submit it on top of all the other Special Handling envelopes included with the Title Package Report.

Department Processing

Upon receipt of the envelopes labeled "BONDED TITLE", VTR processes the documentation as follows:

Bonded title transactions appear on the Title Package Report. If needed, audit and reconcile the Title Package Reports.

1. Check the VIN of each transaction against the National Crime Information Center (NCIC) and the Texas Crime Information Center (TCIC) stolen vehicle files.

2. If there is no stolen notice included, examine each transaction thoroughly.

   Check each bond for completeness and ensuring that the bond in the amount equal to or greater than the amount indicated on the department's letter.

   a. The surety bond must be an original and must appear on the prescribed form or must contain the exact wording.

   b. The bond must contain the title applicant's name, complete address, original signature, and date of signature.

   c. If an attorney in fact completed the surety bond the original, or a certified copy of the original (with original certification statement) and the power of attorney (POA) must be attached to the surety bond. If a certified copy of the original is used, an authorized agent of the surety company should provide the original certification statement. The statement must certify the POA is a true and correct copy of the original POA on file in the agent’s office.

   d. The surety company seal must be embossed, stamped, digitized or affixed to the bond in the space provided.

   e. The bond must describe the correct vehicle (year, make, vehicle identification number, body style). Verify the vehicle description on the bond against the one shown on the application for title.

   f. The bond must indicate the effective date of the bond.

   g. Any alteration to the surety bond necessitates the issuance of a new bond or an amendment (or rider) from the surety company.

3. If applicable, the original bond amendment (or rider) must be attached to the surety bond and must be properly signed by the agent for the surety company.

Verify each bonded title transaction to ensure that all required documentation has been filed with the application for title and the county tax office received it within 30 days of the effective date of the bond. If not received within 30 days of the effective date of the bond, counties should attach an original bond amendment (or rider) to the bond as follows.

1. The Title Application Receipt must indicate “BONDED TITLE.”

2. The transaction must include a photocopy of the bond and the power of attorney and any bond amendment, if applicable.

3. If the motor vehicle title record indicates that the title has been suspended or revoked, review the suspense file for inclusion of additional documentation in the bonded title transaction.

4. Then assemble the transaction.
5. After assembling the transaction, forward the original surety bond with applicable attachments to the Correspondence Services Branch.

If it is necessary to reject a bonded title transaction, follow the routine title rejection instructions.

The “BONDED TITLE” brand must appear on the face of each such title issued.

If the issuance of a salvage vehicle title, or non-repairable vehicle title is requested on a title record reflecting the “BONDED TITLE” brand, such brand carries forward and appears on the face of the issued document.

Maintenance of Original Surety Bonds

VTR maintains the original surety bonds in file for a three year period from the effective date of the bonds.

If during the three-year period VTR receives a judgment payment notice from a surety company, attach the notice to the front of the original surety bond.

When the three year period has elapsed and if VTR has not been notified of pending action to recover on said bond, VTR obtains a current registration and title verification on the vehicle identification number provided on the surety bond as follows.

1. VTR removes the “BONDED TITLE” brand from the motor vehicle record.
2. VTR notifies the owner of record that the “BONDED TITLE” brand has been removed due to the expiration of the surety bond. The owner must then obtain a title without the ‘BONDED TITLE’ brand. They may either file an application for corrected title supported by the negotiable Texas Certificate of Title, the notification letter, and the $28/$33 filing fee with the local county tax office. If there is transfer of ownership, they must provide the notification letter to the purchaser along with the negotiable Texas Certificate of Title.
3. VTR returns the original surety bond to the purchaser (Principal) of the bond. If the original surety bond returns unclaimed or undeliverable by the post office, the bond is destroyed.

Lost Bonded Title Transactions

Follow the lost transactions procedures outlined in Chapter 6, “Application and Issuance of Certificate of Title” if bonded title transactions are lost en route from the county to the Vehicle Titles and Registration Division. In either case, the title applicant must submit another surety bond, labeled “DUPLICATE” but must contain original signatures of the principal and the agent for the surety company.

Receivership or Liquidation of Surety Company

If a surety company should go into receivership or liquidation before the surety bond expires, they must notify VTR of such action.

1. Upon receipt of such notification, VTR checks on the status of the certificate of title surety bonds issued by the surety company by contacting the person named in the notification for such information. Additionally, they contact the Texas Department of Insurance to advise that the department has received notification of receivership/liquidation and to inquire about surety bond status. If the surety bond status inquiry reveals "CANCELED," the department obtains a title and registration verification for each vehicle bonded by the surety company named in the notification and proceeds with step 2.

2. VTR notifies the owner of record by certified mail (return receipt requested) that the certificate of title has been suspended due to the cancellation of the original surety bond, which was obtained to secure a certificate of title. VTR enters a suspension notation against the applicable title record. The title suspension is not removed until the owner of record secures a surety bond on the applicable vehicle for the remainder of the three year period for the amount designated on the original surety bond and submits the new surety bond to VTR.

3. Upon receipt of the surety bond issued for the remainder of the three year period, the department examines the bond for proper completion. (Refer to Department Processing.) If the surety bond is properly completed, VTR acknowledges receipt of the original surety bond, and removes the suspension notation from the applicable title record. They attach the new surety bond to the file, which contains the canceled surety bond, and file it for the remainder of the three year period.

Denial for Failure to Provide Proof of Emissions Testing

Transportation Code Section 501.0276

A county assessor-collector may not issue a title receipt and the department may not issue a certificate of title for a vehicle subject to Section 548.3011 unless proof that the vehicle has passed a vehicle emissions test as required by that section, in a form authorized by that section, is presented to the county assessor-collector with the application for certificate of title.

Test on Resale

A vehicle subject to a retail sale or change of ownership must have an emissions test if the vehicle was last titled in an unaffected (attainment) county and is to be titled or registered in an affected (non-attainment) county.

The emissions test on resale does not apply to:

- a vehicle that is a 1996 or newer model
- that has less than 50,000 miles, or
- a vehicle for which a “title only” application is filed (§501.0275).

Proof of Emissions Testing

Transportation Code, §548.3011 (Emissions Test on Resale) provides the vehicle is not eligible for a title receipt (§501.024), a certificate of title (§501.027), or registration unless proof is presented to the county tax assessor-collector that the vehicle has passed the emissions test.

- The proof consists of a *Texas Vehicle Inspection Report* (VIR) or other proof of compliance, as authorized, issued by the Texas Department of Public Safety (DPS).
- The owner must acquire the proof within 90 days preceding the application for title.

Exemptions

Vehicles are exempt from the vehicle emissions inspection and maintenance program if the vehicle operates in the affected county for fewer than 60 days during the registration period for which the registration is sought.

The owner of a vehicle may obtain an exemption from the vehicle emissions test requirements by submitting the *Texas Department of Public Safety Affidavit*, **VIE-12** to the county tax assessor-collector an affidavit issued by the DPS.

Denial for Safety Responsibility Suspension

Transportation Code Section 601.006

If an owner or operator of a motor vehicle involved in an accident in this state does not have a driver’s license or vehicle registration or is a nonresident, the person may not be issued a driver’s license or registration until the person has complied with this chapter to the same extent that would be necessary if, at the time of the accident, the person had a driver’s license or registration.

The Safety Responsibility Act provides that a person cannot legally operate a motor vehicle in Texas without liability insurance coverage. Owners must present valid proof of liability insurance coverage to receive or renew:

- Motor vehicle registration
- Driver's license, and
- Vehicle safety inspection

Acceptable evidence of proof may be an original or photocopy of one of the following:

- a liability insurance card
- an insurance policy
- an insurance binder, or
- a certificate of self-insurance.

The Department of Public Safety administers the Safety Responsibility Act. However, this Act is closely related to the Certificate of Title Act in that the Vehicle Titles and Registration Division maintains the only complete records of registration and title for motor vehicles in the State. These records must be available to record the suspension of registration and title. If the Department of Public Safety suspends the registration of any motor vehicle, such suspension automatically suspends the title. The department records the notation "Safety Responsibility Suspension" in the vehicle's motor vehicle record.

- If a person purchases a motor vehicle with suspended registration, that person may file an application for title supported by an assigned Texas certificate of title along with a *Safety Responsibility Affidavit*, **Form SR39**. This must state that they have acquired the vehicle in good faith for their own use and benefit, and not for the purpose of aiding the prior registered owner to defeat the purpose of the Texas Safety Responsibility Act. Record the SR case number on the form, but the department does not reject the transaction if it does not appear.
- If a motor vehicle on which a suspension has been placed was transferred prior to the date of suspension, VTR may accept an application for title on the vehicle provided the title transaction is in proper order.
- Any transfer of a motor vehicle by operation of law (repossession affidavit, court order, affidavit of heirship, sheriff's bill of sale, etc.) automatically lifts the suspension against the motor vehicle.
- Owners may file an application for corrected certificate of title (no transfer of ownership involved) on a motor vehicle that has a Safety Responsibility Suspension against it.
- VTR may issue a Certified Copy of a Texas Certificate of Title on a suspended vehicle.

- If a motor vehicle with suspended registration is transferred, the applicant may secure a duplicate license receipt either from the county in which the vehicle was registered or from the department. In the event current license plates have been removed, the applicant may secure a set of replacement plates from the county tax assessor-collector. (This is necessary because the registration receipt and the license plates of any suspended vehicle are required to be surrendered to the Department of Public Safety.) A request to the department for a duplicate license receipt should include the papers showing transfer by operation of law (such as repossession affidavit or affidavit of heirship) or a *Safety Responsibility Affidavit*, **Form SR39**. When the department issues the receipt, it returns the surrendered papers to the applicant for later attachment to the application for title.

Chapter 9

Transfer of Ownership

This chapter contains the following sections:

- Definition
- Sale or Offer without Title Receipt or Title
- Sale of Vehicle; Transfer of Title
- Filing by Transferee; Application for Transfer of Title and Registration
- Transfer Fee; Late Fee
- Sales in Violation of Chapter
- Execution of Transfer Documents; Penalty
- General Penalty
- Emissions Test on Resale
- Delivery of Receipt and Title to Transferee; Penalty
- Powers and Duties of Department on Transfer of Used Vehicle

Definition

Transportation Code Section 501.002 (5)

"First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or licensed, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or licensing of that vehicle.

The first title application filed with the county tax assessor-collector, supported by a manufacturer's certificate of origin, represents the first sale of a motor vehicle. The date the title receipt is issued is the date the vehicle becomes a used vehicle. A dealer may not register a new vehicle without applying for title in the dealer's name.

Sale or Offer without Title Receipt or Title

Transportation Code Section 501.152

(a) Except as provided by this section, a person commits an offense if the person:

(1) sells, offers to sell, or offers as security for an obligation a motor vehicle registered in this state; and

(2) does not possess the title receipt or certificate of title for the vehicle.

(b) *It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the certificate of title to the vehicle if the sole reason he or she does not have possession of the certificate of title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code.*

No person in this State may offer for sale any motor vehicle registered out of state without having in his or her possession a title or registration receipt if the motor vehicle is from a non title state.

Sale of Vehicle; Transfer of Title

Transportation Code Section 501.071

(a) *Except as provided in Section 503.039, a motor vehicle may not be the subject of a subsequent sale unless the owner designated in the certificate of title transfers the certificate of title at the time of the sale.*

(b) *The transfer of the certificate of title must be on a form prescribed by the department that includes a statement that:*

(1) *the signer is the owner of the vehicle; and*

(2) *there are no liens on the vehicle except as shown on the certificate of title or as fully described in the statement.*

The reverse side of a Texas Certificate of Title provides an assignment and several reassignments of title for transfer of ownership. The first assignment (or transfer) of title is properly executed when the purchaser's name and address are shown, and the seller signs and dates the assignment of title. The assignments also include a statement as to the vehicle's odometer reading at the time of transfer. The seller and purchaser must be complete and sign the odometer statement, if applicable.

When signed by the seller, the wording provided on each assignment on a Texas Certificate of Title constitutes a statement that the motor vehicle described on the title is free of all liens and encumbrances except those liens noted on the title or fully described in an attached statement.

When a dealer completes an assignment, the dealer is required by law to include a separate statement describing any security interest agreement (floor plan lien) that might cover the vehicles in inventory. However, since the Business and Commerce Code provides that a buyer of a vehicle in inventory in the ordinary course of business takes title free and clear of any security interest agreement, a release of this type lien is not required. Furthermore, if such a statement is not attached, the department accepts the transaction and assumes that the vehicle is free of all liens.

A lien noted on the face of a title must be either released or carried forward to the new application and title, unless the vehicle was repossessed.

Filing by Transferee; Application for Transfer of Title and Registration

Transportation Code Section 520.031

(a) [2 Versions: Amended by 76th Legislative Session Ch. 836] Not later than the 20th working day after the date of receiving the documents under Section 520.022 or 520.0225, the transferee of the used motor vehicle shall file with the county assessor-collector:

(1) the license receipt and the certificate of title or other evidence of title; or

(2) if appropriate, a document described by Section 520.0225(b) (1) or (2) and the certificate of title or other evidence of title.

(a) [2 Versions: Amended by 76th Legislative Session Ch. 1423] Not later than the 20th working day after the date of receiving the documents under Section 520.022, the transferee of the used motor vehicle shall file with the county assessor-collector each document received under that section.

(b) The filing under Subsection (a) is an application for transfer of title as required under Chapter 501 and, if the license receipt is filed, an application for transfer of the registration of the motor vehicle.

(c) In this section, "working day" means any day other than a Saturday, a Sunday, or a holiday on which county offices are closed.

(d) [Effective on January 1, 2008] Notwithstanding Subsection (a), if the transferee is a member of the armed forces of the United States, a member of the Texas National Guard or the National Guard of another state serving on active duty under an order of the president of the United States, or a member of a reserve component of the armed forces of the Unties States serving on active duty under an order of the president of the United States, the documents described by Subsection (a) must be filed with the county assessor-collector not later than the 60th working day after the date of their receipt by the transferee.

H.B. 2409, 76th Legislative Session, 1999, amended this section to delete the license receipt requirement.

Note: H.B. 2409 and H.B. 1743 both amended Sec. 520.031. Neither bill changed the other bill's intent.

Transfer Fee; Late Fee

Transportation Code Section 520.032

(a) The transferee of a used motor vehicle shall pay, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of $2.50 for the transfer of the registration of the motor vehicle.

(b) If the transferee does not file the application during the period provided by Section 520.031, the transferee is liable for a late fee to be paid to the county assessor-collector when the application is filed. If the transferee holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the amount of the late fee is $10. If the transferee does not hold a general distinguishing number, subject to Subsection (b-1) the amount of the late fee is $25.

(b-1) If the application is filed after the 31st working day after the date the transferee received the documents under Section 520.022, the late fee imposed under Subsection (b) accrues an additional penalty in the amount of $25 for each subsequent 30-day period, or portion of a 30-day period, in which the application is not filed.

(c) The county assessor-collector and the surety on the county assessor-collector's bond are liable for the late fee if the county assessor-collector does not collect the late fee.

(d) Subsections (b) and (b-1) do not apply if the motor vehicle is eligible to be issued:

(1) classic vehicle license plates under Section 504.501; or

(2) antique vehicle license plates under Section 504.502.

For information relating to the delinquent transfer penalty, refer to the Motor Vehicle Title Manual.

Sales in Violation of Chapter

Transportation Code Section 501.073

A sale made in violation of this chapter is void and title may not pass until the requirements of this chapter are satisfied.

Execution of Transfer Documents; Penalty

Transportation Code Section 520.035

(a) A person who transfers a motor vehicle in this state shall execute in full and date as of the date of the transfer all documents relating to the transfer of registration or certificate of title. A person who transfers a vehicle commits an offense if the person fails to execute the document in full.

(b) A person commits an offense if the person:

(1) accepts a document described by Subsection (a) that does not contain all of the required information; or

(2) alters or mutilates such a document.

(c) An offense under this section is a misdemeanor punishable by a fine of not less than $50 and not more than $200.

General Penalty

Transportation Code Section 520.036

(a) A person commits an offense if the person violates this subchapter in a manner for which a specific penalty is not provided.

(b) An offense under this section is a misdemeanor punishable by a fine or not less than $50 and not more than $200.

Emissions Test on Resale

Transportation Code Section 548.3011

(a) This section applies only to a vehicle:

(1) the most recent certificate of title for which or registration of which was issued in a county without a motor vehicle emissions inspection and maintenance program; and

(2) the ownership of which has changed and which has been the subject of a retail sale as defined by Section 2301.002, Occupations Code.

(b) Notwithstanding Subsection (a), this section does not apply to a vehicle that is a 1996 or newer model that has less than 50,000 miles.

(c) A vehicle subject to this section is not eligible for a title receipt under Section 501.024, a certificate of title under Section 501.027, or registration under Chapter 502 in a county with a motor vehicle emissions inspection and maintenance program unless proof is presented with the application for certificate of title or registration, as appropriate, that the vehicle, not earlier

than the 90th day before the date on which the new owner's application for certificate of title or registration is filed with the county clerk or county assessor-collector, as appropriate, has passed an approved vehicle emission test in the county in which it is to be titled or registered.

(d) The proof required by Subsection (c) may be in the form of a Vehicle Inspection Report (VIR) or other proof of program compliance as authorized by the department.

Affected County (or non-attainment)

Affected county (or non-attainment) refers to any county with a motor vehicle emissions inspection and maintenance (I/M) program.

Emissions Test on Resale

Emissions test on resale refers to an emissions test performed on a vehicle coming into an affected county from another county within the state which does not have an I/M program (non-affected county); the ownership has changed as the result of a retail sale; and a registration and/or titling change is necessary. The emissions test is not required on model year 1996 and newer vehicles if it has less than 50,000 actual miles.

Transportation Code Section 548.3011 provides that the county tax assessor-collector or department may not issue a registration, title receipt, or certificate of title unless the applicant provides proof that the vehicle has passed a vehicle emissions test in the affected county.

Note: Emission restrictions do not apply to "Title Only" applications.

Proof of Compliance

Acceptable proof of compliance with the vehicle emissions testing program:

- Vehicle Inspection Report (VIR) with a "Pass" notation (valid for 90 days after date of issuance).
- Vehicle Emissions Waiver/Time Extension (VIE-5)
- Parts Availability Time Extension (VIE-9)
- Affidavit (VIE-12)

Exempt Vehicles

Vehicles are exempt from the vehicle emissions inspection and maintenance program if the vehicle operates in the county with an emissions program for fewer than 60 days during the registration period for which the registration is issued.

The owner of a motor vehicle may obtain an exemption from the vehicle emissions test requirements by providing the county tax assessor-collector waiver provided by a state authorized safety inspection station.

Examples

Situation 1:

John lives in a county that does not have an emission's program. John sells his vehicle to Frank. Frank lives in a county that does have an emission's program.

Solution:

Frank must take his recently purchased vehicle to a safety inspection station and it must pass an emission's test before he applies for title in his name.

Situation 2:

Tom lives in a county that does have an emission's program. Tom's vehicle has passed the emissions test and is currently registered. Tom sells his vehicle to Bob. Bob lives in a different county, but Bob's county also has an emission's program.

Solution:

Bob does not need to have the vehicle emission's tested prior to applying for title in his name as it is currently registered in an emission's program county; therefore, it has passed the emission test requirements for that registration period.

Situation 3:

Mary lives in a county that does have an emission's program. Mary sells her vehicle to Susan. Susan lives in a county that does not have an emission's program.

Solution:

Susan does not have to have the vehicle emission's tested to apply for title in her name in her county.

Situation 4:

Carl lives in a county that does not have an emission's program. Carl sells his vehicle to Robert. Robert also lives in a county that does not have an emission's program, but he is a contractor working out-of-town. The city where he is working is in a county that does have an emission's program. Robert's job completes in 40 days, but Robert needs to apply for title and registration in his name.

Solution:

Robert is exempt from having his vehicle emissions tested and he can obtain an affidavit of the exemption from DPS to present when he applies for title in his name. If Robert's job required him to be in the county for over 60 days, he would need to have the vehicle emission's tested prior to titling.

Delivery of Receipt and Title to Transferee; Penalty

Transportation Code Section 520.022

(a) A person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle shall deliver to the transferee at the time of delivery of the vehicle:

(1) the license receipt issued by the department for registration of the vehicle, if the vehicle was required to be registered at the time of the delivery; and

(2) a properly assigned certificate of title or other evidence of title as required under Chapter 501.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine not to exceed $200.

If a vehicle is sold unregistered, the purchaser (whether an individual, dealer, or subsequent retail purchaser) is not required to pay registration fees back to the date of the sale. The registration starts with the month the current owner files the application for certificate of title, unless apprehended. (For further discussion, refer to the Motor Vehicle Registration Manual.)

A motor vehicle is not required to be registered at the time it is sold. For Further information see Title Only.

Powers and Duties of Department on Transfer of Used Vehicle

Transportation Code Section 520.023

(a) On receipt of a written notice of transfer from the transferor of a motor vehicle, the department shall indicate the transfer on the motor vehicle records maintained by the department. As an alternative to a written notice of transfer, the department shall establish procedures that permit the transferor of a motor vehicle to electronically submit a notice of transfer to the department through the department's Internet website. A notice of transfer provided through the department's Internet website is not required to bear the signature of the transferor or include the date of signing.

(b) The department may design the written notice of transfer to be part of the certificate of title for the vehicle. The form shall be provided by the department and must include a place for the transferor to state:

(1) the vehicle identification number of the vehicle;

(2) the number of the license plate issued to the vehicle, if any;

(3) the full name and address of the transferor;

(4) the full name and address of the transferee;

(5) the date the transferor delivered possession of the vehicle to the transferee;

(6) the signature of the transferor; and

(7) the date the transferor signed the form

(c) This subsection applies only if the department receives notice under subsection (a) before the 30th day after the date the transferor delivered possession of the vehicle to the transferee. After the date of the transfer of the vehicle shown on the records of the department, the transferee of the vehicle shown on the records is rebuttably presumed to be:

(1) the owner of the vehicle; and

(2) subject to civil and criminal liability arising out of the use, operation, or abandonment of the vehicle, to the extent that ownership of the vehicle subjects the owner of the vehicle to criminal or civil liability under another provision of law.

(d) The department may adopt:

(1) rules to implement this section; and

(2) a fee for filing a notice of transfer under this section in an amount not to exceed the lesser of the actual cost to the department of implementing this section or $5.

(e) This section does not impose or establish civil or criminal liability on the owner of a motor vehicle who transfers ownership of the vehicle but does not disclose the transfer to the department.

(f) This section does not require the department to issue a certificate of title to a person shown on a notice of transfer as the transferee of a motor vehicle. The department may not issue a certificate of title for the vehicle until the transferee applies to the county assessor-collector as provided by Chapter 501.

(g) A transferor who files the appropriate form with the department as provided by, and in accordance with, this section, whether that form is a part of a certificate of title or a form otherwise promulgated by the department to comply with the terms of this section, has no vicarious civil or criminal liability arising out of the use, operation, or abandonment of the vehicle by another person. Proof by the transferor that the transferor filed a form under this section is a complete defense to an action brought against the transferor for an act or omission, civil or criminal, arising out of the use, operation, or abandonment of the vehicle by another person after the transferor filed the form. A copy of the form filed under this section is proof of the filing of the form.

Notification of Vehicle Transfer

When a vehicle is sold or transferred, the recorded owner(s) shown on the certificate of title may voluntarily notify the department of the sale by completing a *Texas Motor Vehicle Transfer Notification*, **Form VTR-346**. The department must receive the form within 30 days of the date of sale for the buyer to be presumed to be the owner for liability purposes. If received later than 30 days after the date of sale, the department accepts the notification and records the sale date, but the seller may not be afforded the liability protections provided in law.

The seller may submit **Form VTR-346** in the following ways:

- Electronically through the departments website (www.txdmv.gov/).
- By mail to the following address:
  Vehicle Titles and Registration Division
  Texas Department of Motor Vehicles
  P.O. Box 26417
  Austin, TX 78755-0417
- In person to a VTR regional office

A recorded owner may submit a written request to the department to mark its records to indicate the transfer. A written request must include all information required as shown above in subsection (b) of Transportation Code, §520.023.

Note: All requested information on the form must be complete. The date shown as the date the vehicle was sold cannot be prior to the date the existing title was issued.

Effective June 14, 2007, collect **no** fee for this service.

Note: A $5.00 fee was previously required prior to June14, 2007.

Upon receipt of a Texas Motor Vehicle Transfer Notification form, submitted either by mail or electronically, or written request properly completed by the recorded owner(s), the department marks the vehicle record with the date of transfer and the notation “Vehicle Transferred and date.” The department maintains records of the notification of transfer to provide the name and address of the purchaser/transferee, upon request.

The motor vehicle title record remains in the name of the last recorded owner(s) until a properly completed application for title is filed through a county tax assessor-collector’s office by the transferee and the new certificate of title is issued by the department.

Assignments of Title Requirements

Jointly Owned

When one of the joint-owners desires to sell to the other joint-owner, only the seller needs to assign the title transfer.

Repossessions

On repossessions from a recorded lien, the lienholder must use the first assignment on the certificate of title. A lienholder that is a dealer cannot, in this case, use the *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**.

On repossession from a security agreement (lien not recorded on title), the lienholder (dealers included) must file application and receive title in their name before selling the vehicle. (Refer to Transportation Code §501.074)

In a voluntary repossession in which the owner assigns the title to the lienholder, the lienholder must title in their name unless the lienholder holds a current dealer license number or unless a repossession affidavit is attached. In either case, the lienholder may use the reassignment of title. However, whenever there is any indication of repossession in the transaction, a repossession affidavit must be attached.

Bills of Sale

A receiver may execute a judicial bill of sale to a subsequent purchaser <u>or</u> assign the certificate of title.

The purchaser, as shown on a Sheriff's, Constable's, or U. S. Marshal's Bill of Sale, Mechanic's or Storage Lien Bill of Sale, or Auction Sales Receipt for an abandoned vehicle, must title in their name; however, if the purchaser is a dealer, the dealer may use the **Form VTR-41-A**, or assign the title.

Attorneys and Executors

When an attorney in fact, executor, administrator, etc assigns the title, that person must sign in such a manner as to clearly indicate for whom they are signing; and their authority to sign must accompany the assignment and attached to the transaction.

Chapter 10

Evidence of Ownership

This chapter contains the following sections:

- Definitions
- Title Receipt Required on First Sale; Manufacturer's Certificate
- Certificate of Title
- Verification of Ownership
- Form 97, US Government Certificate to Title a Vehicle
- Importer's Certificate

Definitions

Transportation Code Section 501.002 (5) (11) (15)

"First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or licensed, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or licensing of that vehicle.

*"**Manufacturer**" means a person regularly engaged in the business of manufacturing or assembling new motor vehicles.*

*"**New motor vehicle**" means a motor vehicle that has not been the subject of a first sale.*

Title Receipt Required on First Sale; Manufacturer's Certificate

Transportation Code Section 501.025

A county assessor-collector may not issue a title receipt on the first sale of a motor vehicle unless the applicant for the certificate of title provides to the assessor-collector the application for a certificate of title and a manufacturer's certificate, on a form prescribed by the department, that:

(1) is assigned to the applicant by the manufacturer, distributor, or dealer shown on the manufacturer's certificate as the last transferee; and

(2) shows the transfer of the vehicle from its manufacturer to the purchaser, whether a distributor, dealer, or owner, and each subsequent transfer from distributor to dealer, dealer to dealer, and dealer to applicant.

Manufacturer's Certificate

The only acceptable basic evidence under this Act to obtain a title for a new vehicle is a manufacturer's certificate.

Under the provisions of this Section, a manufacturer's certificate must accompany the application for a Texas title of a new car that has never been the subject of a first sale (Transportation Code § 501.002).

The department, under this Section, approves the "Manufacturer's Certificate. The department uses the Uniform Security-type Certificate of Origin adopted by the American Association of Motor Vehicle Administrators (AAMVA). This form has space for assignments from manufacturer to distributor or dealer, distributor to dealer, dealer to dealer, dealer to retail purchaser. Assignment from a manufacturer directly to an individual is also permitted. The prescribed certificate of origin is a security type design incorporating unique printing techniques; the forms are available to manufacturers by only a limited number of vendors. For a list of vendors, contact a VTR regional office.

- A manufacturer's certificate of origin (MCO) is a birth certificate for a new motor vehicle, house trailer, trailer, or semitrailer. The manufacturer must issue one for each vehicle (Transportation Code §501.002).

Note: One manufacturer may import an incomplete vehicle into the United States completion by a different manufacturer. As a result, the manufacturer's name at the top of the MCO is different from the vehicle make. For example, the MCO may show the manufacturer as Isuzu, the vehicle make as "Chev", and the body style as "Cab & Chassis." The assigned VIN properly identifies the year model and make as a Chevrolet, the form 130-U must indicate an acceptable body style such as flatbed, panel, etc. These types of title transactions require:

- **A single MCO (acceptable as is),**
- **Acceptable body style on the Form 130-U**
- **A weight certificate,**
- **Proof of insurance.**

- Although security-type MCOs are not required for trailers requiring a title in Texas, VTR recommends the use of them, as other states may require security-type MCOs on all title transfers.
- A MCO to a motor vehicle which has been assigned to a franchised dealer (licensed to sell "new" motor vehicles of a specific "make") by another franchised dealer licensed to sell the same "make" does not constitute a first sale. However, if the franchised dealer to whom the MCO is assigned registers the vehicle, a first sale is constituted.

- A manufacturer’s certificate for an off highway motorcycle, ATV, or UTV must have a statement that the vehicle is for off road use only.
- The first retail purchaser must file an application for a Texas title and secure a title in their name before transferring ownership to a subsequent purchaser.
- The information on the face of the MCO may be typewritten, printed or written in ink.
- Alterations or strikeovers are not acceptable on an MCO. A corrected MCO is required if the make, year model or VIN is omitted, incomplete or incorrect.

Required Information

Manufacturers must show the following information on the face of the manufacturer's certificate:

Date

The date the vehicle was transferred from the manufacturer.

Name and Address

This includes the name and address of the distributor, dealer, or person to whom issued.

Description of Vehicle

The description of the vehicle includes**:**

- Applicants must record the “make” shown on the manufacturer's certificate and on the vehicle on the application for title.
- The year model is not always the same as the year made.

Note: Determine the year model from the vehicle identification number. However, in some cases, the VIN series does not reflect a true year model, such as the Mule. Therefore, base the correct year model on the actual date shown on the MCO, unless an actual year model is indicated on the MCO.

- The body type shown on the manufacturer's certificate must properly describe the vehicle.
- The vehicle identification number is the identifying number of all vehicles, beginning with 1956 models.
- The shipping weight is used to determine registration fees for passenger cars weighing in excess of 6,000 pounds. The registration fee for passenger cars weighing 6,000 pounds or less is based on the year model. The shipping weight should show on the manufacturer's certificate, or attach a weight certificate. Derive the weight of a passenger car from the shipping weight by rounding up the shipping weight to the next one hundred (100) pounds and adding 100

pounds. For example: Shipping weight of 5,720 pounds rounds up to 5,800 pounds then add 100 pounds to make the correct registration weight 5,900 pounds. Show the 5,900 pounds in the proper space on the VTR-500 RTS receipt, and on the *Application for Texas Certificate of Title*, **Form 130-U**. If a vehicle's weight is being determined by a weight certificate, the weight is rounded up to the next one hundred (100) pounds; but the extra one hundred (100) pounds is not added. VTR rejects manufacturer's certificate for a new, corrected manufacturer's certificate or weight certificate if the certificate does not show a shipping weight.

- The shipping weight shown on the manufacturer's certificate is not the governing factor in registering commercial motor vehicles. Commercial license fees are figured by the gross weight of the vehicle, if truck plates are being issued or by the combined gross weight of the truck or truck tractor and semitrailer(s), if combination license plates are being issued. (Refer to the Motor Vehicles Registration Manual.) To calculate the registration weight of a commercial motor vehicle, it is necessary to determine the vehicle's empty weight. The empty weight includes body, bed, and other equipment. Round up the weight to the next one hundred (100) pounds record it on the application for title. VTR requires a weight certificate to support a title transaction under the following conditions:
  - A weight certificate is required on all new commercial motor vehicles covered by manufacturer's certificate when the carrying capacity is rated in excess of one ton by the manufacturer. If the manufacturers rated carrying capacity is one ton or less, the shipping weight shown on the manufacturer's certificate acceptable as the empty weight without a weight certificate.
  - A weight certificate is required when the shipping weight is not shown on the manufacturer's certificate or the weight shown is for cab and chassis only.
  - A weight certificate is required when it appears that extra equipment was added to a commercial motor vehicle after it left the manufacturer (for example, vehicles owned by telephone companies).
  - A weight certificate is required on all commercial motor vehicles last registered out of state, except commercial motor vehicles having a manufacturer's rated carrying capacity of one ton or less. Determine the empty weight of a one ton or less out of state truck from the out of state registration receipt, or other vehicle specifications. When the empty weight is unknown or questionable, do not register the vehicle with an empty weight less than the minimums shown in Table 10-1, unless a weight certificate is attached to the transaction:

Note: There are great variations in the way weights are shown on out of state titles, use caution when accepting an out of state title as the basis for determining the empty weight of a vehicle. Some out of state titles show no weight, show the GVW (gross vehicle weight), unladen or empty weight, and "wt." In addition, when using any source to determine the empty weight, understand that there is a great variation in weights of pickups having the same make name.

Table 10-1 Tonnage Rating Guide Truck Classifications

Truck Empty Weight Reference	Ton Ratings	Weight Class
6,000 lbs	½ Ton	Light
6,001 to 7,500 lbs.	¾ Ton	Light
7,501 to 10,000 lbs.	1 Ton	Light
10,001 to 14,000 lbs.	1 ½ Tons	Medium
14,001 to 16,000 lbs.	2 Tons	Medium
16,001 to 19,500 lbs.	2 ½ Tons	Medium
19,501 to 26,000 lbs.	3 Tons	Heavy
26,001 to 33,000 lbs.	3 ½ Tons	Heavy
Over 33,000 lbs.	Over 3 ½ Tons	Extra Heavy

Note: Use the weights cited in Table 10-1 **as a guide for determining the empty weight rather than as the accurate empty weight of a truck. Do not use it in determining the actual empty weight of a vehicle. Require a letter from the manufacturer or a corrected MCO if the tonnage shown on the MCO is omitted, altered or incorrect.-**

- Optional class type vehicles, such as Sport Utility Vehicles may register with passenger or truck registration, but must show a manufacturer's rated carrying capacity of at least ½ ton unless the tonnage is otherwise established by the manufacturer.
- A weight certificate is required on all used commercial motor vehicles transferred from exempt agencies. Determine the empty weight of a one-ton or less commercial motor vehicle in the same manner as provided in Table 10-1 above.
- When there is a dispute or question as to the correct empty weight of a vehicle, the department reserves the right under Section 502.055, to require a weight certificate.

  A weight certificate can be acquired from:

  - a Texas public weigher or,
  - an out-of-state source if the vehicle was previously titled in another state or
  - any License and Weight Inspector of the Texas Department of Public Safety.

VTR requires public weighers to provide the following minimum specifications on the weight certificate:

- the date that the weight was taken;
- the name and address of company;
- the signature of the weigher; and
- the weight is mechanically printed (not hand written).

Acceptable out-of-state weight certificates should include comparable information. If the Texas or out-of-state weight certificate does not meet the above criteria, the county may require the owner to obtain a new weight certificate that satisfies these requirements.

- Operators must carry the registration receipt in commercial vehicles.

House Trailers

The gross weight (actual weight including all furnishings and equipment) is used as the basis for determining registration fees for house trailers. The actual gross weight is rounded up to the next one hundred pounds. For example, a house trailer with an actual gross weight of 4,445 pounds registers at 4,500 pounds. Record the weight on the application for a title and on the registration receipt. If the gross weight does not appear on the Manufacturer's Certificate of Origin or if the weight shown on the manufacturer's certificate or other basic evidence appears to be incorrect, determine the weight by a weight certificate. If it is impracticable to request a weight certificate, use the following procedure to determine the gross weight of a house trailer:

- In instances when the trade name and model appear in the handbook "*Official Mobile Home Market Report*" use the weight indicated.
- If there is no listing in the handbook, obtain a signed statement as to the length and width of the house trailer from the owner. Then determine the gross weight by multiplying the length (to the nearest foot) by the width (to the nearest foot) to determine the square footage. Then multiply the result by 20 pounds per square foot.
- For example, a house trailer measures 7 feet by 16 feet, results in 112 square feet. 112 multiplied by 20 pounds results in a registration weight of 2,240 pounds.

Travel Trailers

Travel Trailers are registered according to the gross weight.

New or Out-of-State Travel Trailers

Show the empty weight or shipping weight as reflected on the evidence of ownership. For example, show the weight from the Manufacturer Certificate of Origin (MCO) or Out-of-State title.

Enter a carrying capacity. Calculate the carrying capacity by subtracting the empty weight from the gross weight (Gross Weight – Empty Weight = Carrying Capacity).

If the gross weight does not appear on the MCO or Out-of-State title, determine it by:

- a weight certificate; or
- using the following formula: Length x Width x 20 lbs. = Gross Weight.

Texas Transfers

Determine the gross weight by a weight certificate or use the following formula: Length x Width x 20 lbs. = Gross Weight. If the resulting gross weight amount:

- Is greater than the weight shown on the Texas title as the empty weight, then enter the difference of the two as the carrying capacity (Gross Weight – Empty Weight = Carrying Capacity).
- Is less than or equal to the weight shown on the Texas title as the empty weight, then the county enters100 (minimum increment) pounds as the carrying capacity and disregard the calculated gross weight.

Motorcycles Mopeds, Motor Scooters

These vehicles are registered according to an annual fee, which is not based on weight. Therefore, no vehicle shipping weight is required on either the manufacturer's certificate or on the application for Texas title.

Buses

A weight certificate is required on all new and out of state motor buses, city buses, privately owned buses, and all used buses transferred from an exempt agency. The owner must record the empty weight of a bus on the application for a title. The manufacturer must show the seating capacity (number of passengers) of a motor bus on the manufacturer's certificate and the operator must include this capacity on the application in the space for manufacturer's rated carrying capacity.

Note: If the transaction is accompanied by a second-stage manufacturer's certificate from the firm making the conversion, VTR may waive the requirement of the photograph and weight certificate. However, if the weight certificate is waived, the weight of the completed vehicle must appear on the second-stage manufacturer's certificate; and the weight must be greater than the weight shown on the first-stage manufacturer's certificate.

Manufacturer's Rated Carrying Capacity (MRCC)

(No alteration acceptable) The manufacturer's rated carrying capacity (in tons) should appear on all manufacturer's certificates, which describe a commercial truck. In no case can the commercial vehicle's carrying capacity appearing on the registration receipt or application for a title at a weight less than the manufacturer's rated carrying capacity as shown on the manufacturer's certificate.

- Manufacturer's certificates not showing a rated carrying capacity in tons, showing Gross Vehicle Weight (GVW), or Nominal Tonnage Rating (NTR) in lieu of the rated capacity is not acceptable if issued to a Texas dealer or owner.
- The department accepts a corrected certificate, if the manufacturer's certificate is invoiced to a dealer in another state and the manufacturer's rated carrying capacity is omitted, determined capacity from the model number.
- The department accepts a letter, in lieu of a corrected MCO. The letter must be on the manufacturer’s official letterhead and should include the following information:
  - A description of the vehicle model series and the tonnage rating for the vehicle model. The manufacturer should provide the letter to Texas Franchised Dealers, and they in turn provide the letter to the county tax assessor-collector to process the title and registration transaction for the vehicle.
  - A photocopy of the manufacturer’s letter is acceptable. If a manufacturer cannot provide a letter stating the MRCC for Texas Franchised Dealers, the department collects registration fees for the highest NTR rating.

Signature of the Manufacturer's Agent

A signature is required on the front of the manufacturer’s certificate. An authorized distributor may countersign the manufacturer's certificates. Cases where distributors countersign for the manufacturer are usually found on manufacturer's certificates describing foreign made vehicles.

Manufacturer’s Certificate Back Page Information

The following is general information applying to the back of any manufacturer’s certificate:

- If the dealer or individual to whom a manufacturer’s certificate is issued to requests have the vehicle titled in their name, no further assignment is necessary.
- The name of purchaser should appear legibly on all assignments.

- VTR requires the Texas dealer license number on all assignments and reassignments of manufacturer's certificates except, on assignments completed out of state and under the conditions in Transportation Code, Chapter 503. The selling dealer's name shown on the assignment must agree with the dealer's name as it appears on the dealer license receipt.
- Franchised dealers not franchised to sell that make of vehicle may not reassign a manufacturer's certificate.
- If a manufacturer's certificate is assigned by a franchised dealer to a non-franchised dealer (licensed to sell only used vehicles), the franchised dealer is required to complete and file all documents necessary to apply for a title and registration in the name of the non-franchised dealer, as this is considered to be a "retail sale".

  A non-franchised dealer may not title a new vehicle for "resale purposes only".

  In order to prevent any inconvenience to a legitimate retail consumer who presents a manufacturer's certificate assigned to them by a non-franchised dealer, the county should accept and process the transaction**.** Forward a copy of the transaction, including the front and back of the manufacturer's certificate to the Motor Vehicle Division for enforcement action.
- The name of seller on the first assignment on the back of a manufacturer's certificate must be the same as the purchaser's name on the face of the certificate.
- The lien information shown on the back of the manufacturer's certificate does not need to be completed. However, if the same lienholder does not carry forward on the application, require a release.
- An odometer disclosure statement is required when a new vehicle is transferred to the first retail purchaser. The odometer disclosure provided for this first retail transaction must comply with the Truth in Mileage Act requirements. The buyer should acknowledge the odometer disclosure. The disclosure may be provided by completing a conforming odometer disclosure statement on the Manufacturer's Statement of Origin (if applicable), on a separate odometer disclosure statement or in field 18 of **Form 130-U**. This applies regardless of whether or not the Manufacturer's Certificate of Origin contains an odometer disclosure statement.
- The assignment must show the:
  - Firm name and signature of agent or owner.
  - Date of Sale.
  - Dealer License Number.

- Only franchised dealers may use additional assignments to transfer ownership of a new vehicle, by the use of the *Dealer's Reassignment of Title for a Motor Vehicle*, **Form 41-A**. Dealers may only use this form after all available assignment spaces on the Manufacturer's Certificate of Origin have been used. (Transportation Code §501.002)
- When all assignments have been used on the original Manufacturer's Certificate of Origin, dealers may submit a **"**supplemental" Manufacturer's Certificate of Origin in lieu of the **Form VTR-41-A**.

Rejected Transactions

If the department rejects a transaction for a corrected manufacturer's certificate, you must obtain a corrected manufacturer's certificate before resubmitting.

Transactions Over Two Years Old

In instances when a retail purchaser desires a title in their name and the date of assignment to the purchaser on the manufacturer's certificate is over two years old, the purchaser must provide a statement of fact with the transaction explaining where the vehicle has been and that it has not been registered or titled in any state.

Under the terms of the Certificate of Title Act, a vehicle remains a "NEW" motor vehicle until titled.

Oil Company Vehicles

Note: This section applies only to oil company vehicles purchased prior to 9/1/1999. Owners of vehicles purchased after that date must apply for title under Transportation Code §501.0275, Title Only and pay sales tax and title fees. If the original MCO is lost for these vehicles, VTR requires a bonded title, court order, or tax hearing for titling.

Unregistered and untitled vehicles owned by oil companies (these vehicles are usually operated exclusively on oil company property) are considered to be "NEW" vehicles regardless of age and may transfer in one of the following ways:

- Sellers should complete the first available assignment on the manufacturer's certificate describing the vehicle involved in favor of the purchaser, and the word "none" should be recorded in the space for the "Dealer License Number." A statement of fact completed by the seller should accompany the manufacturer's certificate stating that the vehicle has never been operated upon any public street or highway.
- In the event the vehicle is over two years old and the manufacturer's certificate is not available, the seller must complete a statement of fact as described above. They must incorporate an assignment, such as that shown on the back of a manufacturer's certificate, in this statement of fact.

- If the vehicle is transferred to a non-franchised Texas dealer, further transfers may not be made by assignment of manufacturer's certificate. The non-franchised dealer must apply for title and registration in the dealership name prior to re-selling the vehicle.

Note: The procedure outlined in Transactions Over Two Years Old applies to vehicles that were never subject to title and registration because they were purchased for use on private property and used exclusively off highway. The exception from title and registration does not apply to vehicles that were purchased for resale by someone other than a licensed dealer.

Certificate of Title

Note: Transportation Code Section 501.021

(a) A motor vehicle certificate of title is an instrument issued by the department that includes:

(1) the name and address of the purchaser and seller at the first sale or the transferee and transferor at a subsequent sale;

(2) the make of the motor vehicle;

(3) the body type of the vehicle;

(4) the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted;

(5) the serial number for the vehicle;

(6) the number on the vehicle's current Texas license plates, if any;

(7) a statement:

(A) that no lien on the vehicle is recorded; or

(B) of the name and address of each lienholder and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;

(8) a space for the signature of the owner of the vehicle;

(9) a statement indicating rights of survivorship under Section 501.031;

(10) if the vehicle has an odometer, the odometer reading indicated by the application for the certificate of title; and

(11) any other information required by the department.

(b) A certificate of title must bear the following statement on its face:

"UNLESS OTHERWISE AUTHORIZED BY LAW, IT IS A VIOLATION OF STATE LAW TO SIGN THE NAME OF ANOTHER PERSON ON A CERTIFICATE OF TITLE OR OTHERWISE GIVE FALSE INFORMATION ON A CERTIFICATE OF TITLE."

(c) A certificate of title for a motor vehicle that has been the subject of an ordered repurchase or replacement under Chapter 2301, Occupations Code, must contain on its face a notice sufficient to inform a purchaser that the motor vehicle has been the subject of an ordered repurchase or replacement.

Bill of Sale

Effective May 1, 2001, bills of sale are acceptable in the following situations:

1. with out of state or out of country registration receipts that do not provide transfer of ownership sections, provided the issuing state does not issue certificates of title as the negotiable evidence of ownership for that year model vehicle, or the issuing country only issues registration receipts, and the out of state or out of country receipt reflects registration that is current or that has been expired for six months or less;
2. with out of state titles on which **all** dealer reassignment sections have been completed, provided the issuing state does not utilize supplemental dealer reassignment forms;
3. with operation of law transfers;
4. with component parts utilized to rebuild or assemble motor vehicles; and
5. with non-titled Texas vehicles.

Note: When a Texas resident has purchased a vehicle with an out of state title that indicates an assignment to someone other than the Texas purchaser or a licensed motor vehicle dealer, the options for the "first Texas owner" to obtain a title are to pursue a Tax Collector's Hearing, a Bonded Title, or a court order. Additionally, the same options apply when a Texas titled vehicle is sold to an out of country dealer or resident and then resold to a Texas resident on the existing Texas title.

Verification of Ownership

In the event the department receives a **Form VTR-34** and every resource has been checked with no record of title or registration located in the department's records, the department does not issue a certified copy of title. If the owner has satisfactory evidence of ownership, the owner may complete a *Verification of Ownership*, **Form VTR-268**, and submit it to the department with legible photocopies of evidence of ownership and the $2.00 fee.

Evidence of Ownership

Satisfactory evidence of ownership includes:

- A photocopy of an original or certified copy of the Certificate of Title in the applicants name with release of lien, if applicable.
- A Duplicate Original or a photocopy of a Duplicate Original (non-negotiable title issued prior to September 1, 2001) title in the applicants name, with a release of lien, if applicable.

The Title Control Systems Branch processes applications without a recorded lien. County tax offices process applications with a recorded lien.

Table 10-2 Evidence of Ownership

Evidence Of Ownership Indicates No Lien	Evidence Of Ownership Indicates A Lien
Submit a completed Form VTR-268	Submit a completed Form VTR-268
Attach legible photocopy of evidence of ownership indicating no lien	Attach legible photocopy of evidence of ownership indicating a lien and release of lien
Attach completed Form VTR-34, Application for Certified Copy of a Texas Certificate of Title for a Motor Vehicle with a legible copy of the owner's government-issued photo ID	Attach completed Form 130-U, Application for Texas Certificate of Title
Submit a $2.00 fee in the form of a check, cashier's check, or money order payable to the Texas Department of Motor Vehicles.	Submit the title application fee ($28 or $33) fee in the form of a check, cashier's check, or money order payable to your local county tax assessor-collector
Mail to: Texas Department of Motor Vehicles Vehicle Titles and Registration Division Attn. Title Control Systems Branch Austin, Texas 78779-0001	Mail or submit to your local county tax assessor-collector

Form 97, US Government Certificate to Title a Vehicle

The federal government, on July 1, 1948, required all federal agencies when disposing of motor vehicles owned by the federal government to complete the *United States Government, Certificate to Title a Vehicle*, **Form 97**, which is a "certificate of release" for a motor vehicle.

Government bills of sale (certificates of release), rules, and regulations are promulgated by the federal government and this department.

Texas Dealer Purchaser

If a Texas licensed dealer is named as the purchaser on **Form 97**, they may assign the vehicle to a subsequent purchaser using a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**. An individual (not a dealer) must secure a Texas title in his or her name before transferring ownership.

Texas Title with Liens

When **Form 97** is completed by an agency of the federal government and a record of Texas title recording a lien is found, neither a release of lien nor the certificate of title is required to support the application. With reference to registration, disregard any prior Texas registration and issue new registration as in the case of an out of state vehicle.

Missing Information

In the event the odometer statement or the description of a motor vehicle as described on **Form 97** is missing, altered, illegible, or incorrect, the applicant must complete a new form. If the applicant is unable to obtain a corrected **Form 97**, they must pursue a tax assessor-collector hearing, bond, or court order.

Donated Vehicles

The Texas Building and Procurement Commission, Federal Surplus Property Program, disburses donated vehicles from the federal government to certain exempt agencies. A United States Government Certificate to Title a Vehicle, Form 97, assigning ownership to the Texas Building and Procurement Commission, should support these transfers. The Commission then transfers ownership to the receiving exempt agency on their “Affidavit Regarding Title to a Motor Vehicle.”

Note: When a US Government title Form 97 showing a “salvage”, “flood damaged”, “Totaled”, or “Not for Highway Use” brand is surrendered to apply for a negotiable title, the county office should also add the appropriate remark.

Importer's Certificate

Transportation Code Section 501.026

(a) A county assessor-collector may not issue a title receipt for a used motor vehicle imported into this state for the purpose of sale in this state unless the applicant for the certificate of title provides the assessor-collector with an importer's certificate properly assigned by the importer.

(b) An importer's certificate must be accompanied by evidence required by the department showing good title to the motor vehicle and the name and address of any lienholder on the vehicle.

The volume of out of state vehicles being brought into this State by residents, nonresidents, new residents, members of the Armed Forces, auto auction companies, and dealers has grown to the extent that it is almost impossible for the county tax assessor-collector to determine whether the vehicle was brought into this State for the purpose of sale as provided by this Section. For this reason, VTR does not reject an application for a Texas title supported by proper evidence of ownership for lack of an importer's certificate.

Chapter 11

Signature - Authority to Sign

This chapter contains the following sections:

- False Name, False Information, and Forgery
- Application for Title Signed by a Trustee and Authority Required
- Powers of Attorney
- Secure Power of Attorney
- Limited Power of Attorney
- Issuance of New Certificate of Title Because of Subsequent Sales
- Title Assignments
- Dealer Assignments
- Validity of Documents Not Notarized
- Forms not Requiring Notarization
- One Document for Multiple Transactions
- Acknowledgment

False Name, False Information, and Forgery

Transportation Code Section 501.155

(a) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a certificate of title;

(2) an application for a certified copy of an original certificate of title;

(3) an assignment of title for a motor vehicle;

(4) a discharge of a lien on a title for a motor vehicle; or

(5) any other document required by the department or necessary to the transfer of ownership of a motor vehicle.

(b) An offense under this section is a felony of the third degree.

An authorized agent's right to complete and sign any application or transfer any certificate of title is not questioned if it is clear that the agent is countersigning for a firm, association, or corporation.

Name Definition

The Supreme Court has ruled that the law knows of but one Christian name, and the omission of a middle name or initial is immaterial.

Name Consistency

The owner name and signature, as shown on the face of the application, should agree with each other and with the purchaser name on the supporting evidence. The omission or inclusion of a middle name or initial is immaterial; however, if a middle name or initial is shown, it must not be in conflict with the middle name or initial shown elsewhere on the papers. The surname must agree in all cases, but the Christian name and middle name or initial may vary. For example, John Tom Doe may appear as John T. Doe on the application (or vice-versa) and the name or signature may appear as J. T. Doe, John Doe, or J. Doe.

If there are any doubts as to the identity of the signor, request a statement of fact from the person in question to clarify that they are one and the same person. Examples include when there is a name change due to marriage or divorce, or where a title reflects the name of John Doe and the signature reflects John Doe, Sr.

Joint ownership

Joint ownership (two or more owners) may appear on an application as “Mr. and Mrs. John Doe,” “Mary and John Doe,” or “Mary Doe and John Doe” and both owners should sign their own names on the application. Customers may not use the words **“**or**”** and “and/or” either on the assignment or on the face of the application to denote joint, dual, or co ownership.

Note: Customers may not use the word “and” to connect the signatures of joint owners, as each owner must individually sign the application.

Rights of Survivorship

If one or more persons submit both an application for title and a jointly signed **“**Rights of Survivorship” agreement, the department places the words “RIGHTS OF SURVIVORSHIP the certificate of title. Upon the death of one or more of the persons named in the agreement, the department issues a new certificate to the surviving person(s) or the surviving persons’ transferee upon receipt of a completed application for title and a copy of the deceased person(s)’ death certificate.

If a *Prescribed Form for Rights of Survivorship Ownership Agreement for a Motor Vehicle*, **Form VTR-122** is completed and the individual(s) do not wish to have it immediately recorded on the title, the agreement may be kept in their own personal records. Upon the death of any of the persons named in the agreement, the survivor(s) must obtain a new certificate of title by submitting an application for transfer of title completed and signed by the survivor(s). A copy of the deceased person(s)’ death certificate must accompany the application for title.

(A number of factors affect how persons who are not husband and wife may enter into agreements and how VTR may issue certificates of title to the survivor(s). Refer to Chapter 17, "Rights of Survivorship" for a more detailed discussion of Rights of Survivorship agreements.

1. Assignments and applications in the name of John Doe, et al (meaning "and others") is considered to be a company name and does not require authority for the agent to sign.

2. The name of the owner does not have to appear over the agent's signature in the signature space on an application for title. A company name shown in the signature space must agree with the name of the owner. If the agent signing requires authority (as in the case of a power of attorney), the notation Power of Attorney, POA, or P/A must be shown adjacent to their signature; and proper authority to support their signature must be attached to the transaction.

   Example 1:
   Name of Owner: XYZ Company
   Signature of
   Owner or Agent *John Smith*

   Example 2:
   Name of Owner: XYZ Company
   Signature of
   Owner or Agent XYZ Company *by John Doe (POA)*

   Joint Owners Power of Attorney

3. If joint owners of a vehicle give authority to another individual to apply for title in their names, they must attach a power of attorney signed by all the owners.

4. In the case of joint owners, one of the joint owners may give the other joint owner(s) power of attorney to sign for him/her. They must attach the power of attorney, and the following is an example of how the names of owners and the signature of the attorney should appear:

   Example: Name of Owners: Tom Smith - Jack Brown
   Signature of
   Owner or Agent *Tom Smith*
   Jack Brown *by Tom Smith (POA)*

5. An individual may give a company a form of power of attorney in which no specific agent is named to act for the company. They should attach the power of attorney to the transaction. The company's name should appear in the space for signature of owner; and the agent's signature should appear as signing for the company.

   Example: Name of Owner: Tom Smith
   Signature of
   XYZ Company
   Owner or Agent Tom Smith *by XYZ Company, John Doe (POA)*

6. If the title reflects the owner's name as John Doe and the signature reflects John Doe, Sr., or John Doe, Jr., a statement of fact may be requested from that person to clarify that they (John Doe and John Doe, Sr./Jr.) are one and the same person.

   Example: Name of Owner: John Doe
   Signature of |
   Owner or Agent *John Doe, Jr.*- (May request Statement of Fact)

7. A signature of owner should be accepted regardless of the manner in which an owner signs, prints, or "X's" their name. The words **"**His/Her Mark**"** should appear adjacent to an "X" when the owner signs in this manner.

8. An individual's name in partnership with a company or firm may appear on an application for title. In these cases, the company or firm's name should be countersigned by an agent and the individual's signature should appear. No authority is required for an agent to sign for a firm or company.

   Example: Name of Owner: Joe Doe and Union Oil Company
   Signature of
   Owner or Agent *Joe Doe- Union Oil Co. by John Smith*

   If applicants desire the vehicle titled in the names of an individual and a business, the individual may sign once as the individual owner and again as the business owner. No authority is required for the individual owner to sign on behalf of the business.

   Example: Name of Owner: Joe Doe and Union Oil Company
   Signature of
   Owner or Agent *Joe Doe- Joe Doe for Union Oil Co.*

9. In the event two companies are shown as joint owners on the application for title, a different agent must sign for each company, unless authorization is attached for the agent of one company to sign for the other.

Example: Name of Owner: American Oil Co. and Union Oil Co.
Signature of
Owner or Agent American Oil Co. *John Doe*-Union Oil Co. *Pete Smith*

10. If the purchaser of a vehicle appears on the assignment as Joe Doaks d.b.a. Doaks Motor Company, the name of owner on the application for title may appear either as “Joe Doaks d.b.a. Doaks Motor Company” or as “Doaks Motor Company”. No authority is required for an agent to sign for a firm or company.

11. Evidence of authority need not be attached for an owner or agent signing as, or for, a “Trustee,” provided the owner or agent does not sign as, or for, trustee of a trust, trustee of an estate, trustee in bankruptcy, or trustee for a minor.

12. No person may sign for the estate of a deceased person without attaching evidence of legal authority, such as Letters of Administration, Letters Testamentary, Probate Proceedings (also muniment of title), or Affidavit of Heirship.

13. If a company, firm, or corporation is doing business in the name of an estate, evidence of authority is not required for an agent to sign provided they sign as an agent or manager of the estate.

    Example: Name of Owner: John Doe Estate
    Signature of
    Owner or Agent *Jack Brown, Manager(*Manager)

14. When the name of owner is a firm's name, an agent must sign for the firm in the space provided for “Signature of Owner or Agent” on the application.

15. “Inc.” should not be changed to “Co.” or “Co.” to “Inc.” Neither should an application for corrected title be used to make corrections of this nature, unless there is an affidavit attached from the previous owner verifying the correct name. Otherwise, the title has to be assigned from “Co.” to “Inc.” or “Inc.” to “Co.”

16. When an application for title is supported by a Texas title reflecting that authority has been given to an individual to act in the name of the owner, no further evidence of authority need be attached.

17. In the event an assignment shows an individual's name and a firm's name as “TOM JONES for XYZ COMPANY,” only the name of the company should appear on the application in the space for “Name of Owner.” If the individual's name and the firm's name are worded on the assignment as “TOM JONES OF XYZ COMPANY,” Tom Jones should appear in the space on the application for “Name of Owner.”

18. When an agent signs for an owner, no evidence of authority needs to be attached if the application is supported by an application for *Registration Purposes Only*, **Form VTR-272**.

19. Evidence of authority is not required when a person or agent signs for a Texas licensed dealer when the dealer's name appears as an individual followed by their current dealer license number.

    Example: John Doe, P8523

20. No authority is required for a father or mother to sign for a minor child if no inheritance is involved. (If inheritance is involved, refer to Chapter 16, "Operation of Law".)

    Example: Name of Owner: John Doe (Minor)
    Signature of
    Owner or Agent *Jack Doe (Parent)*

Application for Title Signed by a Trustee and Authority Required

Refer to Table 11-1for signature information when dealing with all forms (living, estate, family, etc.) of trusts.

Table 11-1 Application for Title Signed By A Trustee And Authority Required

Name Of Owner On Face Of Title	Signature For Owner On Assignment of Title	Authority Required
John Doe	John Doe, Trustee	None
Robert Brown	Mary Smith, Trustee	None
ABC Company	John Doe, Trustee	None
John Doe Trust Estate (Agreement)	Mary Smith, Trustee	[1]Statement of Fact or Affidavit of Trust
John Doe Trust Estate	Kay Lane, Trustee by Jane Smith, POA	[2]Statement of Fact or Affidavit of Trust and POA
John Doe Estate	Susan James, Executor	Letters Testamentary
John Doe	Lillian Avery, Trustee	Bankruptcy Court Order Appointing Trustee
John Doe, Trustee for Joe Black (minor)	John Doe, Trustee	Statement of Fact or Affidavit of Trust
Joe Black (minor)	John Doe, Guardian	Letters Guardianship
John and Mary Doe Living or Family Trust	John Doe, Mary Doe	Statement of Fact or Affidavit of Trust

1. When a legal trust is established, a trustee or trustees are appointed to conduct the business associated with the trust including the titling or transfer of motor vehicles. A Statement of Fact or an Affidavit of Trust is acceptable for signature authority. When signed by the trustee, a Statement of Fact is acceptable in lieu of an actual copy of the Trust Agreement. The statement of fact must state the name of the person or persons who appointed the trustee and state whether or not the agreement is on file with the county clerk. If on file, the number under which it is recorded must appear.
2. If the trustee has appointed a Power of Attorney (POA) and the POA completes documentation on behalf of the trustee, an original or certified copy (notarized) of the POA must accompany the title transaction in addition to one of the above referenced options that identifies the trustee.

21. A leased vehicle should always be titled in the name of the lessor (person or firm who actually owns the vehicle). The name and address of the lessor should appear in Block 14, Applicant's name (Owner/Title Recipient field), which enables a leasing company to receive the negotiable title. The name and address of the lessee (person or firm to whom the vehicle is leased) may appear on the application for title in Block 14a, Registrant's Name (Renewal Notice Recipient field), which allows the lessee to receive the renewal notices.

    Customers should complete the application as follows:

    14. Applicant's Name(s)14a. Registrant's Name
    American Fleet Corporation (Lessor)Tom McWright
    14800 Central Street 1811 Oakland Drive
    Houston, Texas 77060Houston, Texas 77055

    In order to identify this type of transaction as a leasing agreement, the word "Lessor" in parentheses follows the owner's name as indicated above. An application for title is not acceptable if the name of the owner and lienholder is the same.

22. "Name and Address Stamps" that fit into the correct spaces allotted for this information on the application for title are acceptable. However, stamps that overlap or are shown out of space are not acceptable.

23. Fleet owners may, if they so desire, have equipment numbers of newly acquired vehicles recorded on their title. To do so, customers should show the appropriate numbers in parentheses immediately following the name of owner in the space provided for the name of owner on the application for title and **Form VTR-500-RTS.**

24. Electronic, digital or signature stamps are not acceptable.

25. The name of owner and the name of lienholder should not appear as one and the same since the owner, as shown in Block 14 on the application for title, receives the negotiable Texas Certificate of Title.

26. If an owner loses the ability to sign documents a legal guardian must be appointed.

Powers of Attorney

Legal authority for one person to sign for another includes the following:

Power of Attorney

A power of attorney (POA) is defined as the written authority for one person to act for another. The acknowledgment of a power of attorney is complete. (Refer to Acknowledgements in this chapter for a list of persons eligible to take acknowledgments and for the manner in which the signature of the attorney-in-fact should appear on the application.) The *Power of Attorney to Transfer Motor Vehicle*, **Form VTR-271,** is the department's motor vehicle form. The grantor of a power of attorney must state in the document the name of the attorney-in-fact. (For example: The word "Bearer" should not appear in lieu of the name of the attorney-in-fact.) Customers must attach the original or a certified copy of a power of attorney to a title transaction as evidence of the appointment of an attorney-in-fact.

Note: If an individual desires the return of a power of attorney or other evidence of lawful authority, the tax assessor-collector may return the original document to the applicant and submit a copy of the document with the title transaction provided the copy is verified as to its authenticity; or the tax assessor-collector may include the original document in the title transaction with a note attached to the transaction requesting the department to return the original document to the applicant.
The note should include the complete mailing address of the individual making the request. Otherwise, the department records and destroys the document along with the other supporting evidence. The department honors a request to return a Manufacturer's Certificate of Origin, certificate of title, or other type of negotiable evidence of ownership once the documents are stamped "Surrendered" and "Void" by the department. The department's policy for returning original supporting documents to the owner applies only to items such as powers of attorney, wills, letters testamentary, guardianship papers, etc.

When a power of attorney has been granted, the attorney-in-fact cannot appoint another agent or attorney-in-fact unless the original grantor has given the attorney-in-fact the "power of substitution" and it is stated in the original power of attorney.

General Power of Attorney

A general power of attorney is the written authority for one person to act in all business and legal capacities for another person. The description of the motor vehicle does not need to appear in this type of power of attorney because the power given to the attorney-in-fact is general. A general power of attorney may be limited only by a statement that the document becomes null and void on a certain date. In these instances, when the power of attorney is limited by date and the attorney-in fact is to complete the final application, that particular authority does not appear on the certificate of title.

Durable Power of Attorney

A durable power of attorney is the written authority for one person to act in all business and legal capacities for another person as stated in General Power of Attorney. A durable power of attorney continues to exist after the death or incapacity of the principal unless specifically limited.

Limited Power of Attorney

A limited power of attorney is the written authority for one person to act in a specific instance or for a particular purpose for another person. This type of power of attorney is usually limited by a statement specifying what act(s) the attorney-in-fact may perform. The limitation may confine the attorney-in-fact to the purchase, the sale, or the registration of a particular motor vehicle; and it may be limited further by a date or a statement.

Note: A limited power of attorney must contain a description of the vehicle (including the vehicle identification number). The *Power of Attorney to Transfer a Motor Vehicle*, Form VTR-271 is a limited power of attorney designed to include an odometer statement from an owner who uses the form to appoint an attorney-in-fact. When the Form VTR-271 is properly completed, a separate odometer form is not required from the owner.

Death of a Grantor

Upon the death of the grantor (person completing the form), the **non durable** power of attorney becomes invalid and the vehicle belongs to the estate. The disposal and transfer of the vehicle is processed through the usual probate and heirship procedures. A durable power of attorney may be valid for a certain period after the grantor’s death.

Note: If the grantor of the power of attorney is deceased and the title assignment was signed prior to the date of death, the title transaction is acceptable for processing. However, if the title assignment was signed after the date of death, the title transaction is unacceptable. The appropriate probate and heirship procedures must then determine transfer of ownership.

Executor or Administrator

If it is necessary for an executor or administrator to grant a power of attorney, it must be limited to the specific act and to the specific individual(s) or firm(s) involved. These limitations mean that the grantor of this power of attorney must specify who serves as attorney-in-fact to sell or buy a specific vehicle and the amount of money to be exchanged. An executor or administrator cannot grant a general power of attorney because they were appointed by the court (or by the testator) to personally transact the business of the estate.

If there is no administration, any one or all of the heirs may grant a power of attorney to another person if the necessary information shown in the affidavit of heirship (no will left, no heirs with prior rights, etc.) is stated in the power of attorney.

Two or More Motor Vehicles

In the event an individual gives another person power of attorney to register two or more motor vehicles, a single power of attorney is acceptable if all the transactions are kept together with the power of attorney when sent to the department.

Firms, Associations, or Corporations

A power of attorney may be given to a firm, association, or a corporation; and the agent acting for the organization should clearly indicate by their signature that they are signing for the firm, association, or corporation.

Two or More Persons as Attorneys

A person may appoint two or more persons as attorneys-in-fact, or a person may appoint a firm and/or an individual as dual attorneys-in-fact. In these cases, the wording of the power of attorney always determines who must sign for the grantor.

Examples:

John Doe or Charles Smith (Dual Attorneys-in-Fact) either may sign.

John Doe and Charles Smith (Dual Attorneys-in-Fact) each must sign.

Secure Power of Attorney

Only licensed motor vehicle dealers, salvage yards and insurance companies may use the secure power of attorney *Power of Attorney for Transfer of Ownership to a Motor Vehicle*, **Form VTR-271-A**.

Power of Attorney to Transfer Ownership and to Disclose Mileage

This form is used when the transferring title is a Texas Certificate of Title physically held by a lienholder or the title has been lost. However, customers may use a a non-secure power of attorney *Power of Attorney to Transfer Motor Vehicle*, **Form VTR-271** if the vehicle is exempt from odometer disclosure requirements due to the year model or the transfer document is non-conforming.

When a dealer or insurance company buys a motor vehicle from an owner who does not have the title for either of these reasons and does not wish to return to the purchaser to complete the odometer disclosure statement and title assignment, they should complete this form as follows:

1. Both the seller and the buyer must complete and sign part A. Both the original and the duplicate power of attorney should contain original signatures.
2. Upon receiving the certificate of title, the dealer may complete the assignment and odometer disclosure on the title. A dealer must file application for title in a buyer's name supported by this power of attorney.
3. The power of attorney **cannot** be granted to the selling or buying dealer, an employee of the dealer, or relative of the dealer, unless the vehicle is exempt from the odometer disclosure law (i.e., the year model is ten or more years old, the carrying capacity exceeds two tons, or the vehicle is not self-propelled). The **Form VTR-271** may be used in a dealer sale if a disinterested third party is appointed. A disinterested third party is defined as an individual with no relationship to the dealer or dealership.

Power of Attorney to Review Title Documents and Acknowledge Disclosure

If the dealer retails the motor vehicle before receiving the certificate of title, the purchaser may grant power of attorney to the dealer to complete the purchaser's acknowledgment of the odometer disclosure.

In this instance, the retail purchaser and the dealer must complete Part B of the power of attorney.

Certification

The dealer, upon receiving the certificate of title, should complete Part C.

Note: When both Parts A and B have been completed, the dealer must complete Part C.

Unless the sale involves an out-of-state purchaser or another dealer, the dealer must then file the application for title, the secure power of attorney, and any other required documents and fees with the county tax assessor-collector where the vehicle was bought, is encumbered, or the purchaser (owner) resides, as directed by the purchaser on the form *County of Title Issuance,* **Form VTR-136**.

Limited Power of Attorney

Transportation Code Section 501.076

(a) An owner who has a contractual option to transfer ownership of a vehicle in full or partial satisfaction of the balance owed on the vehicle, as provided in Section 348.123(b) (5), Finance Code, may execute a written limited power of attorney that authorizes an agent to complete and sign for the owner, and provide to the transferee, the form to transfer the title under Section 501.071 and the odometer disclosure under Section 501.072, and the other documents necessary to transfer title.

(b) The owner may execute the limited power of attorney at the time the owner enters the contract giving the owner the option to transfer the vehicle or at any time after that date. The limited power of attorney may only be used if an owner elects to transfer the vehicle in full or partial satisfaction of the contract and may not be used by the holder of the contract as part of the holder's exercise of a remedy for a default by the owner under the contract.

(c) The person named as the agent in the limited power of attorney must meet the following requirements:

(1) the person may be a person who has been appointed by the commissioner's court as a deputy to perform vehicle registration functions under Section 502.112, a license vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents; and

(2) the person may not be the transferee or an employee of the transferee. The person may not act as the agent of both the transferor and transferee in the transaction. For the purposes of this section, a person is not the agent of both the transferor and transferee in a transaction unless the person has the authority to sign the documents pertaining to the transfer of title on behalf of both the transferor and the transferee.

(d) If a limited power of attorney is used under Subsection (a), the holder of the contract shall accompany the power of attorney with a written statement that the vehicle was returned at the election of the owner in full or partial satisfaction of the owner's obligations under the contract and not as the result of the exercise by the holder of the contract of its remedies for default.

(e) A signed and dated written odometer disclosure containing the information described in this subsection may be included on or with the power of attorney if the power of attorney is executed within 120 days before the date of the transfer and is accompanied by the conspicuous written notification described in this subsection. If an odometer disclosure is not obtained in that manner, the transferee or agent or the person to whom the vehicle is delivered at the time of the transfer shall request an odometer disclosure as provided in this subsection. Not more than 120 days before the transfer of the vehicle by the owner, the transferee or agent under the power of attorney or person receiving delivery of the vehicle shall in writing request the owner to provide a signed and dated written statement stating the odometer reading (not to include tenths of a mile) as of the date of the statement, and further stating words to the effect that either: (i) to the best of the owner's knowledge, the odometer reading reflects the actual mileage of the vehicle; (ii) the actual mileage has gone over the odometer's mechanical limits and the odometer reading reflects the amount of mileage in excess of the mechanical limits of the odometer, if the owner knows that to be the case; or (iii) the odometer reading is not the actual mileage, if the owner knows that to be the case. The statement may consist of a form in which the agent or transferee or person receiving the vehicle includes the identification of the vehicle and owner and which allows the owner to fill in the odometer reading and mark an applicable box to indicate which of condition (i), (ii), or (iii) is applicable and to date and sign the statement. With the request for the owner's statement, the transferee or agent or person receiving the vehicle shall provide a written notification to the owner to the effect that the owner has a duty under law to state the odometer reading, state which of conditions (i), (ii), or (iii) is applicable, and sign, date, and return the statement and that failing to do so or providing false information may result in fines or imprisonment. Unless the written notification is delivered to the owner at substantially the same time that the owner is delivering the signed and dated owner's statement, the written notification must also state a date by which the owner must provide this information and an address to which it may be delivered. This written notification to the owner must be in bold letters, underlined, or otherwise conspicuous and may be in a separate document or included as part of a form to be used for the owner's statement or in another document relating to the potential transfer. The transferee or agent or the person receiving delivery of the vehicle may mail the request

and notification to the last known address of the owner or may otherwise send or deliver it to the owner. If there are multiple owners of the same vehicle, the request and notification may be sent to one or more of them and it shall be sufficient for one owner to sign the statement. The owner has a duty to return the signed and dated statement as directed in the notification. In completing the odometer disclosure on the owner's behalf, the agent shall identify the same condition (i), (ii), or (iii) provided in the owner's statement, unless the agent knows that the condition identified in the owner's statement is not correct. The agent will not indicate in the odometer disclosure it completes on the owner's behalf that the odometer reading is not the actual mileage unless either the owner has so indicated in the owner's statement or the agent knows that the owner's statement is not correct. The agent shall transmit the owner's statement it receives to the transferee after the title transfer is completed. The owner's statement received by the transferee under this subsection need not be filed with the filing office for the other title documents, but the transferee shall retain the owner's statement for a time period and in a similar manner to the retention methods used by a lessor to retain statements under 49 C.F.R. Section 580.8(b), as it may from time to time be amended. The transferee may rely upon the agent's odometer disclosure and the owner's statement unless it knows that they are not correct. A failure by an owner to comply with an obligation under this subsection subjects the owner to the penalties and enforcement provisions of Subchapter H but does not affect the validity of the transfer of title.

(f) This section does not in any way impair or impede any transfers made through use of a power of attorney prior to the effective date of this section, and such transfers shall continue to be valid if they comply with the provisions of this section or would otherwise comply with the law in effect prior to the effective date of this section. This section does not apply to powers of attorney authorized under federal law or regulation that authorize a transferee to act as the agent of the transferor under certain circumstances or to powers of attorney otherwise authorized by the law of this state. This section does not affect the use of powers of attorney to sign, complete, and deliver the form to transfer title and other documents necessary to transfer title, including the odometer disclosure, in title transfers other than those described in Subsection (a).

(g) The power of attorney created in this section shall be limited for the purposes and duration specified in this section.

“Balloon-note Due” Contracts

The specific use of these powers of attorney (POAs) is for the sale of vehicles purchased with “balloon-note due” contracts.

Specifics of the Limited POA

Owners may sign the POA on the date that the owners sign the “balloon-note due” contract or at any time after that;

- Is not required to include an odometer disclosure statement from the owners;
- Limits the person appointed and may not include the transferee or an employee of the transferee; and
- May include an odometer disclosure statement if signed within 120 days before the date of the transfer.

Note: A separate odometer disclosure statement may remain with the transferee, and the POA can disclose the odometer certification provided by the owner.

Acceptance of the limited POA

County tax assessor-collector offices should accept title transfers with the limited POA as an approved form for transfer of ownership.

The holder of the contract must include a statement confirming that the vehicle was returned at the election of the owners and not as a result of remedies for default.

Uncommon Circumstances

Section 501.076 allows the use of these limited POAs in circumstances that are somewhat uncommon.

- The limited POA can be dated and signed at the time the “balloon-note due” contract is signed by the purchaser.
- There is the possibility that the limited POA could be multiple years old at the time of transfer of ownership.
- Since the department does not prescribe the limited POA, there could be several versions and all versions would be acceptable.

Electronic Lien and Title (ELT) System

States with an ELT program allow for the electronic recording of liens and no title document is issued until a lien is satisfied. Once the electronic lien is satisfied, a clear certificate of title is issued which may or may not exhibit the following indicators:

- A prior lien notation
- An ELT designation

- A new title issuance date indicating when the lien was released
- The dealer's name as either the addressee or the new lienholder.

The county tax assessor-collector should check for one of the indicators when processing transactions involving a title from an ELT state which is supported by a secure POA. If one of the indicators is noted on the title, the **Form VTR-271-A**, noting if the title is physically held by a lienholder or is lost, is acceptable.

Issuance of New Certificate of Title Because of Subsequent Sales

Transportation Code Section 501.133

(a) If all of the forms of transfer on a certificate of title have been used because of subsequent sales, the certificate may be delivered to a county assessor-collector, who shall:

(1) provide a title receipt in the manner required for a first sale; and

(2) send the certificate of title to the department on the same day the certificate is received

(b) On receipt of the certificate of title, the department shall issue a new certificate of title.

If an owner's name (not a Texas licensed dealer) appears as one of the assignments listed below, the owner must file an application for title in their own name.

- As the purchaser on the first assignment
- As the purchaser on "reassignment by dealer"
- As the purchaser on the
- *Dealers Reassignment Of Title For A Motor Vehicle*, **Form VTR-41-A**

Title Assignments

When one of the joint owners desires to sell to the other, only the seller needs transfer.

Repossessions

On repossessions from a recorded lien, the lienholder must use the first assignment on the certificate of title. A lienholder that is a dealer cannot, in this case, use the *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**.

On repossession from a security agreement (lien not recorded on title), the lienholder (dealers included) in all cases, must file application and receive title in their name before proceeding to transfer. (Refer to Section 501.074.)

In a voluntary repossession in which the owner assigns the title to the lienholder, the lienholder must secure title in their name unless they hold a current dealer license number or unless a repossession affidavit is attached. In either case, the lienholder may use the reassignment of title. However, if there is any indication of repossession in the transaction, a repossession affidavit must be attached.

Court Orders

The person to whom ownership of a vehicle is vested by a court order may assign the certificate of title.

Judicial Bill Of Sale

A receiver may give a completed judicial bill of sale to a subsequent purchaser or assign the certificate of title.

Abandoned Vehicles

The purchaser, as shown on a Sheriff's, Constable's, or U. S. Marshal's Bill of Sale, Mechanic's or Storage Lien Bill of Sale, or Auction Sales Receipt for an abandoned vehicle, must secure title in their name; however, if the purchaser is a dealer, they may use the *Dealer's Reassignment of Title for a Motor Vehicle,* **Form VTR-41-A**.

Signatures

When an attorney in fact, executor, administrator, etc. completes the assignment of title, the signature should clearly indicate for whom they are signing; and their authority should be indicated in the assignment and/or attached to the transaction.

Examples:

JOHN SMITH JOHN SMITH

By *William B. Long, POA* by *Robert J. Brown,* Executor

Purchase and Merger of Firms

When a firm takes over the business of a second firm by purchase or by merger, the certificate of title covering any motor vehicle owned by the second firm may be transferred to the surviving firm or to a subsequent purchaser by assigning the title as "Successor to (other firm)" or as "Formerly (other firm)." The new owner must then apply for transfer of title.

When one corporation purchases or merges with another corporation, it is understood that in the purchase of the corporation, all property of the original corporation is sold or merged with the surviving corporation; and no further transfer of title is necessary. In these cases, the corporation can file an application for corrected title to record the name of the corporation owner. A negotiable Texas title and a verification of the merger from the Secretary of State must support the application.

Dealer Assignments

Form VTR-41-A

Form VTR-41-A has been designed exclusively for use by licensed Texas dealers. All reassignments must be in consecutive order regardless of whether they are completed on the back of the title or on a separate **Form VTR-41-A**. Furthermore, each dealer must show their current dealer license number. All available assignment spaces on the Texas Certificate of Title must be completed before a **Form VTR-41-A** may be used. If a **Form VTR-41-A** is used to transfer a Texas Certificate of Title or a Manufacturer's Certificate of Origin that does not have all assignments completed, the title transaction is not acceptable. This does not apply to transactions involving out-of-state titles.

The dealer's name on each reassignment must agree with the name on the dealer license. If the dealer's name on an assignment does not agree with the dealer license, the dealer may correct the name when reassigning the title by showing the incorrect name followed by the letters DBA (doing business as) and the correct dealership name. For example, if the title is assigned to “Joe Doaks” and the correct dealership name is “J D Auto Sales”, the name of the seller on the reassignment of title should show “Joe Doaks DBA J D Auto Sales”. In addition, the dealer must provide an affidavit certifying that the person named on the assignment is an agent/employee of the dealership.

If a Texas Certificate of Title is issued in the name of a licensed dealer, assignment must be made on the back of the title to transfer ownership; but the first retail purchaser must secure title in their name.

Rules

A licensed dealer may use a *Dealer's Reassignment of Title for a Motor Vehicle,* **Form VTR-41-A**, under the following rules:

- No dealer may use a **Form VTR-41-A** unless they have a current Texas dealer license. They must show the dealer license number in its proper place.
- In the event all the reassignments are used on the back of a manufacturer's certificate or a Texas Certificate of Title issued after April 29, 1990, a licensed dealer may make further reassignments of a vehicle by completing a **Form VTR-41-A**. However, only a licensed franchised dealer may reassign a manufacturer's certificate.
- All reassignments on the title and the reassignments on the **Form VTR-41-A**. should contain original signatures.
- Dealers must provide a statement of fact for any alteration or erasure on the **Form VTR-41-A**.
- Dealers must use the **Form VTR-41-A** when all assignments are complete on a Texas title. They may show exempt in the odometer disclosure field.

Validity of Documents Not Notarized

Transportation Code Section 501.075

A document necessary to transfer ownership of a motor vehicle is valid without regard to whether the document is executed before a notary public.

Forms not Requiring Notarization

Effective April 1, 1990, the notarization of certain documents relating to a title transfer, is no longer required. These documents include:

Table 11-2 Forms not Requiring Notarization

VTR Form	Form Name
Form 30-C	Texas Certificate of Title Assignments and Reassignments
Form VTR-122	Form for Rights of Survivorship Ownership Agreement for a Motor Vehicle
Form 130-U	Application for Texas Certificate of Title/Motor Vehicle Rental Certificate/Seller-Purchaser Joint Affidavit
Form 131-U	Application for Texas Certificate of Title/Motor Vehicle Rental Certificate/Seller-Purchaser Joint Affidavit
Form 132-U	Application for Texas Certificate of Title/Seller-Purchaser Joint Affidavit for Dealers or Lessors
Form VTR-141	“Travel Trailer or “Park Model Trailer” Verification
Form VTR-222	Texas Salvage Certificate of Title (Assignments and Reassignments)
Form VTR-261	Prescribed Form of Affidavit of Ownership
Form VTR-266	Prescribed Form for Release of Lien
Form VTR-271	Power of Attorney to Transfer Motor Vehicle
Form VTR-272	Application for Registration Purposes Only
Form VTR-272-B	Vehicle Identification Number Self -certification
Form VTR-471	Affidavit of Fact to Support an Application for Certificate of Title for “Slow-Moving Vehicle,” Golf Carts and Other Miniature Vehicles
Manufacturers' Certificates of Origin Affidavits of Fact Bills of Sale for Motor Vehicles Issued In Accordance with Court Orders* Certifications of Certain Documents that are Attached to Title Transfers Certifying that the Copies are “True and Correct of the Original” Bills of Sale from Mexico and other Foreign Countries* Out-of-state Documents Limited Powers of Attorney Specifically for the Transfer of Ownership of Motor Vehicles Odometer Disclosure Statements printed by other than our department	

Bills of Sales

As of May 1, 2001, bills of sale are only acceptable in the following situations:

Out-of-state or out-of-country registration receipts that do not provide transfer of ownership sections, provided:

- the issuing state does not issue certificates of title as the negotiable evidence of ownership for that year model vehicle, or the issuing country only issues registration receipts, and
- the out-of-state or out-of-country receipt reflects registration that is current or that has been expired for sixth months or less;

Out-of-state titles on which all dealer reassignment sections have been completed, provided the issuing state does not utilize supplemental dealer reassignment forms;

- Operation of law transfers;
- Component parts utilized to rebuild or assemble motor vehicles; and
- Non-titled Texas vehicles.

One Document for Multiple Transactions

If one document (power of attorney, heirship affidavit, will, etc.) is used to support the applications of two or more transactions, applicants should staple all affected transactions together with the document and a note attached stating, “These transactions must be kept together.” Furthermore, county tax assessor-collectors should note all these transactions on a separate report and mail it in a special package. The applications may become separated when processed otherwise.

Acknowledgment

The following individuals are authorized to take acknowledgments on papers related to Texas title and registration laws:

- Notary Public - (seal affixed - embossed impression or rubber stamped ink impression) A notary public is authorized by law to take acknowledgment in any county in this State, regardless of the county in which the notary is appointed. The name of the notary public should be typed or stamped beneath the notary public's signature. Also the acknowledgment should include the date of acknowledgment and the date the notary's commission expires.
- Justice of the Peace and Ex Officio Notary Public - (seal affixed)
- County Clerk- (seal affixed)
- Deputy County Clerk - provided the name of the county clerk is also shown on the acknowledgment. (seal affixed)
- District Clerk - (seal affixed)
- Deputy District Clerk - provided the name of the district clerk is also shown on the acknowledgment. (seal affixed)

- County and District Judges - (seal of office affixed)
- Officers of the United States Armed Forces on active duty provided their rank and branch of service is shown on the acknowledgment. (No seal required)
- Officials of the Diplomatic or Foreign Service of the United States Government may take acknowledgment within the country to which the official is accredited. The acknowledgment must show the seal of office, name of office, and the country to which accredited.
- The county tax assessor-collectors and their employees may administer oaths and take acknowledgments on any document required or authorized to be filed with the office of the county tax assessor-collectors. (When taking acknowledgments on title and registration forms, the words Notary Public should be crossed out and substituted with county tax assessor-collector or county tax assessor-collector employee; and the name of the county should be shown.)
- Members of any board or commission created by the laws of this State in matters pertaining to the duties thereof.
- In instances when an original or a certified copy of a document, such as a will, power of attorney, chattel mortgage, letters testamentary, etc., is required to support a title transaction but the applicant does not wish to relinquish the original or certified copy of the document, the county tax assessor-collector or deputy may, after verifying the authenticity of the document, allow a copy of the document to be attached to the title transaction. In these instances, the county tax assessor-collector or deputy should make a signed statement on the border of the copy that it is a true copy of the original.

Note: Certification, as it relates to supporting documents, is the act of certifying by a statement on the document, that the document(s) is a "true and correct copy of the original."

Chapter 12

Liens

This chapter contains the following sections:

- Perfection of Security Interest
- Sale or Security Interest Not Created by Certain Vehicle Leases
- Recordation of Security Interest
- Definitions
- Application Title Lien Information (Form 130-U)
- Restitution Liens
- Landowner's Lien
- Child Support Liens
- Transfer of Equity
- Release of Liens
- Liens Over Six Years Old
- Electronic Lien Title (ELT)

Perfection of Security Interest

Transportation Code Section 501.111

(a) Except as provided by Subsection (b), a person may perfect a security interest in a motor vehicle that is the subject of a first or subsequent sale only by recording the security interest on the certificate of title as provided by this chapter.

(b) A person may perfect a security interest in a motor vehicle held as inventory by a person in the business of selling motor vehicles only by complying with Chapter 9, Business & Commerce Code.

Sale or Security Interest Not Created by Certain Vehicle Leases

Transportation Code Section 501.112

Notwithstanding any other law, an agreement for the lease of a motor vehicle does not create a sale or security interest by merely providing that the rental price is permitted or required to be adjusted under the agreement as determined by the amount realized on the sale or other disposition of the vehicle.

A security interest in a motor vehicle, except one covering vehicles in a dealer's inventory, may only be perfected by recording the lien on the certificate of title as provided in Transportation Code, Section 501.113. A security interest covering vehicles in a dealer's inventory (floor plan lien) may only be perfected by filing a

financing statement in the office of the Secretary of State. In the ordinary course of business, a security interest agreement is neither enforceable against the buyer of a vehicle, even if the buyer knows of its existence, nor is it valid against a motor vehicle, which has been the subject of first or subsequent sale.

The above paragraph provides that a buyer in the ordinary course of business is not liable for any encumbrances held against the dealer. The department and its designated agents are not in a position to know all the facts concerning the nature of an encumbrance and, therefore, can not determine “who is” and “who is not” a buyer in the ordinary course of business. Any lien, noted or recorded on a Texas title or manufacturer’s certificate, must be released or carried forward to an application for a Texas title that is filed in the name of a third party. If the lien is not released, or noted on the application, the transaction is unacceptable. Or if title is issued in error, the department revokes the title and the customer must file a new application to record the lien.

Recordation of Security Interest

Transportation Code Section 501.113

(a) Recordation of a lien under this chapter is considered to occur when the county assessor-collector:

(1) is presented with an application for a certificate of title that discloses the lien with tender of the filing fee; or

(2) accepts the application.

(b) For purposes of Chapter 9, Business & Commerce Code, the time of recording a lien under this chapter is considered to be the time of filing the security interest, and on such recordation, the recorded lienholder and assignees under Section 501.114 obtain priority over the rights of a lien creditor, as defined by Section 9.102, Business & Commerce Code, for so long as the lien is recorded on the certificate of title.

Definitions

Transportation Code Section 501.002 (9)

(1) “Lien” means:

(A) a lien provided for by the constitution or statute in a motor vehicle; or

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title.

(C) a child support lien under Chapter 157, Family Code.

The disclosure of a lien (security agreement) on an application for a certificate of title filed with the county tax assessor-collector constitutes the notation or perfection of the lien as of the date the application is accepted, and a receipt for title application is issued.

Protection for the Lender

A lien noted on a *Tax Collector's Receipt for Texas Title Application/Registration/Motor Vehicle Tax*, **Form VTR-500-RTS**, or **Form VTR-31-RTS** constitutes valid protection for the lender against the motor vehicle of a borrower. The lien must be recorded on the certificate of title so that possible future purchasers have knowledge of the lien. If a motor vehicle with a recorded lien is sold, with or without the knowledge or consent of the lender, the rights of the lender remain as long as the lien is duly recorded. No sale or, succession of sales, invalidates the lien.

Liens not Noted on Certificates and Titles

The creation of a lien is usually a written document between two parties, and the record of a lien on the certificate of title serves as notice of its creation. A lien not recorded on the title is valid between the parties and against the vehicle until the time a third party purchaser intervenes. In the event a lien is created by parole agreement (word of honor), the validity of the lien, if questioned, would be determined by a court of competent jurisdiction.

Liens Noted on Certificates and Titles

Any lien noted or recorded on a manufacturer's certificate, application for a Texas title, Texas Certificate of Title, out of state certificate of title, out of state registration receipt, bill of sale, or invoice must be released or carried forward.

- Lien information noted on a manufacturer's certificate need not be complete, but the lien must be released or carried forward.
- A lien recorded on a Texas title is not required to be released when:
  - An application for corrected title is filed recording a new lien in favor of the same lienholder as is recorded on the surrendered title (with no change in ownership).
  - A Texas title is transferred and the lienholder on the surrendered evidence is the same as recorded on the new application. (Dates may differ.)
- A lien recorded on out of state evidence is not required to be released when there is no transfer of ownership from an out of state title and the same lienholder is being recorded on the Texas application as is recorded on the out of state title. (Dates may differ.)

- An out of state lien recorded on out of state evidence cannot be carried forward to a Texas title when there is a transfer of ownership unless:
  - A release of lien is attached; or
  - Authorization from the lienholder is attached.

Note: If a Texas lienholder is recorded on out of state evidence being surrendered in support of a Texas application, require the same release as if the lien were on a Texas title.

Application Title Lien Information (Form 130-U)

If a first lien is to be recorded on the subsequent title, the first lienholder's name, address, city, state, and zip code should be shown in the "LIEN" area located at the bottom of the reverse side of the new Texas title documents (those issued on or after April 29, 1990). If the first lien information is recorded on the *Application for Texas Certificate of Title*, **Form 130-U** and the *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax*, **Form VTR-500-RTS**, or **VTR-31-RTS** but is not shown in the "LIEN" area on the reverse side of the new title document, the title transaction is acceptable when filed at the county tax office.

Lien Wording

The heading over the lien space on the application reads as follows: "This Motor Vehicle is Subject to the Following First Lien"; therefore, the word "None" need not be inserted on the application if the vehicle is not subject to a lien. However, on the *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax,* **Form VTR-500-RTS**, or **Form VTR-31-RTS**, the word "None" should be recorded in the space for first lienholder if there is no lien. This discourages alterations to the receipt copies. If there is a first lien but no second lien, the word "None" should be shown in the space for second lienholder.

The date of lien and the name of lienholder should be included in the first lien information shown on the application. And the correct address and zip code must be included in the mailing address for the post office to deliver the negotiable Texas Certificate of Title to the lienholder. In the case of joint lienholders, only one address should be shown.

An *Additional Liens Statement*, **Form VTR-267**, must be attached to the *Application for Texas Certificate of Title*, **Form 130-U**, when more than one lien is to be recorded. The **Form VTR-267** must be completed and be submitted with the title transaction.

The name of a nationally known lienholder may be abbreviated in the space provided on the application for the "Name of Lienholder". Example: GMAC.

The word "or" or "and/or" may not connect the names of joint lienholders.

Altered Lien Information

Date

The date of a lien shown on an application may be altered provided the result of the alteration is legible. If the date of lien shown on the application is not legible after alteration, a new application should be requested. Strikeovers and erasures, which leave any doubt to the correct date of lien, are not acceptable.

If the lienholder's name has been altered, a statement of fact should be required from the lienholder explaining the alteration and stating that they are the correct lienholder that should be recorded. If the lien information on the application is erased and another lien is not shown, a statement of fact should be required from the lienholder stating that they have no interest in the vehicle; or the owner must complete a new application showing no erasures. Erasure of lienholder's name is not acceptable.

Address

An alteration of the lienholder's address on an application for title is acceptable if the alteration is legible. If the lienholder is a "Bank" that has an accepted name used by many different banks located in various cities throughout the State, such as First State Bank, City National Bank, etc., an alteration of the lienholder's city on the application require the same evidence as if the lienholder's name was altered.

Rejected Form VTR-500-RTS

If a *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax*, **Form VTR-500-RTS** has been issued and reported to the department and the transaction is subsequently rejected by the department and returned to the county at the request of the county, owner or lien holder to delete the lien information or add a new lienholder, the following apply.

- The correction must them be processed in the Correct Title Rejection event.
- Issue a new **Form VTR-500-RTS** to record or remove (correct) the lien. The new receipt should indicate that no registration was issued.
- The $28/$33 application fee should not be applicable when it is a county error and a statement of fact from the county tax assessor-collector supports the issuance of a "NO CHARGE" correction.

Note: The old application and receipt should be submitted as evidence with the corrected title transaction. An "X" should be placed in the title number space of the old application to ensure that the corrected application is utilized when processed by the department.

Out of State Vehicles

If an alteration on a manufacturer's certificate or out of state evidence shows a different lienholder's name, require a release or an affidavit of "non interest" from the originally recorded lienholder.

The notation of a lienholder's name with the word "Note" or "Lien" or the notation of amount of money plus the abbreviation for Chattel Mortgage (C.M.), Promissory Note (P.N.), or Conditional Sales Contract (C.S.C.) constitutes notice of a valid lien and must be carried forward or released. These simple notations may occur on manufacturer's certificates, Texas titles, out of state titles, out of state registration receipts, bills of sale, or invoices.

The date of lien does not have to be shown on the face or on an assignment of an out of state title, a registration receipt from a non title state, a bill of sale, or invoice; however, a definite date must be established if the lien is carried forward to the Texas application.

Priority of Liens

All liens on motor vehicles should take priority according to the order of time they are recorded on the certificate of title. If a lien has been created by contract, prior to a subsequent one, and the subsequent lien is filed first then the subsequent lien has priority and is, in fact, the first lien. The first lien recorded remains the first lien even though a second lien is later recorded showing an earlier date, unless the first lienholder agrees in writing for the second recorded lien to appear as first lien.

The rules of priority as stated in the above paragraph apply except in the case of statutory liens or liens given by rule of law, such as a garage keeper's lien on a vehicle deemed abandoned under the provisions of Chapter 683 of the Transportation Code. If a vehicle is left in a storage facility and "deemed abandoned", the owner or lienholder must redeem the vehicle by payment of the garage keeper's claim. Failure by the owner or lienholder to exercise their right to reclaim the vehicle is deemed a waiver of all right, title, and interest in the vehicle; and constitutes consent to the sale of the vehicle at a public auction. This statute nullifies a recorded lien under the conditions stated above and gives a garage keeper's lien first priority.

Lienholder Sells an Interest in a Lien

When a recorded lienholder sells the interest in a lien on a motor vehicle, a transfer of equity must be attached signed by agents of both lienholders. The *Application for Texas Certificate of Title* should indicate the date of lien reflected on the surrendered negotiable Texas Certificate of Title or certified copy certificate of title.

An application for a title supported by documentation specific to the transfer of equity from one lienholder to another is required to be signed by a representative/agent for the lienholder recorded on the **Form 130-U** rather than the recorded owner.

Income Tax Liens

Income Tax Liens have no priority over liens duly recorded on a Texas title. In such cases, the owner must surrender the Texas title and all release all liens. (Refer to Chapter 16, “Operation of Law”.)

Errors and Forgery

If a former lienholder claims that their interest in a vehicle was released in error or by forgery, the matter must be settled in court or between the parties. The department does not enter into disputes of this nature.

Second Liens

A second lien may be recorded without releasing the first lien. The recorded owner may correct the title by adding a second lien; or if the owner sells the vehicle, the new owner may carry the original lien forward and add a second lien. The first lien must be carried forward to the new application as the first lien.

Joint Liens

Two or more persons holding the same lien constitute joint lienholders. **J**oint lienholders have equal rights and both must act in all cases in regard to their equity. Only one address should be shown for joint lienholders. First and second lienholders are **not** considered joint lienholders.

Accessories Liens

Accessories liens are not valid (Transportation Code, Section 501.004).

Lienholders’ Address

A lienholders’ address must include the street address or post office box number.

Note: Zip Code Numbers must be included as part of each mailing address appearing on title applications.

Corrected Titles

A lien may be recorded on an application for corrected title and a new title may be issued regardless of the fact that the vehicle may not be currently registered or the motor vehicle record indicates a Safety Responsibility Suspension.

Exempt Vehicles

Liens are valid against vehicles registered with exempt license plates, if properly recorded on certificates of title.

Et Al

A group of individuals may show their lien as “John Doe”, et al. (Et al means “and others” and is considered a company name.)

Certificate of Title Act

If a bill of sale for a component part of a motor vehicle (body, frame, motor) shows a recorded lien the lien does not need to be released or carried forward to the application as under the Certificate of Title Act. A lien is only valid against the whole motor vehicle; however, a lien recorded on a title, which is used as a bill of sale for a component part, must be released or carried forward because such lien was not against a component part.

Restitution Liens

Code of Criminal Procedures, Article 42.22, Restitution Liens, provides for the filing of statutory liens on motor vehicle certificates of title to secure the amount of restitution, fines, or costs awarded to a crime victim or the state by a court in a criminal case.

A restitution lien may be established by a court order to a victim of a criminal offense (the term “victim” also includes a close relative of a deceased victim, or the guardian of a victim).

Lienholder

The lienholder name recorded on the application for a title must be the name of the court ordering restitution in the court order or judgment. For example:

County Court at Law # __
c/o Clerk of the Court
Mailing Address of Court

Filing/Perfection

A restitution lien against a motor vehicle must be perfected in accordance with Transportation Code, Section 501.111, and may be filed by the victim or the attorney representing the state. To record a restitution lien, an application for a title must be supported by:

- The negotiable certificate of title in the name of or assigned to the defendant;
- *An Application for Texas Certificate of Title*, **Form 130-U**.
- *Additional Liens Statement*, **Form VTR-267**, if applicable;
- The original or a certified copy of the court order or judgment establishing the restitution lien and requiring the defendant to pay restitution, fines, or costs;
- An affidavit to perfect the restitution lien. The affidavit MUST be signed by the attorney representing the state or a magistrate and MUST include:
  - the name and date of birth of the defendant whose property or other interests are subject to the lien;
  - the residence or principal place of business of the defendant, if known;
  - the criminal proceeding giving rise to the lien, including the name of the court, the name of the case, and the court's file number for the case;
  - the name and address of the attorney representing the state and the name of the person entitled to restitution;
  - a statement that the notice is being filed under Code of Criminal Procedure, Article 42.22, Restitution Liens;
  - the amount of restitution and the amount of fines and costs the defendant has been ordered to pay by the court;
  - a statement that the amount of restitution owed at any one time may be less than the original balance and that the outstanding balance is reflected in the records of the clerk of the court hearing the criminal proceeding giving rise to the lien; and
  - the vehicle description and vehicle identification number.

Fees

The applicant must pay the applicable title application fee and the $5 filing fee required of the Code of Criminal Procedure, Article 42.22, Section 7 (b).

Priority

A restitution lien is subordinate (not superior) to other liens recorded on the surrendered evidence of ownership. If the surrendered evidence of ownership indicates a recorded lien, a restitution lien should be recorded as a second or third lien, whichever is applicable.

Release of Lien

The clerk of the court recorded as the lienholder on the certificate of title receives payments from the defendant and maintains a record of the outstanding balance of restitution, fines, or costs owed. A restitution lien expires on the 10th anniversary of the date the lien was filed or on the date the defendant satisfies the judgment creating the lien, whichever occurs first. The person having an interest in the lien may re-file the lien before the date the lien expires. A lien that is re-filed expires on the 10th anniversary of the date the lien was re-filed or the date the defendant satisfies the judgment creating the lien, whichever occurs first.

Landowner’s Lien

Chapter 70, Property Code, provides for landowners to obtain a court order entitling them to a lien against the motor vehicle of a person who damages the landowner's fence, if that person is the vehicle owner, or has consented for someone to drive their motor vehicle that caused the damage.

Filing/Perfection

Liens may be perfected under this subchapter in the manner provided by Subchapter F, Chapter 501 of the Transportation Code. The lien is perfected when the department issues a subsequent title recording the lien. An application for title to record a landowner’s lien must be supported by:

- a judgment signed by the judge of a county justice of the peace court or higher jurisdiction; or
- properly assigned ownership document; and
- an application for certificate of title (**Form 130-U**) that discloses the lien accompanied by the title application fee.

Lien Amount

The amount of the lien is equal to or the lesser of:

- the fair market value of the motor vehicle when the fence was damaged; or
- actual cost to repair the fence and, if any livestock or other animals escaped due to the fence damage, to recapture the escaped livestock or other animals.

Release of Lien

The lien does not expire and is not discharged until the landowner receives payment.

Priority

A landowner's lien is subordinate (not superior) to other liens recorded on the surrendered evidence of ownership or in the motor vehicle record. If a recorded lien is indicated, a landowner's lien should be recorded as a second or third lien, whichever is applicable.

Child Support Liens

Note: Family Code, Chapter 157, Child Support Liens, provides for the filing of child support liens on motor vehicle certificates of title for past due, court ordered child support.

Filing/Perfection

Child support liens against motor vehicles must be perfected in accordance with Transportation Code, Section 501.111. The lien is perfected when the department issues a title recording the lien. To record a child support lien, an application for a title must be supported by:

- The negotiable certificate of title in the name of or assigned to the obligor (the one who is required to make payments under the terms of a support order for a child);
- An *Application for Texas Certificate of Title*, **Form 130-U**;
- *Additional Liens Statement*, **Form VTR-267**, if applicable; and
- A Child Support Lien Notice, which has been filed with the county clerk's office or a certified copy of an abstract of judgment.

Priority

A child support lien is subordinate (not superior) to other liens recorded on the surrendered evidence of ownership. If the surrendered evidence of ownership indicates a recorded lien, a child support lien should be recorded as a second or third lien, whichever is applicable.

Release of Lien

A release of lien for a child support lien may be filed with the county clerk in the county in which the original Child Support Lien Notice was filed. The release of lien from the county clerk is acceptable to release the lien on a certificate of title.

Transfer of Equity

Assignment of Lien

Transportation Code Section 501.114

(a) A lienholder may assign a lien recorded under Section 501.113 without making any filing or giving any notice under this chapter. The lien assigned remains valid and perfected and retains its priority, securing the obligation assigned to the assignee, against transferees from and creditors of the debtor, including lien creditors, as defined by Section 9.102, Business & Commerce Code.

(b) An assignee or assignor may, but need not to retain the validity, perfection, and priority of the lien assigned, as evidence of the assignment of a lien recorded under Section 501.113:

(1) apply to the county assessor-collector for the assignee to be named as lienholder on the certificate of title and

(2) notify the debtor of the assignment.

(c) Failure to make application under Subsection (b) or notify a debtor of an assignment does not create a cause of action against the recorded lienholder, the assignor, or the assignee or affect the continuation of the perfected status of the assigned lien in favor of the assignee against transferees from and creditors of the debtor, including lien creditors, as defined by Section 9.102, Business & Commerce Code.

(d) An application under Subsection (b) must be:

(1) signed by the assignee; and

(2) accompanied by:

(A) the applicable fee;

(B) a copy of the assignment agreement executed by the parties; and

(C) the certificate of title on which the lien to be assigned is recorded.

(e) On receipt of the completed application and fee, the department:

(1) may amend the department's records to substitute the assignee for the recorded lienholder; and

(2) shall issue a new certificate of title as provided by Section 501.027.

(f) The issuance of a certificate of title under Subsection (e) (d) is recordation of the assignment.

(g) Regardless of whether application is made for the assignee to be named as lienholder on the certificate of title, the time of the recordation of a lien assigned under this section is considered to be the time the lien was initially recorded under Section 501.113.

(h) Notwithstanding Subsections (a)-(g) and procedures that may be conducted under those subsections, the assignment of a lien does not affect the procedures applicable to the foreclosure of a worker's lien under Chapter 70, Property Code, or the rights of the holder of a worker's lien. Notice given to the last known lienholder of record, as provided by that chapter, is adequate to allow foreclosure under that chapter.

(i) Notwithstanding Subsections (a)-(g) and the procedures that may be conducted under those subsections, the assignment of a lien does not affect the procedures applicable to the release of a holder's lien under Section 348.408, Finance Code.

Transportation Code, Section 501.114 provides that the security interest in a motor vehicle may be transferred from the recorded lienholder to another lienholder.

Application for Certificate of Title

The new lienholder may file an *Application for Certificate of Title*, **Form 130-U**, to change the name of the lienholder on the current title without obtaining the recorded owner's signature on the form**.** This may be accomplished by completing and filing a **Form 130-U** with the county tax assessor-collector in the recorded owner's or the new lienholder's county of residence. In addition the information provided in the numbered fields below should be completed appropriately:

1. Number 6 - The odometer reading should be the same as reflected on the surrendered negotiable certificate of title or certified copy.
2. Number 14 - The name of the owner should be the same as reflected on the surrendered negotiable certificate of title or certified copy. However, indicate the current address so the owner continues to receive registration renewal notices.
3. Number 16 - The date of lien should be the same as reflected on the surrendered negotiable certificate of title or certified copy. The name and address of the new lienholder must be shown.
4. Number 17 - The "No Change in Ownership" block should be marked to indicate the filing of a corrected application for title with no change in ownership.
5. Number 18 - The odometer title brand should be the same as reflected on the surrendered negotiable certificate of title or certified copy. If an odometer title brand is not reflected, the assignee for the new lienholder must indicate to the best of their knowledge a statement of actual mileage, not actual mileage, or mileage exceeds mechanical limits.

6. Number 22 – Lien Transfer/ No Change in Ownership should be indicated in the seller's signature area.
7. Number 23 - The new lienholder or assignee of the new lien (not the owner) must sign and date the application.

Supporting Information

The *Application for Texas Certificate of Title*, **Form 130-U** must be supported by:

- A copy of the agreement (Transfer of Equity) completed by the assignor (recorded lienholder) and the assignee (new lienholder) specifying that the security interest in the vehicle described on the negotiable Texas Certificate of Title is being assigned or transferred.
- The negotiable certificate of title or certified copy reflecting the lien to be assigned or transferred.
- $28.00 or $33.00 application fee.

Note: Do not release the lien, because the recorded lienholder's date of lien carries forward to the new title.

Release of Liens

Transportation Code Section 501.115

(a) When a debt or claim secured by a lien has been satisfied, the lienholder, shall within a reasonable time not to exceed the maximum time allowed by Section 348.408, Finance Code, execute and deliver to the owner, or owner's designee, a discharge of the lien on a form prescribed by the department.

(b) The owner may present the discharge and certificate of title to the county assessor-collector with an application for a new certificate of title and the department shall issue a new certificate of title.

Upon the discharge of a lien(s), the lienholder shall deliver to the owner, or the owner's designee, a discharge of the lien within ten (10) days from receipt of final payment. The release may be executed on the *Prescribed Form for Release of Lien*, **VTR-266**, and the prescribed release of lien space located on the certificate of title or on the lienholder's company letterhead.

Missing Records

If no record is found and every resource in the departments' records has been checked, counties may accept and process a title transaction to remove a lien, if the appropriate documentation is provided.

If the evidence of ownership indicates a lien, acceptable documentation includes a:

- Photocopy of an Original or Certified Copy of the Certificate of Title in the applicant's name, with release of lien, if applicable;
- Photocopy of a non-negotiable title in the applicant's name, with a release of lien, if applicable;
- Photocopy of a Texas Vehicle Registration Receipt (regardless of the year of issuance) in the applicant's name; or a
- Photocopy of a *Tax Collector's Receipt for Texas Title Application*, **Form VTR-31-RTS** or **Form VTR-500-RTS**, regardless of the year of issuance, in the applicant's name.

The applicant may submit an *Application for Texas Certificate of Title*, **Form 130-U**, *Verification of Ownership*, **Form VTR-268**, evidence of ownership, release of lien, and appropriate title fee to the county tax assessor-collector's office.

The transaction may be processed for title issuance.

Title issues as a negotiable title in the owner's name as shown on the evidence of ownership.

Executing Release of Liens

The release of a lien may be executed on the prescribed release of lien space located on the certificate of title, a *Prescribed Form for Release of Lien*, **Form VTR-266**, or a letter on company letterhead stating that the lien has been paid (must be signed and dated). The letter must contain the description of the vehicle or the certificate of title/document number. All release of lien forms must be signed by the lienholder or show the lienholder's name and be signed by the lienholder's agent if the lien is recorded in a company name. Other acceptable methods of releasing liens are:

First or Second Liens

First or second liens recorded on a Texas Certificate of Title may be released by using the prescribed space provided on the title. Liens recorded on Texas titles may be released as follows:

- The release of lien space provided on the face of the title need only be signed and dated by the lienholder or by an authorized agent acting for the lienholder.
- The release of lien space located on the backside of the old Dexigraph type titles issued prior to March 1968 must be dated and signed by the lienholder or by an agent authorized by the lienholder. The lienholder's name must be shown if the lien is in the name of a company, firm, or corporation.
- When one firm takes over another firm, they may release liens or transact business in their name by signing as "Successor to (other firm)" or as "Formerly (other firm)."
- In the event a joint (dual) lien is to be released, a different agent must sign for each lienholder, unless authority is attached for one agent to sign for both lienholders.

- If the recorded lienholder is an individual who is deceased and there is no administration on the estate, an Affidavit of Heirship must be attached to the transaction.
- An agent signing for a company, firm, association, or corporation is not required to attach evidence of authority to a release. If the recorded lienholder is deceased, proper authority, such as Letters of Administration, etc., must be attached authorizing the signature. If there has been action against a company, firm, association, or corporation caused by "Operation of Law," proper authority for the agent to sign must be attached to the transaction.
- A release of lien is only acceptable if signed in ink.
- If a lienholder's name is recorded in error on a Texas title, the lien may be released, and/or an application for corrected title filed, provided an affidavit is attached from the lienholder stating that they are the correct lienholder and there is no such lienholder as that recorded on the certificate of title. In addition, a copy of the security agreement must be attached to the transaction.
- A first lien may be released and a second lien carried forward or a second lien may be released and a first lien carried forward.
- All releases of lien must show an individual's or agent's signature. Initials are not acceptable.
- An out of state lienholder may release their lien recorded on a Texas title in the same manner as a Texas lienholder; or the lien may be released by letter or by company paid stamp, dated and countersigned. A prescribed release of lien form from their home state is also acceptable.

Owner Assigns Vehicles to Lienholders

No release of lien is necessary if the owner assigns the vehicle to the lienholder.

- In the case of two (dual) lienholders, a release of lien is not required from the second lienholder if the first lienholder repossesses the vehicle. If the repossession is by the second lienholder, a release of lien from the first lienholder is required.
- If a vehicle is repossessed under a recorded lien, a release of lien is not necessary, provided the Repossession Affidavit shows the same title number, as the surrendered title. The transaction should not be rejected for a release of lien. If, however, the lien is released, the release does not invalidate the transaction.
- If the lien upon which the repossession is based is not recorded on the title or on other evidence, no release of lien is necessary, but a certified copy of the security agreement and a repossession affidavit is required. The Texas title must be in the name of the person from whom the vehicle was repossessed or surrender of the title properly assigned to such person. The title must be secured in the name of the lienholder before further transfer.

- If a lien is held against a motor vehicle by joint lienholders, both of the lienholders may repossess; but when one of the joint lienholders repossesses, the other must release his interest, title must be assigned to him, or he shall transfer his equity to the lienholder repossessing.
- If the owner assigns the title to one of the joint lienholders, a release is required from the other.

Out of State Liens

No general rule can be set to govern the release of liens on out of state evidence. The procedure necessary for releasing out of state liens differs, in most cases, from state to state. Unless the release of lien falls under one of the following methods, it is not acceptable.

- If an out of state title provides a space for release of lien, it may be used if properly completed. Generally, it requires the lienholder's name, agent's signature, and date.
- Any out of state prescribed release of lien form, properly completed is acceptable. A lien filing receipt, properly released, is also acceptable.
- The owner(s) may assign the out of state title to the lienholder. This constitutes a release.
- Releases of lien by a state's lien recording agency (for filing security agreements) are acceptable. In this case, either the recording agency or the lienholder may release the lien.
- Liens may be released on the face of out of state evidence showing the word "Paid" or "Lien Satisfied" (stamped or written followed by name of lienholder, countersigned or initialed by an agent, and dated.
- Original or copies of original security agreements are acceptable as releases of lien if they are stamped "Paid" or "Lien Satisfied" with a company paid stamp. The stamped release must include the name of the lienholder, countersigned or initialed by an agent and dated. A written "Paid Statement" followed by the company's name is also acceptable.
- A signed and dated company letterhead, stating the lien has been paid is acceptable if the release contains the title/document number, the description of vehicle, or the lien information.
- When an out of state title has a lien recorded in favor of a motor company and in care of (c/o or %) a finance company, the lien may be released by either the motor or finance company.

The notation “in care of” (c/o or %) on an application for Texas title signifies a mailing addresses. If a lienholder is recorded on a Texas title as:

Last Bank of California
% Union Bank of El Paso
P. O. Box 123
El Paso, Texas 79900
The lienholder is the Last Bank of California; and the release must be executed by the Last Bank of California.

- Altered lien information on any surrendered evidence requires a release from the original lienholder or a statement from the proper authority of that state verifying the correct lien information.
- Liens released by the use of perforated paid stamps are not acceptable such as used on Florida titles.

Transfers of Equity

A release of lien is not required from the original lienholder when a transfer of equity is attached.

Manufacturer’s Certificate

A lien noted on a manufacturer’s certificate may be released by the use of a company paid stamp (must be dated and countersigned) or such release may be written. In either case, initials are not acceptable.

Court Orders

Releasing a recorded lien is a drastic measure; therefore, a court order may not be construed as having cleared all liens unless: (a) stated, (b) orders a car sold free of all liens and encumbrances, or (c) the recorded lienholder is made a party to the suit. In other words, one cannot assume a lien has been cleared and evidence must be attached indicating that the lienholder’s interest has been taken into consideration by the court. Court orders of the type stated above usually occur in settlement of estates, divorce proceedings, or cases when the lienholder is a party to the suit.

Liens Over Six Years Old

Transportation Code Section 501.116

The department may cancel a discharged lien that has been recorded on a certificate of title for six years or more if the recorded lienholder:

(1) does not exist; or

(2) cannot be located for the owner to obtain a release of the lien.

If a lien has been recorded on a Texas title for six years or more and the lienholder cannot be located to obtain a release of lien, a statement of fact by the owner (person to whom title was issued) may be accepted. The statement of fact must state, “lien has been paid, and lienholder cannot be located.” If the negotiable Texas Certificate of Title has been lost or if it was never received from the lienholder, the above statement of fact must support an application for corrected title filed in the name of the recorded owner in order to clear the lien. A record of ownership must be established in the owner’s name before the department can issue title and indicate that the lien has been recorded for at least six years.

A tax collector hearing, bonded title or court order would be necessary to clear a lien less than six years old if the owner cannot locate the lienholder.

Electronic Lien Title (ELT)

Transportation Code Section 501.117

(a) The department by rule shall develop a system under which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on a certificate of title. Participation by a lienholder in the system is voluntary.

(b) The department shall publish and distribute procedures for using the system to county assessor-collectors and to financial institutions and other potential motor vehicle lienholders.

(c) The provisions of this chapter relating to perfecting, assigning, discharging, and canceling a security interest in a motor vehicle by record maintained on a certificate of title do not apply to the extent the security interest is governed by rules adopted under this section.

The establishment of an electronic title system for lienholders removes the administrative burden placed on a lienholder in the processing, filing, and storage of paper titles. The ELT process suppresses the printing and mailing of paper certificates of title until the lien is paid off. The official certificate of title is an electronic title record held in the Registration and Title Systems' (RTS) database until a request for a paper title is received. Participation in ELT is optional for lienholders and owners.

Definitions

e-Title

e-Title is a title record that is held in an electronic status, which includes a title record with an electronic lien. e-Titles support only one lien entry. A paper title is not printed.

e-Lienholder or e-Title Lienholder

A financial institution which is certified and approved to submit ELT transactions.

Certified Lienholder

A financial institution whose official name and address have been certified by the department and is accessible in RTS to all counties for non-electronic title records. A certified lienholder may also be approved to be an e-Lienholder in order to submit ELT transactions.

Local Lienholder

A lienholder record created in RTS by a county for their local use in entering non-electronic title records.

ELT Lienholder Certification

To be approved to participate in the ELT program, each financial institution must:

- have the technical expertise to provide File Transfer Protocol (FTP) internet file transfers and database updates or have a vendor who will provide these services for them.
- successfully complete technical validation testing.
- approve and sign an ELT service level agreement (SLA) which documents the responsibilities of both parties.

The ELT program requires that most communication between the department and the e-Lienholder concerning the status of an e-Title be accomplished over the internet by way of FTP file transfers. Most financial institutions will contract with independent vendors that provide internet electronic file transfers for a variety of clients. Validation testing of the department's technical requirements must be successfully completed to make sure the specifications follow AAMVA's file structure standards.

The service level agreement provides the financial institution, their vendor, and the department with a contract that describes the responsibilities of each signee.

The process and forms necessary to apply to TxDMV to become an ELT certified lienholder can be found on TxDMV's web site at www.txdmv.gov/.

ELT Vendor Approval

A vendor, providing electronic data transfers for ELT lienholders, must meet TxDMV's technical specifications to participate in the ELT program. The process and forms necessary to apply to TxDMV to become a vendor for ELT lienholders can be found on TxDMV's web site at www.txdmv.gov/.

Application for an Electronic Lien Title

An *Application for a Certificate of title*, **Form 130-U** filed with the county tax assessor-collector can include only one security interest (lien) if an electronic lien title is requested. If multiple lienholders are required then a paper certificate of title must be issued.

The basic application process for an electronic lien title is no different than for a paper certificate of title with a lien. Two additional fields on the application must be completed in order to make a valid request for an electronic lien title.

- Check "YES" for Electronic Title Request?
- Enter the 11 digit Certified Lienholder ID No.

The county tax assessor-collector should select "ETITLE" in the Lien Entry screen to access ELT Certified Lienholders.

New ELT Remarks

The motor vehicle record remarks field now accommodates two new remarks associated with ELT.

- E-Title (Paperless Title)
- Paper Title (Printed Title)

Types of ELT Transactions

Point of Sale (county tax assessor-collector):

- Recording liens on new title applications
- Corrected title applications
- Correct rejected title applications

Electronic Data Transmissions

The electronic data transmissions occurring between TxDMV and ELT Lienholders include:

- Message to lienholder that title was issued and lien has been perfected
- Release of lien from lienholder - automatically creates a new e-Title record with no lien
- Notification of errors
- Release of lien from lienholder and request to mail title to third party (dealer pay-off due to trade-in) automatically creates a new title record without a lien and mails title to dealer, insurance company, etc.

  If previous lienholder does not submit their release correctly, the new lienholder should add their lien to the motor vehicle record by submitting to the owner's county of residence:

  - **Form 130-U**, completed and signed by the recorded owner

- The standard fee of $28 or $33

The County then should attach verification of record (a vehicle inquiry) to show the e-Title record, and may require $2 from customer.

Obtaining a Printed Title

Owners

An owner has two options to obtain a printed title after the lien has been paid off:

1. Obtain an original Certificate of Title by submitting form **VTR 130-U** to their local county tax assessor-collector's office along with a standard fee of $28 or $33.
2. Obtain a Certified Copy of the title by mail or walk-in by submitting form **VTR-34** and identification to one of the department's VTR regional offices. There will be a standard fee of $2 or $5.45.

Lienholders

A lienholder or vendor submits form **VTR-302** by mail, fax or email. The VTR regional office then issues a CCO.

Note: VTR regional offices can issue a CCO with a paper release of lien when the vehicle record is ELT.

Lienholders will also have the option of submitting a VTR-34 to a VTR regional office to obtain a printed title on the spot for the standard $5.45 fee.

Chapter 13

Vehicle Identification Numbers

This chapter contains the following sections:

- Definitions
- Motor Numbers
- Serial Numbers
- Motorcycles and Motor Scooters
- House Trailers, Trailers, and Semitrailers
- Vehicle Identification Number (VIN) Quick Reference
- Assignment of Identification Number by Department
- Rightful Owner / Right of Possession
- Reassigned Vehicle Identification Number (VIN)
- Recovered Out-of-State Stolen Vehicles
- Justice of the Peace (JP) Orders
- Tax Assessor-collector Hearing Orders
- Assigned Vehicle Identification Numbers (TEX Prefix Numbers)
- Homemade/Shopmade House Trailers, (HT Prefix Numbers) Trailers, and Semitrailers (TR Prefix Numbers)
- Assignment of Serial Number by Department
- Assigned Serial Numbers for “Homemade” House Travel Trailers and Semitrailers
- Number Assigned by Another State
- Seized and Forfeited Vehicles
- Exempt Agency Vehicles
- Cancellation of Assigned Number
- Assigned Equipment Numbers
- Placement of Serial Number With Intent to Change Identity
- Reassigned Numbers
- Assigned Numbers
- Assigned Component Part Numbers
- Motor Number Required for Vehicle Registration; Penalty
- Application for Motor Number Record; Penalty
- Presentation of Motor Number Receipt Required; Penalty
- Violation by County Assessor-collector; Penalty

Definitions

Transportation Code Section 501.002 (12) (18)

(12) "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle.

(18) "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A) the manufacturer's permanent vehicle identification number;

(B) a derivative number of the manufacturer's permanent vehicle identification number;

(C) the motor number; or

(D) the vehicle identification number assigned by the department.

All motor vehicles, house trailers, trailers, and semitrailers required to be titled under the provisions of the Certificate of Title Act, are required to have an identification number affixed to or imprinted on the vehicle.

1955 and Prior Vehicles

On 1955 and prior model motor vehicles registered and titled in Texas, the motor number is the principal means of identification, except Ford products manufactured since March 31, 1932. Motor numbers are die stamped on the engine blocks. Raised or die cast numbers are part numbers and should be disregarded.

Beginning with the 1956 model motor vehicles, the serial number of the body or frame is the principal means of identification and known as the "vehicle identification number (VIN)". The words "permanent identification number" and "serial number" are sometimes used to refer to the official VIN.

1968 and Later Vehicles

Effective with all 1968 American manufactured passenger vehicles, the VIN was required to be visible through the left side of the windshield (driver's side). Effective September 1, 1981, all over the road vehicles manufactured in the United States, or manufactured for import into the United States with a gross vehicle weight of 10,000 pounds or less, were required to have the VIN visible through the left side of the windshield.

1981 and Later Vehicles

Effective with 1981-year model vehicles, the National Highway Traffic Safety Administration, Department of Transportation, required manufacturers selling vehicles in the United States to produce the vehicles with a 17-character VIN. This standard establishes a fixed VIN format with unique manufacturer identifiers and applies to all passenger cars, multi purpose passenger vehicles, trucks, buses, incomplete vehicles, and motorcycles.

Manufacturer's VIN

The VIN which is stamped or affixed on the vehicle by the manufacturer and which appears on the Manufacturer's Certificate of Origin is the number recognized by the department as the VIN for title and registration purposes.

1995 and Later GM Vehicles

Effective November 1995, the VIN of all General Motors Corporation (GM) non-saleable vehicles, which is a prototype or pilot, whether full 17-character VIN or VIN-derivatives of nine characters, ends in the letters "EX" instead of numeric characters. This distinguishes non-saleable GM vehicles from other GM vehicles, which are saleable. The "EX" in the last two positions of the VIN derivative of a GM vehicle is a signal that the vehicle is not to be sold, registered, or titled.

Strikeovers

Strikeovers on the application for title or *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax*, **Form VTR-500-RTS**, or **VTR-31-RTS**, which leave any doubt as to the legibility of any digit in the VIN number should not be accepted.

Prefixes and Suffixes

Prefixes and suffixes are required to prevent the duplication of numbers; and a prefix, a suffix, or both must be shown on all motor numbers starting with the 1946 models (on 1940 and later international trucks) and on all VINs starting with 1956 models when the vehicle manufacturer has used them. (The prefixes on international trucks are usually found above the basic motor number.) If a Texas title has been issued in error by omitting any part of the prefix or by completely omitting the prefix or the suffix of a motor or VIN, refer to Chapter 7, "Corrections" for correction procedures.

Motor Numbers

The motor number is recognized as the identifying number on all Ford products manufactured prior to March 31, 1932; and, if necessary, an assigned number may be issued by the department. The frame or body serial number is recognized as the identifying number on Ford products manufactured after that date, except as listed below:

- Most Ford vehicles manufactured in a foreign country have a motor number stamped on the block, and for models prior to1956, this number should be shown on the application for title.
- “Jeeps” manufactured by the Ford Company have a motor number stamped on the block that is different from the number on the frame. This motor number should be shown on the application for title. Since these vehicles were manufactured prior to 1946, the prefix “GP” or “GPA” is not required unless there is a duplication of basic motor numbers.

Serial Numbers

On 1956 and later model motor vehicles (1949 and later model Ford products), the serial number of the body is recognized as the vehicle identification number (VIN), except for Cadillacs and Volkswagens.

The serial number of the frame is the principal means of identification on all Ford products manufactured from March 31, 1932, through the 1948-year models and on all 1956 through 1967-year model Cadillacs. Volkswagen Beetle models have a serial number located on the floor pan (frame), and such number is the VIN on all 1956 and later models. On all 1956 and later Volkswagens, other than the Beetle models, the serial number of the body is the vehicle identification number.

The serial number is the principal means of identification on all model house trailers, trailers, and semitrailers.

Motorcycles and Motor Scooters

The use of either the motor number or frame number (serial number) was acceptable as the identifying number on 1970 and prior year model motorcycles and motor scooter-type vehicles; however, beginning with 1971 and subsequent year model motorcycles and motor scooters, the serial number of the frame is recognized as the legal identifying number.

House Trailers, Trailers, and Semitrailers

Serial Numbers

The principal means of identification for house (travel) trailers, trailers and semitrailers is the serial number. All house (travel) trailers, trailers and semitrailers that are required to be titled must have a serial number.

If a serial number cannot be located on a trailer or semitrailer, the owner must apply on *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, for an assigned serial number from this department as provided in Chapter 14, "Vehicle Types".

Trailers Without Frames

Trailers and semitrailers without frames (usually butane or propane) of the double tank variety which have two different serial numbers (one on each tank) are to be identified for title and registration purposes by the serial number located on the right tank. The right tank is defined as that tank nearest the curb or shoulder of the road, in order that an officer in stopping such a vehicle may inspect the serial number without standing next to the lane of traffic.

Home Made Trailers

Non-titled homemade or shop made trailers, semitrailers, farm trailers, and farm semitrailers are not required to obtain an assigned serial number to be registered. However, owners of these non-titled trailers and semitrailers should be encouraged to obtain an assigned serial number to aid in the identification of their property in the event it is stolen.

Vehicle Identification Number (VIN) Quick Reference

For title and registration purposes, the department recognizes the motor number or the serial number of the body or frame as the principal means of identification of all vehicles registered and titled in this State.

Vehicle Major Component Parts

There are numerous major component parts of a vehicle; however, the three basic component parts of a motor vehicle are the motor, frame, and body. One or more of these component parts may contain a manufacturer's identification number, but the department recognizes only one VIN for title and registration purposes. The following indicates the component part of a motor vehicle upon which the recognized VIN appears and the type ownership evidence necessary to transfer such component part.

Body

The serial number of the body is recognized as the VIN on all 1956 and later model motor vehicles and all 1949 and later model Ford products, and the certificate of title should be used to transfer ownership of a body when it is sold or disposed of (except certain Volkswagens, see below).

Frame

Commercial Vehicles

The serial number of the frame is recognized as the VIN on all commercial vehicles. The certificate of title should be used to transfer ownership of a frame from a commercial vehicle.

Non Commercial Vehicles

The serial number of the frame is recognized as the VIN on all Ford products manufactured from March 31, 1932 through the 1948-year models and on all 1955 through 1967-year model Cadillacs. However, it is not necessary that the certificate of title be used to transfer ownership when these frames are sold or disposed of unless the vehicle from which the frame was removed has been salvaged or destroyed by the owner. The frame of non-commercial vehicle should be sold on a bill of sale.

Volkswagen Beetle

Volkswagen Beetle models have a number located on the floor pan (frame), and this number is recognized as the VIN on all 1956 and later year models. The certificate of title covering such a floor pan (or floor pan and chassis) must remain with the floor pan and be used to transfer ownership. The body of these Volkswagens may be transferred on a bill of sale. Other Volkswagens (not Beetle models) have a body serial number, which is recognized as the VIN. In this case, the certificate of title should remain with the body and be used to transfer ownership.

In the event the certificate of title covering a vehicle body or Volkswagen Beetle floor pan has been surrendered to the department, then such body or Volkswagen floor pan may be sold on a bill of sale. The bill of sale must contain a statement to that effect, and the statement must include the description of the vehicle, title number under which the vehicle was titled, the salvage dealer or the salvage yard inventory number, and date on which the title was surrendered.

Motor

The motor number is recognized as the identifying number on all 1955 and prior model vehicles, except Ford products manufactured since March 31, 1932. However, a certificate of title should not be used to transfer ownership of a motor. The motor of the vehicle should be sold on a bill sale. The title to the vehicle from which the motor was removed should be marked “body only.”

Junked Vehicles

If an individual or business surrenders a title to the department, they mark the records to indicate the vehicle as junked**.** If the component part (body or Volkswagen floor pan, see Volkswagen Beetle) is sold after the title has been surrendered, a *Bill of Sale*, **Form VTR-63**, is acceptable as evidence of ownership. The bill of sale must record the title number and description of vehicle as recorded on the surrendered title. However, if the title record is not marked "junked", the owner must provide the title to support the application.

Assignment of Identification Number by Department

Transportation Code Section 501.033

(a) A person determined by the department or a court to be the owner of a motor vehicle, a part of a motor vehicle, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment that has had the serial number removed, altered, or obliterated may apply to the department for an assigned vehicle identification number.

(b) An application under this section must be on a form prescribed and furnished by the department and accompanied by the certificate of title for the vehicle or other valid evidence of ownership as required by the department if there is no certificate of title.

(c) A fee of $2 must accompany each application under this section to be deposited in the state highway fund.

(d) The assigned number shall be die-stamped or otherwise affixed to the motor vehicle, part or item of equipment at the location and in the manner designated by the department.

(e) If the auto theft unit of a county or municipal law enforcement agency conducts an inspection required by the department under this section, the agency may impose a fee of $40. The county or municipal treasurer shall credit the fee to the general fund of the county or municipality, as applicable, to defray the agency's cost associated with the inspection. The fee shall be waived by the department or agency imposing the fee if the person applying under this section is the current registered owner.

This section provides for the issuance of assigned numbers by the department and further provides that a person who has been determined to be the rightful owner of a motor vehicle or part of a motor vehicle that has had the serial number, the motor number, or the manufacturer's VIN removed, changed, or obliterated must make application to the department for an assigned identification number, within thirty (30) days of such determination. Upon being presented with an application

supported by satisfactory evidence of ownership, the department either reissues the original manufacturer's VIN or issues an assigned VIN, motor number, serial number, or component part number. The fee for the issuance of assigned or reassigned numbers is two dollars ($2.00).

A county or municipal auto theft law enforcement agency may charge a fee of $40 for the inspection. The agency must wave the fee if the person applying for the inspection is the current registered owner.

Rightful Owner / Right of Possession

With reference to the term "rightful owner" as used in this chapter, the applicant is recognized as the rightful owner; and no further determination is needed if the identification number recorded on the evidence of ownership ties in with the true identification number affixed to the vehicle or component part for which the assigned number is applied. This determination, as a general rule, is made by the department through a comparison of the evidence of ownership submitted by the applicant against the assigned number application and the inspection report executed by a law enforcement officer who is a member of one of the following agencies:

- Municipal Police Auto Theft Unit;
- County Sheriff's Department Auto Theft Unit;
- Federal Bureau of Investigation;
- Texas Department of Public Safety Motor Vehicle Theft Services; or
- National Insurance Crime Bureau (NICB) Vehicle Theft Investigators.

The department cannot determine ownership if the identification number shown on the evidence of ownership cannot be tied in with the true identification number on the vehicle or component part. The owner must obtain a court order from a court of competent jurisdiction prove ownership. They must attach the court order to the application to receive an assigned number. A Justice of the Peace can determine right of possession, but not ownership, to a vehicle only in accordance with Chapter 47, Code of Criminal Procedures when the vehicle is alleged stolen.

Reassigned Vehicle Identification Number (VIN)

If a VIN on a Ford product manufactured after March 31, 1932, or on any other 1956 or later year model passenger car, truck, trailer, or semitrailer has been removed, changed, or obliterated, the department reissues the original manufacturer's VIN, provided such number can be verified by a law enforcement officer who is a member of one of the agencies listed below.

Reissue VINs

Application to reissue the original manufacturer's VIN is made on the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, which is a combined application and inspection report. The inspection report must be completed by a law enforcement officer who is a member of one of the following agencies:

- Municipal Police Auto Theft Unit;
- County Sheriff's Department Auto Theft Unit;
- Federal Bureau of Investigation;
- Texas Department of Public Safety Motor Vehicle Theft Services; or
- National Insurance Crime Bureau (NICB) Vehicle Theft Investigators.

Issuance and Installation

If the manufacturer's VIN is verified, the application, evidence of ownership, and the vehicle must be taken to the nearest Vehicle Titles and Registration Division regional office for issuance and installation of the reassigned number. The department affixes a Texas VIN decal bearing the same VIN as originally placed on the vehicle by the manufacturer to the to the left front door post of the vehicle. After the reassigned number has been installed, the owner must sign a *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number,* **Form VTR-68-N**, acknowledging that the reassigned number was actually installed on the vehicle.

Trailers

For trailers, semitrailers, and house (travel) trailers on which the manufacturer's serial number has been removed, changed, or obliterated, the applicant must take the completed *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, $2.00 fee, and the trailer, semitrailer, or house (travel) trailer to the nearest VTR regional office. On trailers and semitrailers, affix the reassigned VIN decal to the permanent part of the trailer on the lower front right side. On house (travel) trailers, affix the reassigned VIN decal on the right front of the frame, on an open part and in an accessible place, which extends beyond the body.

Missing VINs

When a vehicle does not have a valid manufacturer's VIN, the county tax assessor-collector is not authorized to accept an application for title and/or registration until an identifying number has been reissued or assigned by this department.

Title Implications

Correction of the title is not necessary when the original manufacturer's VIN is reissued by the department. However, if the evidence of ownership to the vehicle is assigned to the applicant, an application for title must be filed after the reassigned number is installed by the department.

Recovered Out-of-State Stolen Vehicles

When an out-of-state stolen vehicle with a fraudulent VIN is recovered in Texas, the incorrect VIN must be removed. To assist in law enforcement efforts, an assigned or reassigned VIN may be issued to a stolen vehicle that is recovered in Texas, regardless of whether or not the rightful owner of the vehicle is a Texas resident. The law enforcement agency removes the fraudulent VIN and applies to a magistrate to declare the recovered vehicle stolen and to issue an order requiring its return to the rightful owner (under Chapter 47, Code of Criminal Procedure).

Law enforcement completes and submits an *Application for Assigned or Reassigned Number*, **Form VTR-68-A** to the regional office. The regional office then issues the assigned or reassigned VIN at no charge to the law enforcement agency. The regional office provides a *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N** and a copy of the completed **Form VTR-68-A** to the submitting law enforcement agency. Disposition of the assigned or reassigned VIN, forms, recovered vehicle, etc. is at the discretion of the law enforcement agency.

Justice of the Peace (JP) Orders

When a JP or Municipal Judge holds an examining trial to determine the proper disposition of property, which has been alleged as stolen, the JP or Municipal Judge may issue an order to release the property to the person determined to be the rightful owner. A JP or Municipal Judge may determine ownership of a vehicle when transferred under an operation of law. A JP or Municipal Judge order is acceptable to support application for certificate of title. However, any order from a JP or Municipal Judge must specify that the order confers ownership, not just possession, of the vehicle, before it may be titled.

A JP or Municipal Judge Order issued in accordance with Article 47.01a(b), Code of Criminal Procedures, which orders a vehicle delivered to a government agency is acceptable for that agency to obtain a certificate of title and Exempt license plates.

Tax Assessor-collector Hearing Orders

Tax assessor-collector hearing orders are acceptable for issuance of assigned numbers.

Assigned Vehicle Identification Numbers (TEX Prefix Numbers)

Texas Assigned Vehicle Identification Numbers (TEX Prefix Numbers) are issued for 1956 and later model motor vehicles and for Ford products manufactured since March 31, 1932. The numbers are affixed to vehicles on which no identification numbers are ever affixed by the manufacturers; or the original manufacturer's VIN has been removed, changed, or obliterated; and the true identification number cannot be verified.

TEX Prefix Numbers may be issued provided ownership is determined in the name of the applicant. Such numbers are also issued for all assembled vehicles that require assigned numbers and for motorcycles. Assigned VINs consist of the prefix “TEX” followed by six digits and are die-stamped on the vehicle in a location prescribed by the department.

Altered Manufacturer's VIN

If the manufacturer's VIN has been removed, changed, or obliterated and the true identity of the vehicle cannot be determined by the inspecting officer, the owner must obtain a court order or Tax Collector's Hearing Order to establish ownership.

Application

Applications for assigned vehicle identification numbers (TEX Prefix Numbers) must be made on an *Application for Assigned or Reassigned Number*, **Form VTR-68-A**. The inspection report section on this form must be completed by a law enforcement officer who is a member of one of the following agencies:

- Municipal Police Auto Theft Unit;
- County Sheriff's Department Auto Theft Unit;
- Federal Bureau of Investigation (FBI);
- Texas Department of Public Safety Motor Vehicle Theft Services; or
- National Insurance Crime Bureau (NICB) Vehicle Theft Investigators.

Completion of the form by a member of one of these agencies insures uniformity of the inspection process and that only trained Auto Theft Investigators certify the authenticity of inspected vehicles.

The *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, together with evidence establishing ownership, or a copy of a court order establishing ownership in the applicant's name, plus a $2.00 fee may be either mailed or submitted in person to the nearest VTR regional office.

Approval and Installation

Upon approval of the application, the regional office provides the applicant a *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**, a copy of the approved **Form VTR-68-A,** and return the evidence that the applicant provided with the **Form VTR-68-A**.

The assigned number as shown on the **Form VTR-68-N** is die-stamped on the vehicle as follows:

1. The number should be die-stamped on the left front door post of the vehicle.
2. If the left front door post is inaccessible due to the construction of the vehicle, as in the case of some assembled or stripped down vehicles, the number is die-stamped on a portion of the frame forward of the passenger compartment on the driver's side of the vehicle.
3. If the vehicle is a Volkswagen or if a Volkswagen floor pan was used in the vehicle construction, the assigned number is die-stamped on the frame tunnel in the vicinity where the manufacturer's VIN was located.
4. If an assigned number is issued to a motorcycle, the number is die-stamped on the frame down tube near the steering head on the left or right side.

Note: An assigned number may not be die-stamped in the space where the original number appeared.

Application For Title

After the assigned number has been die-stamped on the vehicle, the owner must sign the **Form VTR-68-N** and contact the county tax assessor-collector to file an application for title. The completed **Form VTR-68-N,** a copy of the approved **Form 68-A,** and evidence establishing ownership to the vehicle must support the application for title.

Homemade/Shopmade House Trailers, (HT Prefix Numbers) Trailers, and Semitrailers (TR Prefix Numbers)

All homemade or shopmade house (travel) trailers, and homemade or shopmade trailers or semitrailers that are required to be titled must be issued an assigned serial number.

Assigned serial numbers may also be issued for non-titled homemade or shopmade trailers, semitrailers, farm trailers and farm semitrailers if the owner chooses to have an assigned serial number issued. These include:

- trailers that have an empty weight of 4,000 lbs. or less
- semitrailers that have a gross weight of 4,000 lbs. or less
- farm trailers or farm semitrailers that have a gross weight of 34,000 lbs. or less

Note: The owner of a farm semitrailer (not a farm trailer) that has a gross weight of over 4,000 lbs. and not more than 34,000 lbs. may be issued a title if the owner so chooses. An assigned serial number would be required in order to issue a title in this case.

Assignment of Serial Number by Department

Transportation Code Section 501.032

(a) On proper application, the department shall assign a serial number to a house trailer, a trailer or semitrailer that has a gross vehicle weight that exceeds 4,000 pounds, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment on which:

(1) a serial number was not die-stamped by the manufacturer; or

(2) the serial number die-stamped by the manufacturer has been lost, removed, or obliterated.

(b) The applicant shall die-stamp the assigned serial number at the place designated by the department on the house trailer, trailer, semitrailer, or equipment.

(c) The manufacturer's serial number or the serial number assigned by the department shall be affixed on the carriage or axle part of the house trailer, trailer, or semitrailer. The department shall use the number as the major identification of the vehicle in the issuance of a certificate of title.

Serial Numbers - The principal means of identification for house (travel) trailers, trailers and semitrailers is the serial number. All house (travel trailers and trailers and semitrailers which are required to be titled must have a serial number.

If a serial number cannot be located on a house (travel) trailer, trailer or semitrailer, the owner must apply on the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, for an assigned serial number from this department.

For trailers, semitrailers, and house (travel) trailers on which the manufacturer’s serial number has been removed, changed, or obliterated, the applicant takes the completed *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, $2.00 fee, and the trailer, semitrailer, or house (travel) trailer to the nearest VTR regional office.

If a reassigned serial number is issued to a:

- Trailer or semitrailer affix the reassigned VIN decal to the permanent part of the trailer on the lower front right side.
- House (travel) trailer affix the reassigned VIN decal on the right front of the frame, on an open part and in an accessible place, which extends beyond the body.

Assigned Serial Numbers for “Homemade” House Travel Trailers and Semitrailers

Assigned serial numbers shall be issued for homemade or shopmade house (travel) trailers and homemade or shopmade trailers and semitrailers that are required to be titled.

Note: Assigned serial numbers may also be issued for non-titled, homemade or shopmade trailers, semitrailers, farm trailers, and semitrailers if the owner chooses to have an assigned serial number issued.

Application

Application for an assigned serial number for a house (travel) trailer, trailer, or semitrailer must be made on the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**. The inspection report on the application must be completed by a law enforcement officer who is a member of one of the following agencies:

- Municipal Police Auto Theft Unit;
- County Sheriff’s Department Auto Theft Unit;
- Federal Bureau of Investigation;
- Texas Department of Public Safety Motor Vehicle Theft Services; or
- National Insurance Crime Bureau (NICB) Vehicle Theft Investigators.

A photograph of “shopmade” and “homemade” trailers, semitrailers, and house trailers is required to support the **Form VTR-68-A**.

The application, together with a $2.00 fee and evidence of ownership, may be either mailed or submitted in person to the nearest VTR regional office. A Tax Collector’s Hearing or court order establishing ownership in the applicant's name is required to support the application when the manufacturer's serial number has been removed, changed, or obliterated and the true identity of the vehicle cannot be determined.

Installation

Upon approval of the application, the department provides a *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**, indicating the assigned number to the applicant.

- Assigned **h**ouse trailer serial numbers have an “HT” prefix followed by six digits. These assigned numbers must be die stamped in an accessible place on the frame that extends beyond the house trailer body.
- Assigned serial numbers for trailers and semitrailers have a “R” prefix followed by six digits. These assigned serial numbers must be die stamped on the right side of a permanent part of the frame forward of the axle or tandem assembly.

After the assigned number has been die-stamped on the vehicle, the **Form VTR-68-N** must be signed by the owner and an application for title should be filed supported by the completed **Form VTR-68-N**, a copy of the approved **Form 68-A** and evidence of ownership for the vehicle.

Number Assigned by Another State

Evidence showing a motor, serial, or VIN assigned by another state may be submitted to support an application for Texas title.

If the vehicle is a Ford product manufactured since March 31, 1932, the frame or body number (not the assigned motor number) must be shown on the application for Texas title. The reason is that assigned numbers issued by some states are stamped on the motor block on Ford products, and Texas recognizes the number on the frame or body on Ford products manufactured since March 31, 1932.

Seized and Forfeited Vehicles

If the manufacturer's identification number has been removed, changed, or obliterated on any vehicle or component part which has been seized and ordered forfeited to the State under the provisions of Transportation Code, Section 501.158 or on any abandoned vehicle taken into custody by a law enforcement agency under the provisions of the Abandoned Motor Vehicle Act, Transportation Code, Section 683.002, an assigned number must be obtained and affixed to the vehicle or component part prior to the sale or disposition of the vehicle or component. The department then issues the selling agency an assigned number at no charge.

Exempt Agency Vehicles

In obtaining an assigned number for a vehicle owned by an exempt agency, the same procedures apply except that no fees are required for the assigned numbers.

Cancellation of Assigned Number

If a person to whom an assigned VIN, motor number, or serial number has been issued finds that the assigned number is unnecessary, the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**, should be returned to the department for cancellation with a statement explaining the reason the number was not used.

Assigned Equipment Numbers

Assigned and Reassigned Equipment Numbers are available for tractors, farm implements, special mobile equipment, and off road construction equipment. The procedure for applying for an assigned or reassigned number for equipment is the same as for other vehicles; however, the department issues no vehicle identification number decal. The applicant must die-stamp the number issued to them by the Vehicle Titles and Registration Division Region Office on the equipment.

Placement of Serial Number With Intent to Change Identity

Transportation Code Section 501.151

(a) A person commits an offense if the person stamps or places a serial number on a vehicle or part of a vehicle with the intent of changing the identity of the vehicle.

(b) It is an affirmative defense to prosecution of an offense under this section that the person acted with respect to a number assigned by:

(1) a vehicle manufacturer and the person was an employee of the manufacturer acting within the course and scope of employment; or

(2) the department, and the person was:

(A) discharging official duties as an agent of the department; or

(B) complying with department rule as an applicant for a serial number assigned by the department.

(c) An offense under this section is a felony of the third degree.

Reassigned Numbers

Correction of title is not necessary when the original manufacturer's vehicle identification number (VIN) is reissued or reassigned by the department. However, if the evidence of ownership to the vehicle is assigned to the applicant, an application for title must be filed with the applicant's county tax assessor-collector after the reassigned number is installed by the department.

Assigned Numbers

When an assigned vehicle identification number serial number, or motor number which constitutes the motor vehicle identification number VIN of a particular vehicle, has been placed on the vehicle and the *Notice of Assigned Number or Installation or Reassigned Vehicle Identification Number*, **Form VTR-68-N**, has been properly completed, an application for corrected title must be filed with the applicant's county tax assessor-collector. The application for title should record the new number assigned by the department. The following evidence must support the application:

- The *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**, (properly completed) must be attached to the transaction. If the applicant has lost the **Form VTR-68-N**, a certification of the assigned number should be obtained from the department and attached to the application. The department charges the usual inquiry and certification fees for the certification of a number.
- Copy of the approved **Form 68-A.**
- Proper **e**vidence of ownership covering the vehicle must be submitted with the transaction. (Texas title, out of state title, registration receipt from non-title state, court order, bills of sale, affidavit of ownership, etc.)
- The current Texas registration receipt must be attached.
- In the event the application is supported by out of state evidence, an *Out-of-state Identification Certificate*, **Form VI-30**, issued by a State appointed Safety Inspection Station must be attached verifying that the assigned number was placed on the vehicle.
- If the vehicle is a “Rebuilt,” “Assembled,” or “Strip down” then additional evidence is required, such as a photograph or *Rebuilt Vehicle Statement*, **Form VTR-61**.

Assigned Component Part Numbers

Correction of title is not necessary when an assigned component part number is issued unless the identifying number on such component part is the VIN of a particular vehicle.

Motor Number Required for Vehicle Registration; Penalty

Transportation Code Section 520.011

(a) A person may not apply to the county tax assessor-collector for the registration of a motor vehicle from which the original motor number has been removed, erased, or destroyed until the motor vehicle bears the motor number assigned by the department.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine of not less than $50 and not more than $100.

Application for Motor Number Record; Penalty

Transportation Code Section 520.012

(a) To obtain a motor number assigned by the department, the owner of a motor vehicle that has had the original motor number removed, erased, or destroyed must file a sworn application with the department.

(b) The department shall maintain a separate register for recording each motor number assigned by the department. For each motor number assigned by the department, the record must indicate:

(1) the motor number assigned by the department;

(2) the name and address of the owner of the motor vehicle; and

(3) the make, model, and year of manufacture of the motor vehicle.

(c) A person who fails to comply with this section commits an offense. An offense under this subsection is a misdemeanor punishable by a fine of not less than $10 and not more than $100.

Presentation of Motor Number Receipt Required; Penalty

Transportation Code Section 520.013

(a) A person who receives a motor number from the department shall present the receipt received from the department for the assignment of the motor number to the county assessor-collector when the person applies for the registration of the motor vehicle.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine of not less than $10 and not more than $50.

Violation by County Assessor-collector; Penalty

Transportation Code Section 520.014

(a) A county assessor-collector commits an offense if the county assessor-collector knowingly accepts an application for the registration of a motor vehicle that:

(1) has had the original motor number removed, erased, or destroyed; and

(2) does not bear a motor number assigned by the department.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than $10 and not more than $50.

Chapter 14

Vehicle Types

This chapter contains the following sections:

- Definitions
- Multi Purpose Type Vehicles
- Mini-trucks
- Motorcycle
- Moped
- Neighborhood Electric Vehicles
- Farm Tractor/Road Tractor
- Trailer/Semitrailer
- Homemade/Shopmade Trailers or Semitrailers
- Implements of Husbandry
- Farm Trailer/Farm Semitrailer
- Machinery/Permit Vehicle Plates
- Trailer Jockey
- House Trailers
- Park Model Trailers
- Travel Trailers/Camper Trailers
- Mobile Office Trailers
- Motor Homes
- Certificate of Title for Former Military Vehicle
- Exceptions to Financial Responsibility Requirement
- Golf Carts and Other Miniature Type Vehicles
- Off-Highway Use Vehicles and Neighborhood Transportation Devices
- All-Terrain Vehicle (ATV)

Definitions

Transportation Code Section 501.002 (14)

In this chapter:

(14) "Motor vehicle" means:

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a house trailer;

(D) an all-terrain vehicle or a recreational off-highway vehicle, as those terms are defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or

(E) a 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.

Transportation Code Section 502.001 (2) (9) (17)

In this chapter:

(2) "Commercial motor vehicle" means a motor vehicle, other than a motorcycle, designed or used primarily to transport property. The term includes a passenger car reconstructed and used primarily for delivery purposes. The term does not include a passenger car used to deliver the United States mail.

(9) "Light truck" means a commercial motor vehicle that has a manufacturer's rated carrying capacity of one ton or less.

(17) "Passenger car" means a motor vehicle, other than a motorcycle, golf cart, light truck, or bus, designed or used primarily for the transportation of persons.

Multi Purpose Type Vehicles

Multi purpose vehicles, such as Sport Utility Vehicles (SUVs) have the option of registration with either passenger or truck license plates. The body style of this type of vehicle could appear as "Suburban," "Explorer," "4Runner," "Escalade," etc. Refer to the listing of standard codes for body styles for the proper abbreviation of SUVs.

Mini-trucks

Vast numbers of used Japanese mini-trucks and vans (also known as Kei-class vehicles) are being imported into the US primarily as off-road vehicles. Some states allow mini-trucks to operate on roadways as low or slow speed vehicles. VTR does not title or register mini-trucks due the vehicle's lack of compliance with US environmental and safety standards.

Motorcycle

Motorcycle means a motor vehicle, other than a tractor, designed to propel itself with not more than three wheels in contact with the ground.

Title requirements for motorcycles are the same as for other motor vehicles.

Section 501.002 of the Certificate of Title Act excludes motorcycles, motor driven cycles, and mopeds designed for and used exclusively on golf courses from the definition of “motor vehicle.” These vehicles should not be titled**.**

All other motorcycles, except as stated above, are titled regardless of whether or not they require registration.

Enclosed Three Wheeled Motorcycles

Effective September 1, 2009, Section 521.001, Transportation Code, motorcycle definition includes an enclosed three-wheeled passenger vehicle that:

- has a completely enclosed passenger compartment
- a steering wheel
- a seat belt for each vehicle occupant
- a windshield and one or more windshield wipers

Moped

Section 541.201, Transportation Code, defines moped as a motor driven cycle that cannot attain a speed of more than 30 mph for a distance of one mile, an engine which cannot produce more than two brake horsepower, an internal combustion engine with a piston displacement of 50cc or less and connects to a power drive system that does not require the operator to shift gears. A vehicle meeting these criteria and certified as a moped by the Department of Public Safety (DPS) may register and title as a moped. If the vehicle does not appear on the list of certified mopeds, the applicant must contact the DPS to have the moped type added to the approved list. If the vehicle is not a pocket bike or mini motorcycle, as defined in Section 551.301, and meets all federal and state manufacturer requirements, it is a motorcycle.

Effective September 1, 1983, no person other than a dealer may register, sell, trade, or otherwise transfer a moped within this state unless a certificate of title is applied for and issued in the name of the owner.

New

All new mopeds sold on and after September 1, 1983**,** transfer on a Manufacturer's Certificates of Origin (MCO) except those which a dealer had in stock prior to that date and for which the dealer cannot obtain an MCO. Dealers may transfer these on an invoice or bill of sale, provided the bill of sale includes a statement verifying the fact that the vehicle was in the dealer's stock prior to September 1, 1983.

Used

Dealers should transfer used mopeds in a stock prior to September 1, 1983 to purchasers using an *Affidavit of Ownership for a Moped*, **Form VTR-329** and a *Dealer's Reassignment*, **Form VTR-41-A**. Any used mopeds purchased or taken in trade by a dealer on or after September 1, 1983, may transfer to the dealer on an assigned certificate of title that the dealer may then reassign to a retail purchaser.

Transfers

Owners or dealers must obtain a certificate of title in their name before registering a vehicle or transferring it to another owner. The basic evidence of ownership should be one of the following:

- An MCO properly completed and assigned to the applicant.
- An invoice signed by an agent of the company or firm selling the moped. The date of the sale shown on the invoice must be prior to September 1, 1983.
- A bill of sale properly completed by the seller and dated prior to September 1, 1983.
- A previous year's license receipt in the name of the owner as of September 1, 1983.
- In the event none of the above evidence is available, owners should complete an *Affidavit of Ownership for a Moped*, **Form VTR-329** as of September 1, 1983 and the owner should be the person applying for title.

VIN

The frame serial number is the vehicle identification number on all applications for certificate of title covering mopeds. If a moped does not have a serial number die stamped on the frame, owners may obtain an assigned vehicle identification number ("TEX" number) from the department and die-stamp it on the frame prior to title application.

Motorized Bicycles

In the event an individual installs a motor on a bicycle, the DPS must certify the motor before VTR can consider the vehicle a moped. If the motor has been certified, the application for title should show the make as the trade name of the bicycle, or if no trade name: “Assembled” and the frame number should be shown as the vehicle identification number. If an acceptable frame number is not available, owners should obtain an assigned vehicle identification number from the department using *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.

Neighborhood Electric Vehicles

A Neighborhood Electric Vehicle (NEV) is a motor vehicle that:

- is originally manufactured to meet, and meets, the equipment requirements and safety standards established for “low speed vehicles” in Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500)
- has four wheels
- does not have to be powered by electricity (other power sources, such as gasoline, are acceptable)
- is a slow-moving vehicle, being able to attain a speed of more than 20 miles per hour but not more than 35 miles per hour, and
- is not a golf cart (designed by the manufacturer primarily for transporting per-sons on a golf course)

Registration and Title

A NEV is required to be titled in order to be registered for operation on public roads.

A NEV requires the same financial responsibility or liability insurance as a vehicle.

The NEV must meet Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500) for low-speed vehicles.

Neighborhood electric vehicles must be titled with a body style of “NV NHOOD ELEC” and registered as either a truck or a passenger vehicle.

Evidence of Ownership

Acceptable documents for evidence of ownership for neighborhood electric vehicles include Certificates of Title indicating a body style of neighborhood electric vehicle (“NV NHOOD ELEC”) or a Manufacturer's Certificate of Origin with a statement that the vehicle meets Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500).

Some neighborhood electric vehicles in Texas were previously titled with the body style of golf cart (GC) and out-of-state titles may show other body styles. In order to title and register these vehicles as neighborhood electric vehicles ("NV NHOOD ELEC") the vehicle must have a conforming 17-digit VIN. If a vehicle does not meet this criterion it cannot be titled or registered as a neighborhood electric vehicle.

Operation

A neighbor electric vehicle:

- may be operated only on a street or highway for which the posted speed limit is 45 miles per hour or less and is subject to all traffic and other laws applicable to motor vehicles
- may cross a road or street at an intersection where the road or street has a posted speed limit of more that 35 miles per hour
- may not be operated on a street or highway if:
  - the governing body of a county or city determines that prohibiting such operation is necessary in the interest of safety or

The department determines that prohibiting such operation is necessary in the interest of safety.

Farm Tractor/Road Tractor

Owners must title and register farm tractors used for hire to move commodities over the highway and road tractors used to mow the right of way.

Trailer/Semitrailer

The owner (Texas licensed dealer excepted) of any trailer or semitrailer with a gross weight in excess of 4,000 pounds must apply for a Texas Certificate of Title for the vehicle. When a trailer or semitrailer is required to be registered but not titled, the owner of the vehicle should retain the evidence of ownership presented to the county tax office.

Definitions

A trailer is a vehicle that is designed or used to carry a load completely on the trailer's own structure and is drawn by a motor vehicle.

A semitrailer means a vehicle that is designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.

A semitrailer, to be subject to Texas title, should have a gross weight in excess of 4,000 pounds. All semitrailers licensed with “token trailer” plates must be titled, since the gross weight of these vehicles should be in excess of 6,000 pounds to qualify for the plates. When applying for title, the customer should have a weight certificate for trailers and out of state semitrailers. The gross weight of a trailer or semitrailer is the actual weight of the vehicle plus its net carrying capacity.

Serial Numbers

The principal means of identification for trailers and semitrailers is the serial number. All trailers and semitrailers must have a serial number. The owner of a non-titled trailer or semitrailer may choose to obtain an assigned serial number, but it is not required.

Lack of Serial Number

If a serial number is missing on a trailer or semitrailer, the owner should apply for an assigned serial number using an *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.

Frameless Trailers

Trailers and semitrailers without frames (usually butane or propane) of the double tank variety with two different serial numbers (one on each tank) should be identified for title and registration purposes by the serial number located on the right tank. The right tank is that tank nearest the curb or shoulder of the road, so that law enforcement may inspect the serial number without standing in a lane of traffic.

Evidence of Ownership

Evidence of ownership is required for a Texas Certificate of Title for a trailer or semitrailer.

A Manufacturer’s Certificate of Origin (MCO) is required to support the application for title for a new trailer or semitrailer along with the Title Application Receipt. While “secure” MCOs are **not** required for trailers titled in Texas, their use is recommended because some states require “secure” MCOs on title transfers. A weight certificate is required if the trailer’s empty weight is not indicated on the MCO.

A Texas Certificate of Title is required to support an application for title for a used trailer last registered in this state.

Out of State Trailers

Acceptable evidence of ownership on used trailers and semitrailers from out of state is as follows:

- The certificate of title is required for all trailers and semitrailers from title states.

- The registration receipt is required for all trailers and semitrailers from non-title states.
- A weight certificate as certified by a public scale or a commercial vehicle enforcement officer with DPS is required.

Applicants should include an Out-of-state Vehicle Identification Certificate, issued by a state Safety Inspection Station, with each application for Texas title for out of state trailers and semitrailers except as provided in Section 501.030.

Applicants should submit a *"Travel Trailer" or "Park Model Trailer" Verification,* **Form VTR-141**, with applications for title for out of state travel trailers.

Applicants should attach a weight certificate to an application for title to a trailer, and attach a copy of the registration receipt to an application for title to a trailer or semitrailer.

Empty Weight

The space for weight on the application for title should record the **empty weight** of a trailer or semitrailer.

Homemade/Shopmade Trailers or Semitrailers

A homemade or shopmade trailer or semitrailer is required to be titled if the gross weight exceeds 4,000 pounds.

All vehicles requiring a title should have a serial number or VIN, and may require completion of a *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N.**

Titled Homemade Trailers and Semitrailers

Owners should sign the *Prescribed Form for Statement of Fact for Ownership of Homemade Trailer, Semitrailer, or Travel Trailer*, **Form VTR-305-A**. If the trailer is shopmade for the owner to specifications the following should show on or accompany the **Form VTR-305-A**.

- The name of the person building the trailer or semitrailer.
- The make of trailer or semitrailer shown on the application for title as "Homemade."
- The year model of the trailer or semitrailer. The year model is the year it was built.
- A vehicle identification number or an assigned serial number issued by TxDMV with submission of a completed VTR-68-N attached to the transaction.
- A copy of the Title Application Receipt and a weight certificate attached to the transaction.

Non-Titled Homemade Trailers and Semitrailers:

The owner is not required to complete the *Prescribed Form for Statement of Fact for Ownership of Homemade Trailer, Semitrailer, or Travel Trailer,* **Form VTR-305-A**, obtain an assigned serial number, or apply for title if a homemade trailer or semitrailer is exempt from the Certificate of Title Act either by:

- Having a gross weight of equal to or less than 4,000 pounds
- Being used as a vehicle operated solely for the transportation of farm products (not for hire) as provided for under the provisions of Section 502.163

Note: If the vehicle ceases to operate in accordance with provisions of Section 502.163, the owner must obtain title and complete a *Prescribed Form for Statement of Fact for Ownership of Homemade Trailer, Semitrailer, or Travel Trailer,* Form VTR-305-A and submit with application to the tax office. If the applicant is not the original owner, the application for title must also be supported by a bill of sale and an affidavit stating the reason the vehicle was not previously titled, such as this semitrailer was previously registered as a non-titled farm trailer.

Implements of Husbandry

Implements of husbandry means farm implements, machinery, and tools as used in tilling soil, including self-propelled machinery specifically designed or adapted for applying plant food materials or agricultural chemicals but not specifically designed or adapted for the sole purpose of transporting the materials or chemicals. The term does not include a passenger car or truck.

The term “motor vehicle” does not apply to implements of husbandry. They cannot be titled**.**

Farm Trailer/Farm Semitrailer

Farm trailers and farm semitrailers are considered trailers or semitrailers:

- Designed and used primarily as a farm vehicle
- With a gross weight of 34,000 pounds or less.

Farm trailers or farm semitrailers are trailers owned by farmers used exclusively to transport seasonally harvested agricultural products or livestock from the place of production to the place of processing, market, or storage; or farm supplies from the place of loading to the farm; and cannot operate for hire. Trailers owned by a cotton gin and loaned to a farmer to transport products from place of production to place of process (not for hire), fertilizer trailers used to transport fertilizer to the farm and return without charge, and trailers hauling cottonseed between place of supply or storage to farms or place of process and return without charge are considered farm trailers.

Title Requirements

Farm trailers and farm semitrailers are exempt from the Certificate of Title Act. Regardless of the evidence of ownership presented, the owner should retain that evidence.

Note: Owners of farm semitrailers in excess of 4,000 pounds gross weight may apply for title as provided in Transportation Code, Section 501.036 (see Farm Semitrailers).

Registration Requirements

A farm trailer or semitrailer with a gross weight not exceeding 4,000 pounds is exempt from registration, and should be sold by bill of sale. If the purchaser is not a farmer, they should register the vehicle should with regular trailer license plates.

Distinguishing License Plate

A farm trailer or semitrailer with a gross weight in excess of 4,000 pounds but not exceeding 34,000 pounds qualifies for a $5.30 distinguishing license plate. These trailers should be sold on a bill of sale.

Trailer Sales

If a farm trailer or semitrailer in excess of 4,000 pounds is not issued a certificate of title, these trailers may be sold on a bill of sale.

- If sold to a farmer, the $5.30 plate may be transferred by the use of the *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax*, **Form VTR-500-RTS** or **Form VTR-31-RTS**.
- If sold to a non-farmer, the $5.30 plate should be surrendered to the county tax assessor-collector's office and the trailer registered with regular registration. If the trailer requires a title, the purchaser should file an application for title supported by a bill of sale and an affidavit that the trailer was purchased from a farmer. In addition, the purchaser should attach a copy of the Title Application Receipt and, if the vehicle is a full trailer, include a weight certificate.

Farm Semitrailers

Transportation Code, Section 501.036 provides that TxDMV may issue a certificate of title for a farm semitrailer (not a farm trailer) with a gross weight of more than 4,000 pounds if:

- Under Transportation Code, Section 504.504, the farm semitrailer is eligible for registration.
- The owner applies for a certificate of title under Transportation Code, Section 501.023.

- The owner pays the required fees under Transportation Code, Section 501.138. If an application for title is filed, they should surrender the ownership document in support of title issuance.

Titled Semitrailers

Farm semitrailers titled under Transportation Code, Section 501.036, should be transferred by proper assignment of title from the owner to the new owner. If the new owner qualifies for farm plates, they may file an application of title supported by the assigned title. If the owner does not wish to title the farm semitrailer in the owner's name, they only apply for registration.

Trailers In Excess of 34,000 Pounds

Farm trailers and semitrailers in excess of 34,000 pounds:

- Require title
- Require registration

Temporary Additional Weight Receipts

If a semitrailer with a gross weight of 4,000 pounds or less is issued a temporary additional weight receipt for seasonal agricultural products and should this temporary additional weight bring the gross weight of the vehicle above 4,000 pounds, the semitrailer may not be titled as the vehicle would return to its previous status when the temporary additional weight receipt expires.

Machinery/Permit Vehicle Plates

VTR issues the $5.30 distinguishing license plate in lieu of regular registration. Listed below are vehicles eligible for the distinguishing plate. VTR does not title these vehicles. See the Motor Vehicle Registration Manual for more general information.

Machinery Plates are issued to:

- Construction machinery (unconventional vehicles)
- Water well drilling units

Permit plates are issued to:

- Oversize/overweight commercial vehicles, used solely for servicing, cleaning out, and/or drilling oil wells and which, consist in general, of a mast, an engine for power, a draw-works, and a chassis permanently constructed for these purpose or purposes.

- Mobile crane, which is an unladen, self-propelled vehicle constructed as a machine and used solely to raise, shift, or lower heavy weights by means of a projecting, swinging mast with an engine for power on a chassis permanently constructed for these purposes. See “Motor Vehicle Registration Manual” for more information.

Trailer Jockey

A pulling unit with body type Trailer Jockey can be registered as a road tractor with Tractor license plates, or registered with Combination license plates if it is pulling a semitrailer with a gross weight of 6,000 pounds or more. As a prerequisite to title and registration, Trailer Jockeys, or ‘yard dogs,’ must meet the U.S. DOT and Texas safety standards. If the evidence of ownership is a Manufacturer’s Certificate of Origin (MCO), it should be a “secure” form. Also, if the MCO does not list the tonnage, the applicant should present a letter from the manufacturer stating the tonnage before submitting an application for title or registration. VTR also requires proof of insurance in the title applicant’s name unless the vehicle was purchased from a dealer.

House Trailers

House trailer means a trailer designed for human habitation. The term does not include manufactured housing.

Transportation Code, Section 501.002, of the Certificate of Title Act, does not include mobile homes under the definition of “house trailer”. House trailer type vehicles are classified as mobile homes if they are eight body feet or more in width or 40 body feet or more in length (not including the hitch), and are designed to operate as a dwelling with or without a permanent foundation. Mobile homes are excluded from the provisions of the Certificate of Title Act, but are regulated under the Texas Manufactured Housing Standards Act administered by the Texas Department of Housing and Community Affairs.

House trailer type vehicles and camper trailers less than eight body feet in width and less than 40 body feet in length (not including the hitch) are “travel trailers” and owners should register and title them. The term “house trailer” refers to travel trailers that meet the above size criteria.

Park Model Trailers

A “Park Model type” trailer is:

- Built on a single chassis,
- 400 square feet or less when measured at the largest horizontal projections,
- Permanently towable by a light duty truck, and
- Designed primarily not for use as a permanent dwelling

A “Park Model” trailer should register and title as a Travel Trailer regardless of the body style on the Manufacturer’s Certificate of Origin (MCO).

Evidence of Ownership

An application for title on a new “Park Model type” trailer should include a secure MCO and by a *“Travel Trailer” or “Park Model Trailer” Verification,* **Form VTR-141**. An MCO prescribed by the Department of Licensing and Regulation is unacceptable.

Move Permits

Counties should enter “Permit Required to Move” in RTS when a customer submits a title transfer. Counties should label and bundle applications for title on “Park Model” type trailers separately for examination. The notation “PERMIT REQUIRED TO MOVE” appears on the face of the title and all subsequent titles issued.

Travel Trailers/Camper Trailers

All camper trailers, new or used, purchased on and after September 1, 1967, should title as house trailers. VTR issues these vehicles Travel Trailer license plates. See the “Motor Vehicle Registration Manual” for more information.

Definition

For title and registration purposes, a “camper trailer” is defined as one designed for temporary human habitation and which may expand or fold out to form a shelter, the top and sides of which are attached to part of the trailer. Whether the trailer is equipped with items such as beds, icebox, refrigerator, cooking stove, etc., is immaterial. Tent trailers are also included as a camper trailer, if the trailer is a pop-up style.

Utility Trailers

Utility trailers, which are used to transport property, camping equipment, or other items, do not fall within this definition.

Evidence of Ownership

Evidence of ownership necessary to support an application for title should be:

- New camper trailers require a secure MCO prescribed by this department.
- Used camper trailers last registered and titled in Texas as house trailers require an assigned title.

Out of State Trailers

Camper trailers last registered out of state require an assigned title, or if from a non-title state, the last license receipt in the applicant's name or properly assigned.

Mobile Office Trailers

Mobile office trailers, mobile oil field laboratories, and mobile oil field bunkhouses are not designed as a dwelling and, therefore, are not classified as travel trailers or manufactured housing, regardless of size. These vehicles are classified as commercial semitrailers and should be registered and titled appropriately (or display a 72-Hour Permit) if operated upon public streets and highways. If the body style is designated as mobile office, mobile oil field laboratory, or mobile oil field bunkhouse, the weight shown on the certificate of origin is acceptable as the fixed weight of the vehicle for registration purposes. If no weight is shown on the certificate of origin, require a weight certificate. The "1/3 minimum carrying capacity" rule does not apply to these vehicles. Photographs or brochures are not required except in instances when a mobile home has been altered for use as a mobile office, bunkhouse, or laboratory.

Motor Homes

Motor Vehicles adapted or designed for habitation.

Mounted Units

If a camper unit is designed so that it is mounted directly and permanently on the chassis of a vehicle (verified by a photograph of the exterior of the vehicle), owners should register them with passenger plates. The vehicle should be weighed. The vehicle weight should include the weight of the cab, chassis, and camping unit, and should be registered for that weight. The body style should appear as "Motor Home" (abbreviated "MH") on the title and registration receipt.

Converted Trucks and Buses

Used trucks, truck-tractor and buses, which have been reconstructed or converted to contain living quarters, should title as Motor Homes and register with passenger plates. Owners should support the title application with a photograph of the interior and exterior, a weight certificate verifying the gross weight, and a *Rebuilt Vehicle Statement*, **Form VTR-61** explaining the alteration. The make, year model, and vehicle identification number should be the same as that shown on the title covering the truck, truck-tractor or bus.

Note: When the certificate of title is issued for this type of vehicle, the notation "Reconstructed" appears.

Converted Vans

New vans which have been purchased by the recreational vehicle industry and converted for living or camping purposes by the addition of items such as beds, tables, ice boxes, refrigerator, carpet, etc., should title as Motor Homes and register with passenger plates. The make, year model, and vehicle identification number should be the same as that designated on the manufacturer's certificate covering the van. A weight certificate verifying the weight, a photo of the interior, and an affidavit explaining alterations is required to support the transaction.

Note: If the transaction is also accompanied by a second stage manufacturer's certificate from the firm making the conversion, VTR may waive the requirement of a photo and weight certificate. If the weight certificate is waived, the weight of the completed vehicle should be shown on the second stage manufacturer's certificate; and the weight should be greater than the weight shown on the first stage manufacturer's certificate.

Chopped, cutaway, or incomplete vans that are purchased as component parts by the Recreational Vehicle industry and used in the construction of Motor Homes should register with passenger plates and title as "Motor Homes." Manufacturer's certificates from both the first and second stage manufacturers are required. Application for title should record the make and year model as shown on the second-stage manufacturer's certificate that is issued by the manufacturer of the body, and the vehicle identification number should be the same number as designated by the first stage manufacturer. Owners should support the transaction with a photo or pictorial literature describing the vehicle. Also, a weight certificate should accompany the transaction, unless the weight of the completed vehicle is shown on the second stage manufacturer's certificate and the weight is greater than the weight shown on the first stage manufacturer's certificate.

Note: On first and second-stage Manufacturer's Certificate of Origin (MCO): The first-stage MCO need not show a year model. While only the second-stage MCO is required on motor homes, take care to confirm the correct vehicle information.

The first-stage MCO is issued by the manufacturer of the chassis (i.e.: Ford, Chevrolet, GMC, etc.) and title is issued by the VIN assigned on that MCO. The second-stage MCO is issued for the finished product by a different manufacturer (i.e.: Winnebago, Holiday Rambler, Pace Arrow, etc.) and title is issued using the Year, Make and Body Style listed on the second-stage MCO.

However, RTS and DTA include Vehicle Identification Numbering Association (VINA) software that is programmed to read the VIN and automatically populate the Year, Make, and Body Style fields. The VINA program populates the information from the first-stage MCO incorrectly. The record shows chassis information from the first-stage MCO (*Example: 2004; Ford; Chassis*), instead of the final product information from the second-stage MCO (*2005; Winnebago; Motor Home*).

Note: Counties need to confirm the correct Year, Make, and Body Style fields are entered on applications submitted with multi-stage MCOs, including DTA disks.

Definition

"Motor Homes" are self propelled vehicles constructed with built in kitchens, sleeping facilities, etc. The body of a motor home is designed so when attached to the chassis, the body completely envelops or covers the chassis and engine of the motor home vehicle. Vehicles so constructed are registered with passenger license plates. Only one manufacturer's certificate is required, and it should originate from the manufacturer. The manufacturer's certificate lists the make and year model of the body and the vehicle identification number of the chassis. Application for title should record the description of vehicle as it appears on the manufacturer's certificate, and the body style should appear as "Motor Home" (abbreviated "MH"). A photo describing the vehicle is required if the body style is not indicated as "Motor Home" on the "final-stage" Manufacture's Certificate. A weight certificate verifying the gross weight is required only if the weight is not shown on the MCO.

Certificate of Title for Former Military Vehicle

Transportation Code Section 501.035

(a) Notwithstanding any other law, the department shall issue a certificate of title for a former military vehicle that is not registered under the laws of this state if all other requirements for issuance of a certificate of title are met.

(b) In this section, "former military vehicle" has the meaning assigned by Section 504.502.

Exceptions to Financial Responsibility Requirement

Transportation Code Section 601.052

(a) Section 601.051 does not apply to:

(1) the operation of a motor vehicle that:

(A) is a former military vehicle or is at least 25 years old;

(B) is used only for exhibitions, club activities, parades, and other functions of public interest and not for regular transportation; and

(C) for which the owner files with the department an affidavit, signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B);

(2) the operation of a golf cart not required to be registered under Section 502.284; or

(3) a volunteer fire department for the operation of a motor vehicle the title of which is held in the name of a volunteer fire department.

(b) Subsection (a) (3) does not exempt from the requirement of Section 601.051 a person who is operating a vehicle described by that subsection.

(c) In this section:

(1) "Former military vehicle" has the meaning assigned by Section 502.275(o).

(2) "Volunteer fire department" means a company, department, or association that is:

(A) organized in an unincorporated area to answer fire alarms and extinguish fires or to answer fire alarms, extinguish fires, and provide emergency medical services; and

(B) composed of members who:

(i) do not receive compensation; or

(ii) receive only nominal compensation.

Golf Carts and Other Miniature Type Vehicles

Transportation Code, Section 502.001 (7), defines “golf cart” as a motor vehicle designed by the manufacturer primarily for transporting persons on a golf course. Effective September 1, 2009, Transportation Code, Section 551.402, prohibits registration of golf carts regardless of any alteration made to the golf cart. Transportation Code, Section 551.403, allows for use of the golf cart on some public roads. Refer to the Motor Vehicle Registration Manual for additional information.

Title Requirements

As of September 1, 2009, VTR no longer issues titles for golf carts. Any existing title remains valid until the vehicle is sold. An exception for Grayson County under Transportation Code, Section 504.510, allows for the issuance of golf cart license plates. Owners must apply for title to purchase golf cart license plates. A Manufacturer Certificate of Origin, Bill of Sale, or Invoice is acceptable as the ownership evidence.

Identification Numbers

Golf carts should have a valid manufacturer's vehicle identification number or owners should obtain an assigned vehicle identification number from this department. Refer to Chapter 13, “Vehicle Identification Numbers” for information on the assigned number process.

Slow Moving Vehicles

A slow moving vehicle is defined as a vehicle designed to operate at a maximum speed of 25 miles per hour or less. Slow moving vehicles are required by Section 547.001 to display a slow moving vehicle emblem when operated on the public streets. Vehicles required to display the emblem are exempt from the Safety Inspection Act.

Vehicles Capable of Higher than 25 miles per hour

Vehicles designed to operate at speeds in excess of 25 miles per hour do not qualify as slow moving vehicles. These vehicles must pass safety inspection requirements and display an inspection sticker before they can operate legally on the streets and highways. Vehicles in this category which seem questionable as to whether they meet the safety inspection requirements, such as assembled vehicles, strip-down vehicles, etc., cannot be registered or titled unless an Out-of-state Vehicle Identification Certificate issued by a State Safety Inspection Station, VI-30, is submitted in support of the application for title. The Out-of-state Vehicle Identification Certificate ensures that the vehicle registers and titles only when it can operate legally.

Off-Highway Use Vehicles and Neighborhood Transportation Devices

Motorcycles, trail bikes, mini bikes, motor-assisted scooters, mini-motorcycles (gas and/or electric), all-terrain vehicles, recreational off-highway vehicles, personal assistance vehicles and neighborhood transportation devices, etc., designed and equipped for off highway use.

Requirement of Title

Effective September 1, 1975, all off highway motorcycles (non-street legal) which are designed and equipped for racing, trail riding, or other off highway use are required to title (except for neighborhood transportation devices, including most motor-assisted scooters). These vehicles cannot pass the state safety inspection requirements unless modified and cannot register.

Evidence of Ownership

The basic evidence of ownership required with an application for title on an off highway motorcycle is as follows:

- A Manufacturer's Certificate of Origin (MCO) for all new “off-highway” motorcycles sold on or after September 1, 1975.
- A properly assigned certificate of title for a used “off-highway” motorcycle; however, if the motorcycle was owned by the applicant prior to September 1, 1975, any one of the following items may support the application:
  - An MCO completed and assigned to the applicant.
  - An invoice signed by an agent of the company or firm selling the vehicle and dated prior to September 1, 1975.
  - A bill of sale signed by the seller and dated prior to September 1, 1975.
  - If any of the above documents are not available, a *Statement of Fact of Ownership for Motorcycle Designed and Equipped as an “Off-Highway” Vehicle*, **Form VTR-330**, completed by the owner, as of September 1, 1975, if that owner is the person applying for title.
- Any used motorcycle purchased or taken in trade by a dealer on or after September 1, 1975, should transfer to the dealer on an assigned certificate of title. The dealer may then reassign the title to a retail purchaser.

Vehicle Identification Number

The frame serial number is the vehicle identification number on all applications for certificate of title covering motorcycles. If a motorcycle does not have a serial number die stamped on the frame, the owner should obtain an assigned vehicle identification number (“TEX” number) from the department.

The notation “00 EXAM” should appear in the classification on the **Form VTR-31-RTS**, and “NOT REG” should appear in the license number space of the application for title and the **Form VTR-31-RTS**, when a motorcycle or all terrain vehicle is to title but not registered. The department then issues a certificate of title that contains the remark “Off Highway Use Only.”

Motorcycles

Once a motorcycle has been titled as an off highway vehicle without registration, VTR requires an application for corrected title to clear the remark if the vehicle is ever modified in order to register. If a transfer of ownership is involved and a current license number is shown in the license number space on the application for title, the notation “Off Highway Use Only” deletes automatically from the title record. Applicants should include a Vehicle Identification Certificate issued by a Safety Inspection Station and a copy of the current registration receipt with the application for title.

Neighborhood Vehicles

Effective September 1, 2003, the law changed to address new styles of neighborhood transportation, including certain motor-assisted scooters that are not registered or titled. In these instances, either a city or county government has ruling jurisdiction over its roads (primarily for prohibition for their operation). The owner of any electric personal assistive mobility devices, as defined by Transportation Code, Section 551.201, is not required to register this type of device. These devices may only operate on a residential street, roadway or public highway in accordance with Transportation Code, Section 551.202 and local ordinance.

All-Terrain Vehicle (ATV)

All-terrain vehicle means a motor vehicle that is equipped with a saddle type seat for the use of the rider (and a passenger), designed to propel itself with three or more tires in contact with the ground, designed by the manufacturer for off-highway use, and not designed by the manufacturer primarily for farming or lawn care.

House Bill 3849, passed by the 81st Legislative session (2009) eliminated bench or bucket seats from the ATV definition.

Note: The only sections of the law that were repealed are related to registration and the issuance of the ATV sticker. ATVs still require titling and you must continue to process title transactions for them through RTS.

Direct questions concerning ATV operation on public land in Texas to Texas Parks and Wildlife Department “Off Highway Vehicle” section at (512) 389-8917 or to the Web site at: www.tpwd.state.tx.us/spdest/ohv/faq.phtml

Recreational Off-highway Vehicle (ROV)

Recreational off-highway vehicle means a motor vehicle that is not a golf cart, equipped with a non-straddle seat for the use of the rider, (and a passenger) designed to propel itself with four or more tires in contact with the ground, designed by the manufacturer for off-highway use, and not designed by the manufacturer primarily for farming or lawn care. House Bill 2553, passed by the 81st Legislative session (2009), defined the recreational off-highway vehicle.

Definition

Effective September 1, 2009 the definition of “motor vehicle” was amended to include the recreational off-highway vehicle.

Title Requirements

Effective September 1, 1985, no person (other than a dealer) may transfer ownership of an all-terrain vehicle unless a title has been applied for and issued in the name of the owner as of that date.

Effective September 1, 2009, no person (other than a dealer) may transfer ownership of a recreational off-highway vehicle unless a title has been applied for and issued in the name of the owner as of that date.

New ROVs designed for off highway use that are sold on and after September 1, 2009, should transfer on an MCO with the exception of vehicles in a dealer's stock on September 1, 2009. In a case of a vehicle in stock on September 1, 2009 for which a dealer cannot obtain an MCO, the dealer may transfer ownership on an invoice or bill of sale, provided the bill of sale includes a statement verifying that the ROV was in a dealer's stock prior to September 1, 2009. The dealer should then complete the *Recreational Off-Highway Vehicle Statement of Ownership,* **VTR-330**, and a *Dealer's Reassignment of Title for a Motor Vehicle*, **VTR-41-A**. Any used ROVs purchased or taken in trade by a dealer on or after September 1, 2009, should transfer to the dealer on an assigned certificate of title.

As of September 1, 2009, an individual who owns an ROV designed for off-highway use should obtain a certificate of title before the vehicle can transfer to another owner. In these instances, the basic evidence of ownership required to support the title application may be any of the following:

- An MCO properly completed and assigned to the applicant, or
- An invoice dated prior to September 1, 2009, signed by an agent of the company or firm selling the vehicle, or
- A bill of sale dated prior to September 1, 2009, properly signed by the seller, or

- In the event none of the above referenced evidence of ownership is available, *Recreational Off-Highway Vehicle Statement of Ownership*, **VTR-330**, should be completed by the owner as of September 1, 2009, and submitted with application for Texas title.

These off-highway vehicles are not designed by the manufacturer for highway use and are not registered when the owner makes application for a certificate of title. The notation “NOT REG” should appear in the license number space on the *Application for Texas Certificate of Title*, **Form 130-U**, and **Form VTR-31-RTS**. A Texas Certificate of Title issued for a ROV or ATV reflects the remark “Off-Highway Use Only”. An all terrain vehicle or recreational off-highway vehicle, with or without design alterations, may not register for operation on public highways.

Chapter 15

Odometers

This chapter contains the following sections:

- Odometer Disclosure Statement
- Power of Attorney to Transfer Ownership and Disclose Mileage

Odometer Disclosure Statement

Transportation Code Section 501.072

(a) Except as provided by Subsection (c), the seller of a motor vehicle sold in this state shall provide to the buyer, on a form prescribed by the department, a written disclosure of the vehicle's odometer reading at the time of the sale. The form must include space for the signature and printed name of both the seller and buyer.

(b) When application for a certificate of title is made, the owner shall record the current odometer reading on the application. The written disclosure required by Subsection (a) must accompany the application.

(c) An odometer disclosure statement is not required for the sale of a motor vehicle that:

(1) has a manufacturer's rated carrying capacity of more than two tons;

(2) is not self-propelled;

(3) is 10 or more years old;

(4) is sold directly by the manufacturer to an agency of the United States government in conformity with contractual specifications; or

(5) is a new motor vehicle.

Federal Truth in Mileage Act of 1986

In an effort to deter odometer fraud and to protect consumers, the 99th Congress of the United States enacted the Truth in Mileage Act of 1986 (Public Law 99-579) which amended Title IV of the Motor Vehicle Information and Cost Savings Act, 15 U.S.C. 1981-1991. In order to comply with this Act, Federal rules and Texas law, the department revised the *Odometer Disclosure Statement*, **Form VTR-40**, and the odometer disclosures on certificate of titles issued on and after April 29, 1990, to contain the following:

- The odometer reading at the time of transfer, not to include tenths of miles;
- The date of the odometer disclosure statement;
- The signature, hand printed name and current address of the transferor (seller);
- The signature, hand printed name and current address of the transferee (buyer);

Note: The same individual may not sign an Odometer Disclosure Statement as both buyer and seller.

- The vehicle description, including make, model, year, body style, and VIN;
- A statement referring to the Federal and State law advising that failure to complete or providing false information may result in fines and/or imprisonment; and
- A certification completed by the transferor (seller) stating that, to the best of their knowledge, the odometer reading reflects the actual mileage, not actual mileage, or that the actual mileage is in excess of the mechanical limits of the odometer.

Note: The department discontinued the Odometer Disclosure Statement, Form VTR-40 effective January 1, 2011. If there is an actual buyer and seller or the vehicle is exempt, complete the odometer statement on the vehicle assignment. I there is not an actual buyer and seller record odometer information directly on the *Application for Texas Certificate of Title*, Form 130-U

Exempt Vehicles

For vehicles exempt from the odometer disclosure requirements, indicate the word "EXEMPT" in the Odometer Reading block (field 6) on the *Application for Texas Certificate of Title*, **Form 130-U**. Vehicles exempt from the odometer disclosure requirements are:

- A vehicle having a gross vehicle weight rating of more than 16,000 pounds or a vehicle having a manufacturer's rated carrying capacity in excess of two tons;
- A vehicle that is not self propelled;
- A vehicle that is ten model years old or older;
- A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications; and
- A new motor vehicle prior to its transfer to the first retail purchaser.

Note: To determine if a vehicle is 10 model years or older, subtract 10 years from the current calendar year. For example, 2010 – 10 = year 2000. During calendar year 2010, all 2000 and older year model vehicles are exempt from the odometer disclosure requirements.

Title Assignment

If a vehicle is exempt from the odometer disclosure requirements, the purchaser is not required to sign the back of the certificate of title, upon reassignment from the seller. The word "Exempt" should appear in the odometer disclosure portion of the title reassignment and field six on the *Application for Texas Certificate of Title*, **Form 130-U**.

Metric Odometers

If the odometer of a vehicle records kilometers rather than miles, counties should draw a line through "mileage" and insert "kilometers" on the odometer disclosure statement.

Odometer Title Brand

Federal law requires the department to print an odometer brand (ACTUAL MILEAGE, MILEAGE EXCEEDS MECHANICAL LIMITS, or NOT ACTUAL MILEAGE) on all titles issued on applicable vehicles. These brands, when applicable, show as the first brand beneath the word "REMARK(S)."

Texas Titles

The assignments on the reverse side of a Texas Certificate of Title incorporate a statement by the seller as to the vehicle's odometer reading at the time of transfer. All assignment spaces on the Texas Certificate of Title must be completed prior to using the *Dealer Reassignment*, **Form VTR-41-A**. When an application for title is filed, the current odometer reading should also appear in the proper space on the application. The certificate of title, when issued, records the odometer reading and applicable brand as reflected on the title assignment or on the **Form VTR-41-A**.

Out-of-State Titles

When an owner surrenders an out-of-state title, they should complete the odometer disclosure statement on the reassignment unless the vehicle is exempt. In cases involving the surrender of an out of state title and no transfer of ownership the title applicant should record the current odometer reading in field 6 of the *Application for Texas Certificate of Title*, **Form 130-U**, and indicate in field 18 whether the mileage disclosed is actual, not actual, or exceeds mechanical limits. In addition, the current odometer reading at the time of the safety and VIN inspection should appear on the *Out-of-State Vehicle Identification Certificate*, **Form VI-30** by the inspector. In some instances, a vehicle identification certificate may have been obtained before or after the completion of an application for title on an out of state vehicle. If the

mileage recorded on an *Out-of-State Vehicle Identification Certificate* is significantly different from the title application, the transaction is acceptable. However, it should be placed in a Special Handling envelope for further examination.

Manufacturer's Certificate of Origin

An odometer disclosure statement is required when a new vehicle is transferred to the first retail purchaser. The odometer disclosure provided for this first retail transaction must comply with the Truth in Mileage Act requirements. The buyer should acknowledge the odometer disclosure. The disclosure may be provided by completing a conforming odometer disclosure statement on the Manufacturer's Statement of Origin (if applicable), on a separate odometer disclosure statement or in field 18 of **Form 130-U**. This applies regardless of whether or not the Manufacturer's Certificate of Origin contains an odometer disclosure statement.

"Operation of Law" Title Transfers

An odometer disclosure statement is required on applications for title involving an actual seller and an actual buyer. Unless the vehicle is exempt, the odometer statement must appear on the title assignment.

It is not necessary for transactions to include a completed odometer statement when there is not an actual buyer and seller. Transactions such as tax collector hearings or court orders do not require an odometer disclosure statement from the county tax assessor-collector or the court. However, the person awarded ownership of the vehicle must complete the odometer reading in field 6 of the *Application For Title*, **Form 130-U**, and indicate whether the reading is actual, not actual, exceeds mechanical limits, or exempt, in field 18.

Unrecovered Stolen Vehicles

When an application for title is filed by an insurance company on an unrecovered stolen vehicle, the odometer reading from the previous title should carry forward. Unless there is other evidence in the transaction to the contrary, the mileage disclosed should appear as the actual mileage.

Applications for Registration Purposes Only

The title applicant must note the current odometer reading on the application for title, **Form 130-U**, and indicate whether the reading is actual, not actual, exceeds mechanical limits or exempt.

Salvage Titles

When filing an application for title for a rebuilt salvage vehicle, unless the vehicle is exempt, the seller must complete the odometer statement of the assignment of title and the buyer must acknowledge it. The mileage indicated on the disclosure statement must also appear on the *Application for Certificate of Title*, **Form 130-U.**

US Government Certificate to Obtain Title to a Vehicle, Form 97

The odometer disclosure on **Form 97** is acceptable provided the disclosure includes the printed names of the person(s) signing as the seller's representative and as the buyer.

Corrected Title Transactions

In the case of an application for corrected title, either the current or the previously recorded odometer reading is acceptable. In addition, the title applicant must indicate whether the mileage is actual, not actual, or exceeds mechanical limits on the application for title, **Form** 130-U.

Vehicles Having No Odometers

Indicate the word "EXEMPT" in the Odometer Reading block of the application for title, **Form 130-U** and title reassignment, for assembled vehicles, dune buggies, golf carts, antique vehicles, motorcycles and mopeds, etc., which are self propelled but do not have odometers.

Note: If the vehicle is not exempt from odometer requirements; (Refer to Exempt Vehicles) when processing the transaction through RTS, input the odometer reading as "000001" and indicate "Not Actual Mileage" in order for the system to accept the transaction.

Broken or Inoperable Odometers

When an odometer disclosure statement contains a notation that the odometer is broken or inoperable, or that the electronic odometer displays "ERROR," the odometer reading cannot appear as actual mileage. The odometer disclosure statement must indicate that the odometer reading is NOT the actual mileage. If an odometer reading appears on the disclosure statement, it should also appear on the application for title. However, if a reading is not shown on the odometer disclosure statement, indicate six zeros (000000) on the *Application for Title*, **Form 130-U**.

Note: When processing the transaction through RTS, input the odometer reading as "000001" since the system does not accept an odometer reading of "000000."

Repaired or Replaced Odometers

Note: There are no restrictions or guidelines as to who has the authority to repair or replace a malfunctioning odometer.

When an odometer is serviced, repaired, or replaced, the owner should maintain proper records of the repair or replacement in order to avoid any type of problem or civil liability relating to the repair or replacement.

If the mileage does not remain the same (actual mileage cannot be determined), the odometer should be reset to zero. The owner or agent of the owner is also required to attach a written notice to the left door frame of the vehicle specifying the mileage before the service, repair, or replacement and the date of the service, repair, or replacement.

When the vehicle is subsequently transferred, it is the responsibility of the seller to indicate the odometer reading. The odometer brand certification is always **Not Actual**.

Odometer Discrepancies

If it appears conforming odometer disclosure statement on a Texas or an out-of-state title has been altered, the transaction should be rejected for a Statement of Fact from the seller and buyer explaining the alteration. If the odometer reading appears to have been altered, the seller must complete another statement of fact that includes the requirements of the Federal Truth in Mileage Act. (See Federal Truth in Mileage Act of 1986), odometer disclosure statement showing the correct odometer reading and indicate whether the mileage is actual, not actual, or exceeds mechanical limits. The buyer (title applicant) must acknowledge this disclosure statement. An alteration of the odometer reading on a secure *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, or a *Power of Attorney for Transfer of Ownership to a Motor Vehicle*, **Form VTR-271-A**, may be corrected by completing another of the appropriate forms. Correct obvious errors by drawing a line through the error and completing a Statement of Fact, from the seller explaining the alteration. The buyer then acknowledges the correction.

Odometer Errors on a Certificate of Title

If the department is responsible for making an error in the odometer reading or title brand on a certificate of title, the department issues a corrected title at no charge. The recorded owner or lienholder should submit a request to the department for a "no charge" corrected title, which clearly indicates the error or errors, along with the incorrect negotiable title document.

However, if the department is not responsible for the error the owner of the vehicle must file an application for a corrected title with the county tax assessor-collector. The correct odometer reading and certification must appear on the title assignment. Additionally, applicants should complete fields 6, 17 and 18 of the application. The application should be supported by the current Texas Certificate of Title, a statement of fact from the seller (previous owner indicated on title) or transferor that made the error stating the correct mileage and/or certification and acknowledged by the purchaser (owner indicated on the title), and the applicable title fee.

Letter Preceding Numbers in Odometer Field

The odometer field should consist of numbers only. Any transaction that includes a printed letter in the odometer reading is not acceptable unless a Statement of Fact signed by the seller and title applicant to verify the correct odometer reading appears.

Title Application Fails to Record an Odometer Reading

If the title assignment fails to record an odometer reading, the transaction must be rejected unless the vehicle is exempt or involves no change in ownership or an unrecovered stolen vehicle in which cases the odometer reading and certification can remain as currently recorded.

Exempt Agencies

The odometer requirements apply to exempt agencies.

Power of Attorney to Transfer Ownership and Disclose Mileage

The secure *Power of Attorney for Transfer of Ownership to a Motor Vehicle,* **Form VTR-271-A**, may be used when issued to Texas licensed motor vehicle dealers, salvage dealers, and insurance companies. Use this form when the title to be transferred is a Texas Certificate of Title issued on or after April 30, 1990, and is physically held by a lienholder or the title has been lost. When a dealer or insurance company, buys or takes as a trade-in, a motor vehicle from an owner who does not have the title for either of these reasons and does not wish to return to the purchaser to complete the odometer disclosure statement and title assignment, this form should be completed.

Part A

Both the seller and the buyer must complete Part A. Both the original and the duplicate power of attorney should contain original signatures.

When the certificate of title is received, the buyer should exercise the authority granted him by the seller by completing the assignment and odometer disclosure on the title. Any buyer, other than a dealer, is then required to file an application for title in their name supported by this power of attorney.

Part B

If the dealer retails the motor vehicle before he receives the certificate of title, the purchaser may grant power of attorney to the dealer to complete the purchaser's acknowledgment of the odometer disclosure.

In this instance, the retail purchaser and the dealer should complete Part B of the power of attorney.

Certification

If both Parts A and B are complete, upon receipt of the certificate of title, the dealer must complete Part C.

Unless the sale involves an out-of-state purchaser, the dealer should then file the application for title supported by the secure power of attorney, other required documents, and fees with the county tax assessor-collector as directed by the purchaser on the *County of Title Issuance*, Form VTR-136.

Note: If the vehicle in question is exempt from odometer disclosure, a non-secure power of attorney, *Power of Attorney to Transfer Motor Vehicle,* Form VTR-271, may be used.

Chapter 16

Operation of Law

This chapter contains the following sections listing the various methods of transfer as provided for in the law:

- Transfer of Vehicle
- Scope of Section
- Estates of Decedents
- Bankruptcies
- Trustee
- Receivership
- Judicial Sale
- Repossessions
- Seized and Forfeited Vehicles
- Income Tax Liens
- U.S. Bill of Sale
- Seizure and Sale by Comptroller
- Texas Alcoholic Beverage Code
- Change of Name (Texas Family Code - Chapter 45)
- Divorce Suits
- Judgments and Decrees
- Judicial Declaration of Incompetence
- Rights of Survivorship Ownership Agreement for a Motor Vehicle
- Texas Uniform Gifts or Transfers to Minors Act
- Justice of the Peace (JP) or Municipal Judge Order

Transfer of Vehicle

Transportation Code Section 501.074

(a) The department shall issue a new certificate of title for a motor vehicle registered in this state for which the ownership is transferred by operation of law, including by inheritance, devise or bequest, bankruptcy, receivership, judicial sale, or other involuntary divestiture of ownership after receiving:

(1) a certified copy of the order appointing a temporary administrator or of the probate proceedings;

(2) letters testamentary or letters of administration;

(3) if administration of an estate is not necessary, an affidavit showing that administration is not necessary, identifying all heirs, and including a statement by the heirs of the name in which the certificate shall be issued;

(4) a court order; or

(5) the bill of sale from an officer making a judicial sale.

(b) If a lien is foreclosed by nonjudicial means, the department may issue a new certificate of title in the name of the purchaser at the foreclosure sale on receiving the affidavit of the lienholder of the fact of the nonjudicial foreclosure.

(c) If a constitutional or statutory lien is foreclosed, the department may issue a new certificate of title in the name of the purchaser at the foreclosure sale on receiving:

(1) the affidavit of the lienholder of the fact of the creation of the lien and of the divestiture of title according to law; and

(2) proof of notice as required by Sections 70.004 and 70.006, Property Code.

(d) Notwithstanding the terms of Section 501.005, in the event of a conflict between this section and other law, this section controls.

Scope of Section

This Section covers any type of involuntary transfer or transfer by operation of law (owner will not, or cannot, assign the certificate of title). Divestiture of title (meaning to take title out of the name of an owner) usually cannot be accomplished under the laws discussed in this Section until a certificate of title has first been issued and recorded in Texas.

The original or certified copy of title is not required to transfer ownership based on a Judicial, U.S. Government Agent's, Sheriff's, Constable's, Mechanic's or Storage Lien Bill of Sale or upon an acceptable court order conveying ownership to a vehicle, provided a release of any recorded lien is attached to the transaction, when required.

Note: A release of lien is not required when a vehicle sells to satisfy: (1) a mechanic's lien only, or (2) a non-consent storage foreclosure lien in accordance with the Vehicle Storage Facility Act. Use the *Storage Lien for Licensed Vehicle Storage Facility*, Form VTR 265-VSF, provided to the purchaser at public sale.

Estates of Decedents

This subject includes two types of estates:

- Administration by Executor or Administrator
- No Administration and None Necessary [Probate Code Sec. 45]

Administration by Executor or Administrator

Definitions and Distinctions

- decedent - deceased person
- intestate - no will left
- testate - having left a will
- testator - one who makes and leaves a will
- probate - official proof
- probate court - County Judge sitting in probate (no jury) concerning matters of deceased persons and the various types of guardianship.
- executor - one appointed by a testator to execute the deceased person's will after probate.
- administrator - one appointed by the probate court to administer the estate of an intestate or testate if an executor is not named or does not accept or qualify.

Testate

If a deceased person left a will, the will should be filed for probate or administration within four years from the date of death of testator or decedent. If the will is filed for administration, a court may determine that no administration is necessary. If the court determines that no administration is necessary, the court prepares a document declaring that no administration of the will is necessary.

Letters Testamentary [Probate Code 178(a)]

When a will has been probated, the court will grant Letters Testamentary within twenty days, if permitted by law, to the executor or executors appointed by the will provided the executor or executors are not disqualified and are willing to accept and qualify according to law. A certified copy of Letters Testamentary may be obtained from the clerk of the probate court, or a certification of the "appointment and qualification" by the county clerk is acceptable. A certified copy of a will appointing an executor may be acceptable provided the county clerk states the executor has qualified; otherwise, Letters Testamentary must be attached.

Letters of Administration [Probate Code 178(b)]

The court may grant administration of the estate when a person dies under the following circumstances:

- with out a will
- the will does not name an executor
- the executor has died or has failed to accept and qualify within twenty days after the probate of the will
- the administrator does not present the will for probate within thirty days

The administrator should attach Letters of Administration (or a certification of such by the clerk of the probate court) to any assignment of title it executes.

Administration Not Granted [Probate Code 178(b); 1801]

Grant no administration upon any estate unless there is a necessity that is determined by the court hearing the application. An affidavit of heirship form should state this fact. A will is not considered filed for probate until the probate judge issues such an order.

More than One Executor or Administrator [Probate Code 240 in part]

If there is more than one executor or administrator of the same estate at the same time, the action taken by one of them is as valid as if all had acted jointly. The signature of one of the executors or administrators on an assignment of title with Letters Testamentary or of administration attached is acceptable.

Independent Administration [Probate Code 145]

A person making a will may specify no action in the county court other than the probating and recording of the will and the return of an inventory, appraisement, and list of claims of the estate. The probating of a will of this type, when no administration is necessary, is known as an “independent administration,” and an application for certificate of title to a motor vehicle or transfer of title should be accompanied by one of the following:

- A copy of the will certified by the clerk of the probate or county court that the will was probated as an “independent administration”.
- A certificate of the clerk of the probate court verifying the name of the beneficiary in compliance with the will that was filed as an “independent administration”.
- A copy of the probate court's proceedings signed by the county or probate judge or certified to by the clerk of the court. The copy must name the beneficiaries; otherwise, a copy of the will must also be attached.
- A copy of the probate court's order, certified by the clerk of the court, admitting a will to probate as an “independent administration”.

Note: If the independent administration fails to name a sole beneficiary of the motor vehicle, then all heirs or beneficiaries named in the will must sign the application for title or sign any transfer of title. These heirs may grant a power of attorney to an agent to sign for them, but one of the above listed instruments establishing the independent administration must support the transaction. If the will indicates that an Executor or Executrix has been appointed, that person may sign for all heirs.

Muniment of Title [Probate Code 89A]

The court may find there is no necessity for administration of an estate, and admit a will (whether or not the written will is found) to probate as a muniment of title. The order admitting the will constitutes sufficient authority to transfer title. One of the following should accompany an application for certificate of title to a motor vehicle or transfer of title:

- A copy of the will certified by the clerk of the probate or county court that the will was admitted as a “muniment of title.”
- A certificate of the clerk of the probate court verifying the name of the beneficiary in compliance with the will that was admitted as a “muniment of title.”
- A copy of the probate court's proceedings signed by the county or probate judge or certified to by the clerk of the court. The copy must name the beneficiaries; otherwise, a copy of the will must also be attached.
- A copy of the probate court's order, certified by the clerk of the court, admitting a will to probate as a “muniment of title.”

Note: If the muniment of title fails to name a sole beneficiary of the motor vehicle, then all heirs or beneficiaries named in the will or the court's order must sign the application for title or sign any transfer of title. These heirs may grant a power of attorney to an agent to sign for them, but one of the above listed instruments establishing the muniment of title must support the transaction.

Executor or Administrator not to Purchase [Probate Code 352]

With a few exceptions, an executor or administrator may not purchase any property of the estate. If the executor or administrator does become the purchaser, only persons interested in the estate may complain by court action (not to the department), and the county judge then rules on the validity of the sale. Therefore, VTR will not reject an application for title to a motor vehicle in the name of an executor or administrator because the application is not in the name of the estate.

Summary Court Officer as Administrator - A certified copy of the Summary Court Order directing the officer appointed by the court to dispose of a deceased military man's property is acceptable as lawful authority for the officer to sign for the deceased person.

Guardians for minors, etc. [Probate Code 645 and 676]

Where there are minors, or incapacitated persons, having no guardian in this state who are entitled to a portion of an estate, or whose guardians also have an interest in the estate, the court appoints a guardian to represent them.

If an executor or administrator transfers title of a vehicle to a minor – the minor's guardian should sign the application for the minor and attach letters of guardianship.

Certificate of Title Lost - Deceased Owner

If a Texas certificate of title in the name of the deceased owner has been lost and the department has a record of the title, it is not necessary for a copy of the title to be obtained if the title applicant is an heir that signs the heirship affidavit or is named in the operation of law proceedings (letters testamentary). If the owner is not an heir, then a bill of sale is necessary.

When a Texas certificate of title lists two owners and one owner is deceased, it is not necessary for a copy of the title to be obtained, if the title applicant is an heir that signs the heirship affidavit or is named in the operation of law proceedings (letters testamentary). If the surviving owner is not an heir, then a bill of sale is necessary.

If an out-of-state title is involved, owner and lienholder verification from that state is required. If the applicant is unable to obtain the verification due to privacy laws in the other state, the options available to obtain Texas title are as follows:

- Pursue a “TAC Hearing” or a “Bonded title”, if they meet the requirements of Transportation Code, §501.052
- Obtain title in the other state, prior to transferring to Texas.
- Pursue litigation through a court of competent jurisdiction.

If the estate of the deceased was probated and an executor or administrator was appointed, that person may transfer ownership of the vehicle using a bill of sale and attaching evidence of their appointment by the probate court. If the title record or the out-of-state verification shows a lien, a release of lien must be attached.

If the deceased did not leave a will and the title has been lost, a certified copy of the title is not required. However, if the title record or the out-of-state verification shows a lien, a release of lien is required. An *Affidavit of Heirship for a Motor Vehicle*, **Form VTR-262** may support an application for a new title.

A copy of the title is not needed with any application filed by the person awarded the vehicle by the will probated as a muniment of title. If the title record shows a lien, a release of lien is required.

If no record of title or registration can be located in the department's records on a Texas titled vehicle, the individual(s) authorized to sign for the estate of the deceased owner may complete a *Verification of Ownership,* **Form VTR-268** along with satisfactory evidence of ownership (Refer to Chapter 24, "Certified Copies"). In this case, evidence of legal authority to sign, such as Letters of Administration, Letters Testamentary, Probate Proceedings (also Muniment of Title), or an *Affidavit of Heirship* must be attached.

Note: VTR may issue a certified copy of title in the name of a deceased owner, if needed to transfer out of state.

Certificate of Title Lost (Deceased Lienholder)

If the lienholder is deceased, it is not necessary for a certified copy of title to be issued. However, a certified copy of title can be issued if the executor or heirs of the estate request a certified copy of title in order to sell, release the lien, or repossess the vehicle. In such instances, the administrator or executor of the deceased lienholders estate (or by all heirs if no administration) must complete the *Application for a Certified Copy of a Texas Certificate of Title*, **Form VTR-34** and lawful authority (Letters of Administration, Letters Testamentary, Heirship Affidavit, etc.) must be attached to the application for certified copy of title.

Title is required if the titled owner is selling the vehicle.

If the owner of record has paid off the lien, then the title is required. In this instance the administrator or executor of the deceased lienholder's estate (or by all heirs if no administration) must complete the **VTR-34**. They should attach all evidence of lawful authority (Letters of Administration or Testamentary, Heirship Affidavit, etc.) to the application for CCO.

If a vehicle is titled in two individual's names and one passes away, the surviving heir of the deceased must provide either an Heirship Affidavit or Letters of Testamentary and reassign the original title or provide a Bill of Sale naming the new purchaser/owner of the vehicle.

The above applies to a vehicle titled in a husband and wife's name. The surviving spouse (even if sole heir) must provide a separate reassignment for her part of ownership of the vehicle in addition to an Heirship Affidavit or Letters of Testamentary.

If the wife is not the sole heir the multiple heirs should sign the Heirship Affidavit. If all heirs cannot appear before one notary public on the same date, separate acknowledgments may be taken and attached to the form.

Joint Wills and Ownership Changes

It is not necessary for a customer to provide an affidavit of heirship when the following scenario takes place.

A husband and wife have joint ownership on one vehicle and the wife has sole ownership of a second vehicle. The couple filed a joint will in which either party would be the sole beneficiary in the event of the other's death. Upon the death of the wife, the husband was the sole beneficiary based on the joint will (not probated).

The husband later drew up a new will in his name appointing an executor. Upon the death of the husband, the will was probated. The executor appointed has the ability to execute the will without the need of an affidavit of heirship for the wife's portion of the estate.

No Administration and None Necessary [Probate Code Sec. 45]

If a person dies intestate (without a will), an application for *Affidavit of Heirship for a Motor Vehicle*, **Form VTR-262**, should be completed marking either no will left, or a will was left but no application for administration has been filed, or a court has determined that no administration is necessary. If the person died intestate, the estate passes down according to the laws of descent and distribution, and the Signature Of Affiants area of **Form VTR-262** should be completed accordingly, as explained in the following scenarios:

- Vehicle owner dies and is survived by spouse only or is survived by spouse and their children**;** therefore, the community property estate of the deceased spouse passes to the surviving spouse, and only that heir must sign.
- Vehicle owner follows spouse in death and is survived only by their children; therefore, the property is distributed to the surviving children, and each must sign as an heir.
- Vehicle owner dies, and the surviving spouse is not the mother or father of the decedent’s surviving children; therefore, one-half of the estate passes to the surviving spouse and the other one-half passes to the surviving children. All must sign as heirs.

Note: Children legally adopted by the deceased qualify for these procedures.

Note: If there is only one surviving heir, the heir must complete the Form VTR-262. Execution by power of attorney is not acceptable.

Affidavit by all Heirs

If a vehicle is being transferred, an *Affidavit of Heirship for a Motor Vehicle*, Form VTR-262, should be completed marking either no will left or no application for administration has been filed or no administration is necessary; or a will was left and a court has determined that no administration is necessary. If an heirship affidavit is used when a court has determined that no administration is necessary, the heirs must attach the original or certified copy of the court document indicating no administration of the will is necessary and the portions of the will which specify that the will is in the deceased owner's name and indicates the name(s) of the heir(s).

An affidavit of all heir(s) giving all facts as mentioned above is acceptable instead of a **Form VTR-262**. If the affidavit does not describe the vehicle, it may be accepted provided title can be established in the name of the deceased; however, if the description is not shown in the affidavit and ownership of the vehicle is being transferred, the assigned title or a bill of sale describing the vehicle must be attached.

If an affidavit of heirship does not specify the name that the vehicle titles in, then all heir(s) must either assign the title or furnish a power of attorney for some person to assign it for them.

If all the heir(s) cannot appear before one notary public on the same date, separate acknowledgments may be taken and attached to the form.

A Texas licensed dealer may reassign a title when the title is assigned to the dealer. If the dealer is designated as the purchaser on an heirship affidavit, the dealer may assign the title or use **Form 41-A**.

An heirship affidavit is used to transfer a vehicle when an estate has been **c**losed by the court and the executor or administrator has been discharged.

When an heirship affidavit is used to transfer a vehicle when a minor heir is involved, guardianship papers must be attached.

If the lienholder recorded on a title is deceased and the estate has not been probated and there is no need for administration on the estate, but a release of lien or a certified copy of title (CCO) is required, an affidavit of heirship can be executed by the heir(s) instead of a release of lien, provided the *Affidavit of Heirship for a Motor Vehicle*, **Form VTR-262** is marked "issued free and clear of liens". This form may be submitted with an *Application for a Certified Copy of a Texas Certificate of Title*, **Form VTR-34**, to request a certified copy original title; and it may be submitted with a title application as a release of lien.

Affidavit of Heirship(s) by Disinterested Person(s)

When a person dies intestate (without a will), no application for administration has been filed, and there is no necessity for administration, then an *Affidavit of Heirship for a Motor Vehicle*, **Form VTR-262**, completed by a disinterested person or persons is acceptable. The heirship affidavit must state that:

- the vehicle owner of record is deceased
- the deceased left no will
- there was no administration upon the estate and no administration is necessary
- that the heir(s) named are all the heir(s) at law.

However, a disinterested person cannot name the person the title issues to. Only the surviving heir(s) may do this. If an affidavit of heirship by a disinterested person or persons is used, all heir(s) must execute a transfer of ownership or grant a power of attorney authorizing a specific person to execute the transfer for them. Transfer of ownership may be by assignment of title or by separate bill of sale.

Minor Heirs

No person may sign for a minor heir without being appointed (by the county court) guardian of the estate of such minor. The guardian of a minor continues in office unless discharged according to law until the minor dies or becomes eighteen (18) years of age or marries. A guardian signing for the estate of a minor should show the word “guardian” adjacent to their signature or show the name of the minor immediately above their countersignature or both. Evidence of the appointment as guardian of the minor's estate should be attached to any document signed by the guardian.

If no inheritance is involved and title is desired in the name of a minor, then the name of owner should be shown. For example, John Doe, Jr. (minor) and the signature of owner: John Smith (guardian).

When there is an inheritance involved, only a legally appointed guardian may sign for a minor heir’s estate unless written authorization from the court is attached. A minor may sign for himself provided no inheritance is involved.

Small Estates [Probate Code 137]

Distribution of “Small Estates” may be made by affidavit by the distributee of the estate under certain conditions if no petition for the appointment of a personal representative is pending or has been granted, more than 30 days has elapsed since the death of the decedent, and the value of the entire assets of the estate does not exceed an amount set by statute. Such affidavit must be approved by the judge having jurisdiction and recorded in the “Small Estates” records by the clerk of the court. A copy of the affidavit, certified by the court clerk, must accompany the title transaction. The application for title must be in the names of the distributee, as

shown on the affidavit; or the distributee may execute an assignment and designate to who title will issue. If a distributee is a minor, the court must designate someone to sign for the minor; in which case, guardianship papers or written authorization from the court must be attached.

Note: A decedent whose assets do not warrant the minimum eligibility under the Small Estates statute must follow the Affidavit by all Heirs procedure.

Bankruptcies

Bankruptcy is a legal procedure for dealing with debt problems of individuals and businesses; specifically, a case filed under one of the chapters of title 11 of the United States Code (the Bankruptcy Code). Bankruptcy laws help people who can no longer pay their creditors get a fresh start by liquidating their assets to pay their debts, or by creating a repayment plan.

A Trustee is a representative of the bankruptcy estate who exercises statutory powers, principally for the benefit of the unsecured creditors, under the general supervision of the court and the direct supervision of the U.S. trustee or bankruptcy administrator. The trustee's responsibilities include reviewing the debtor's petition and schedules and bringing actions against creditors or the debtor to recover property of the bankruptcy estate. In Chapter 7, “Corrections” the trustee **l**iquidates property of the estate, and makes distributions to creditors.

Any person signing as a “Trustee In Bankruptcy” on a title application or a title assignment must attach verification from the U.S. Bankruptcy Court that the individual has been appointed trustee.

Recorded Lien

The evidence of appointment should support an assignment of title or bill of sale by the trustee or receiver in bankruptcy.

If the ownership of the vehicle has been established as a matter of Texas record in the name of the bankrupt, the title does not have to be surrendered with an application to transfer title. However, if ownership of the vehicle is from out-of-state the title or current verification of title must be attached.

A release of any recorded lien must be submitted in support of the application if the title is not surrendered or if the lienholder's name cannot be tied in to the bankruptcy proceedings. A release of lien is not required if the lienholder is recorded as a secured creditor and part of the Bankruptcy proceedings.

Bank Liquidations

When the Federal Deposit Insurance Corporation (FDIC) or Deposit Insurance Fund (DIF) liquidates a bank or savings and loan association, the FDIC or DIF may sign as "successor to" a bank or savings and loan association on any release of lien, *Application for a Certified Copy of a Texas Certificate of Title*, **Form VTR-34**, or repossession affidavit. No evidence of authority is required to accompany the document.

Trustee

A trustee is one who manages property or money for another. A trustee may sign title transfer documents without attaching evidence of their appointment as the trustee; provided they do not sign as "Trustee of an Estate," "Trustee in Bankruptcy," "Trustee of a Trust," or "Trustee for a Minor."

Trusts

Titles may indicate that the vehicle is covered by a trust agreement. The most common term is the notation of "Living Trust." Generally, the purpose of such a trust is to avoid probate on the assets placed in the trust. Legal title to the assets is transferred to the trust, but the beneficiaries of the trust may have the use of those assets during the life of the trust. One of those beneficiaries may be the trustee. Typically, upon the death of the trustee(s), the trust terminates, and the assets of the trust pass to the beneficiaries (known as "remaindermen").

In some cases, upon the death of the original trustee, the trust agreement may provide that a successor trustee distribute the assets of the trust to the beneficiaries. Distribution of the assets by the successor trustee terminates the trust.

Transferring a Title to a Trust

The procedure for transferring a title to a trust is as follows:

1. The assignment of title on the current title must be completed to transfer the vehicle to the trust. The name of the purchaser on the assignment should be the name of the trust that is to be recorded on the title. For example, if the title is in the name of John and Mary Doe and title is to be issued in the name of John and Mary Doe Living Trust, John and Mary Doe should execute the assignment of title and show the purchaser as John and Mary Doe Living Trust.

2. The trustee must sign an application for title in the name of the trust as shown on the title assignment. The properly assigned title must be surrendered with the application when it is filed with the county tax assessor-collector's office and a properly completed original or certified copy of an Affidavit of Trust or a Statement of Fact for a Trust.

3. The name of the owner on the title application should be the same as the name of purchaser as shown on the title assignment. In this example, the name would be the John and Mary Doe Living Trust.

Transferring a Title from a Trust

The procedure for transferring a vehicle out of a trust is as follows:

1. When a vehicle that is titled in the name of a trust is transferred, the assignment of title must be completed by the trustee or by a properly appointed successor trustee. A properly completed original or certified copy of the Affidavit of Trust or a Statement of Fact for a Trust must be filed with the title transaction.
2. If the successor trustee executes the assignment of title due to the death of the trustee, a copy of the trustee's death certificate must accompany the documents referred to in step 1 above.
3. If the trustee is alive but unable to act, and the trust agreement makes no provision for the resignation of the trustee and the designation of a successor trustee, then a court (usually a district court) must be petitioned to appoint a successor trustee. If the court appoints a successor trustee, the court issues an order to that effect. A certified copy of the order must accompany the documents referred to in step1 above.
4. If no successor trustee is named, the beneficiary receives the assets of the trust. The documents referred to in step1 above and the trustee's death certificate must accompany the application for title. The application for title must be in the name of the beneficiary. The title does not need to be assigned.

Receivership

Receivership is a type of bankruptcy a company enters into when a receiver is appointed by bankruptcy courts or creditors to run the company. The responsibility of the receiver is to ensure as much debt is paid back to creditors as possible. Often receivers find that the best way to pay back loans is to liquidate the company's assets.

Like an “administrator of an estate” and a “trustee in bankruptcy,” a receiver is under bond for the protection of those interested in the property in receivership against unlawful acts of the receiver. An order of sale from the court is not required to apply for title, but an order of the court verifying the appointment of the receiver is necessary (written verification by the county clerk is acceptable). The order of appointment usually describes the property to be taken into the receiver's possession.

Ordinarily, the sale of a vehicle involved in receivership is performed by the receiver; but the sheriff may also sell the vehicle when ordered by the court. In this case, the purchaser must acquire a sheriff's bill of sale to apply for title. If a lien is recorded on the title, a release of that lien must be attached to any new application unless the court has ordered that the vehicle be sold free of lien and, if so, a copy of the order must be attached. If the title is not in the name of the person, company, firm, or corporation whose property is in receivership, then the title should be assigned to them.

Judicial Sale

A judicial sale is one by order, decree, or judgment of any court directing a sheriff or constable to sell at public sale property of a defendant, the proceeds of which to be returned by said sheriff or constable to the court or to the plaintiff as the order may direct.

A sheriff or constable cannot sell a vehicle at public sale without an order by a court of competent jurisdiction except under authority of the Texas Abandoned Motor Vehicle Act. Refer to Chapter 22, “Abandoned Vehicles”).

A sheriff's or constable's bill of sale (usually a printed form) is not always sufficient evidence for a purchaser to obtain a title. The bill of sale should:

- refer to the court and court order number
- correctly describe the property being sold
- provide the names of the parties to the suit, and
- provide the name and address of the purchaser as explained under the subject of receivership above, the owner and lienholder as recorded on the current title must be shown on the bill of sale or court order as a party to the suit or the title must be properly assigned and attached to the title application. If a lien is recorded on the outstanding title, a release of the lien must be attached.

A copy of the court order authorizing the sale of a vehicle should be required if the sheriff's or constable's bill of sale does not furnish sufficient information as outlined above, especially if the parties to the suit do not “tie in” with the owner and/or lienholder as recorded on the current title. In addition, if there is no record of Texas title, a copy of the court order is required. If the vehicle was last registered out-of-state, an *Out-of-state Identification Certificate*, **Form VI-30**, and verification of title and lien information from the out-of-state motor vehicle authorities are required.

The purchaser, shown on a judicial bill of sale, must title in their name before transferring ownership, unless the purchaser is a Texas licensed dealer in which case the dealer may transfer the vehicle by executing the *Dealer’s Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**.

When a judgment has been awarded in favor of a plaintiff, the court may issue a Writ of Execution directing a sheriff or constable to sell property belonging to the defendant to satisfy the judgment. A title transaction supported by a Writ of Execution must also be supported by a sheriff's or constable's bill of sale, which meets the requirements outlined above.

An involuntary divestiture of ownership occurring out-of-state or Country is governed by the laws of the state or Country in which it occurred; consequently, title should be cleared out-of-state/country before the vehicle may be registered and titled in Texas.

Repossessions

A repossession is a foreclosure by a lienholder under the terms of a lien against a motor vehicle, house trailer, trailer, or semitrailer. The department should never advise anyone that a repossession can or cannot be made. Texas titles laws regarding repossessions are applicable only after the lienholder has foreclosed on the lien and repossessed the vehicle. In some situations, it is necessary for a lienholder to file suit in court to foreclose under his lien.

Required Evidence

The following evidence should support an application for certificate of title resulting from a repossession:

- Texas Titles Evidence
- Out-of-state Evidence
- “Floor Plan” Lien Evidence
- Liquidation of Bank or Savings and Loan Evidence
- Repossession Affidavit Evidence

Texas Titles Evidence

A repossession affidavit as prescribed by the department, *Affidavit for Repossessed Motor Vehicle*, **Form VTR-264**, or a notarized document with the same information as shown on the **Form VTR-264** must be completed by the lienholder or an authorized agent of the lienholder. If an agent is signing for an individual or a deceased person, evidence of that authority (power of attorney, letters testamentary, etc.) must be attached.

The original (or certified copy) title recording the lien and in the name of the person from whom the repossession was made must be assigned by the lienholder to a subsequent purchaser. No assignment of title is necessary if the title issues in the lienholder’s name.

- If the latest title is not in the name of the person from whom the repossession was made, the title must be assigned to that person, and either an application filed in their name recording the lien, or a certified copy of the security agreement attached. The lienholder (dealers included) must title in their name before transferring to a subsequent purchaser.
- If the lien is not recorded on the latest Texas title, the “original” or a “certified copy” of the security agreement must be attached and the titled in the name of the person from whom the repossession was made. The title is not required provided a verification of title record is presented. Lienholders (dealers included) must secure title in their name when repossession is made from a security agreement only on Texas titled vehicles.
- A copy of the current registration receipt must be attached to the title transaction. A recorded lienholder may repossess and transfer an unregistered vehicle; however, the vehicle must be registered when the purchaser files application for title, if applicable. A “Title Only” transaction is not acceptable.
- Valid proof of financial responsibility is required.

Out-of-state Evidence

A vehicle last titled out-of-state, can be repossessed and titled in Texas only under certain conditions. The out-of-state title has to be in the name of, or assigned to, the person from whom the repossession is made. The out-of-state lienholder may assign the title to transfer ownership.

A Texas lienholder recorded on an out-of-state title can assign the title; otherwise, the Texas lienholder must title in their name (same as unrecorded lien) before further transfer can be made.

The negotiable out-of-state evidence of ownership in the name of, or assigned to, the person from whom the repossession is made must be surrendered in support of the application. If the title or registration receipt (if from a non-title state) is not surrendered, the lienholder must repossess out-of-state and obtain a title or registration receipt in the lienholder’s name from that state before transfer in Texas.

If the lienholder is unable to obtain the negotiable out-of-state evidence of ownership, written verification is required from the out-of-state authorities that indicates the recorded owner is either the lienholder or the person from whom the repossession is made and that state does not issue a title or registration receipt (if from a non-title state).

In addition to the above requirements, the following evidence must be attached to the application for Texas title

- Properly assigned out-of-state title or current registration receipt (as stated above).
- Repossession affidavit, either on the *Affidavit for Repossessed Motor Vehicle*, **Form VTR-264**, a notarized document with the same information, or a prescribed repossession affidavit from the state in which the vehicle was last registered.
- An *Out-of-state Identification Certificate*, **Form VI-30.**
- A weight certificate for a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".
- Valid proof of financial responsibility for the vehicle in the applicant's name.

"Floor Plan" Lien Evidence

If the dealer is in default under the terms of the security agreement, the lienholder may repossess and transfer ownership without securing title in the lienholder's name. The following must support an application for title in the name of the purchaser:

- Manufacturer's Certificate of Origin or a certificate of title assigned to the dealership and reassigned to the purchaser by the lienholder.
- *Affidavit for Repossessed Motor Vehicle*, **Form VTR-264**.
- Photocopy of the security agreement or *Secretary of State's Financing Statement* **Form UCC1**. (This type of agreement generally covers all vehicles in a dealer's inventory and does not list individual vehicle identification numbers. Whether or not the security agreement has been filed with the Secretary of State does not affect the foreclosure procedure.)
- Valid proof of financial responsibility for the vehicle in the applicant's name.
- "Title Only" transactions should not be accepted under this repossession

Liquidation of Bank or Savings and Loan Evidence

When liquidating a bank or savings and loan association, the Federal Deposit Insurance Corporation (FDIC) or Deposit Insurance Fund (DIF) may sign as "successor to" a bank or savings and loan association on any repossession affidavit such as an *Affidavit for Repossessed Motor Vehicle*, **Form VTR-264**, on a release of lien such as the *Prescribed Form for Release of Lien*, **Form VTR-266**, or on an *Application for a Certified Copy of a Texas Certificate of Title*, **Form VTR-34**.

Repossession Affidavit Evidence

Any indication of "repossession" in a transaction requires that a "repossession affidavit" support the application.

Writs of Sequestration

A court may issue a Writ of Sequestration directing a sheriff or constable to seize property for the foreclosure of a mortgage or the enforcement of a lien. A title transaction supported by a Writ of Sequestration must also be supported by a sheriff's or constable's bill of sale.

The purchaser as shown on the Sheriff's Bill of Sale must title in their name except:

- When the purchaser is a dealer, the dealer may use a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, or assign the title.
- When the purchaser is the recorded lienholder, the lienholder may transfer ownership by assigning the title.

If a Sheriff's Bill of Sale is attached to an application for title, a repossession affidavit is not required because all writs of sequestration are not issued as a result of a suit being filed for the foreclosure of a mortgage.

On an out-of-state repossession by sequestration, a copy of the security agreement is not required. The out-of-state title (or registration receipt, if from a non title state), the repossession affidavit, the *Out-of-State Identification Certificate*, **Form VI-30**, and the Sheriff's Bill of Sale is sufficient evidence to support the application for Texas title.

Cosigners

When the cosigner of a note on a motor vehicle pays off the note and title is released to him by the lienholder, the following evidence is required if the owner does not assign the title to the cosigner:

- Assignment of the note transferring it from the lienholder to the cosigner. The cosigner may then follow repossession procedures; or
- Obtain a court order awarding title to the cosigner.

Repossession Affidavits

When a lienholder (an individual) repossesses, the repossession affidavit must be signed by the individual, unless a current dealer number appears adjacent to the name. If no dealer number is apparent, a power of attorney must be attached for an agent to sign.

Seized and Forfeited Vehicles

If a state or federal law provides that upon commission of a certain act a “vehicle shall be forfeited” then the ownership of the vehicle transfers to the government. Under State law (Code of Criminal Procedure, Chapter 59), a vehicle seized and forfeited may be disposed (sold, transferred) after the final judgment of forfeiture. All forfeited property is administered by the attorney representing the state, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the attorney representing the state and law enforcement agencies.

If a local agreement has not been executed, the property is sold after the date of the final judgment of forfeiture at public auction under the direction of the county sheriff, after notice of public auction as provided by law for other sheriff's sales.

Proof of Safety Requirements

Proof of compliance with all U.S. safety standards must be filed with the title application for any motor vehicle with a non-USA vehicle identification number that has been seized or forfeited. Such proof may consist of:

- A **DOT Form HS-7**, which indicates that the vehicle complies with all applicable U.S. safety standards and may be titled;
- A Bond Release Letter from the National Highway Traffic Safety Administration (NHTSA) indicating the vehicle has been brought into compliance with all applicable U.S. safety standards and may be titled;
- Verification from a VTR regional office that a DOT Safety Certification Label is affixed to the vehicle;
- Verification (on letterhead) from the manufacturer that the vehicle was manufactured to meet NHTSA safety specifications (vehicle identification number must be shown); or
- Proof that the vehicle was previously titled in another state and therefore, proof of compliance with all applicable U.S. safety standards has been provided.

If a forfeited or seized vehicle is awarded by the courts to a law enforcement agency for their use and the vehicle information indicates the vehicle does not conform to U.S. Safety Standards (i.e., has a non-USA vehicle identification number) the department issues a non-negotiable Registration Purposes Only (RPO) receipt in the name of the law enforcement agency and marks the vehicle record “DOT PROOF REQUIRED.”

Note: These vehicles may not be sold or titled in the United States until sufficient evidence is presented to verify that the vehicle meets or has been brought into compliance with all applicable U.S. safety standards.

Contraband Laws

Under Federal Law, a vehicle used to transport narcotics, firearms, or counterfeit money in violation of the contraband laws may be seized by an officer or agent of the United States Government and the vehicle disposed of according to law.

State laws also provide for the seizure and forfeiture of vehicles to the State of Texas when such vehicles are used in the transportation of contraband narcotics in violation of provisions of the Texas Controlled Substances Act (Health & Safety Code, Title 6, Chapter 481).

- Motor vehicles seized because of a contraband violation may be disposed of by agencies of the federal government on a U. S. Marshal's Bill of Sale.
- The Texas Alcoholic Beverage Commission and the Narcotics Service of the Texas Department of Public Safety, Criminal Law Enforcement Division, have the legal authority to seize motor vehicles carrying contraband and may dispose of these motor vehicles at a public sale by order of court.

Liquor Laws

Every vehicle used in the transportation of liquor in violation of the Internal Revenue Law may be “seized and forfeited” and the vehicle disposed of according to law.

Customs Laws

Any vehicle seized under the provisions of the customs laws may be disposed of according to law.

Income Tax Liens

The federal government may place a lien on the property of a delinquent taxpayer. Such a lien against a motor vehicle is valid whether filed or not. However, an Income Tax Lien does not have priority over a prior lien recorded on a certificate of title, unless it was recorded after the Income Tax Lien was filed. If the evidence reveals a recorded lien, it must be released. When motor vehicles are seized and sold by the IRS to satisfy a tax debt, a **Form 97** is not needed.

An application for title resulting from a sale to satisfy an Income Tax debt must be supported by either:

- A properly assigned title to the buyer; or
- A verification of the ownership from the state of origin.

Note: If verification of the ownership records from the state of origin cannot be obtained, the options available to obtain Texas title are as follows:

- Pursue a “Bonded” title, if they meet the requirements set out in the Transportation Code, §501.053;
- Obtain title in the other state, prior to transferring to Texas; or
- Pursue litigation through a court of competent jurisdiction.

U.S. Bill of Sale

Any vehicle sold under forfeiture proceedings, which meets U.S. safety standards (refer to A and B in this Section), may be titled in this State by the purchaser who must file an application for title supported by a bill of sale from the respective United States Government Officer or Agent (such as a U.S. Marshal or an agent of the U.S. Treasury Dept.). The purchaser must apply for title in their name before selling the vehicle unless the purchaser is a licensed dealer, in which case the dealer may use a **Form VTR-41-A** to reassign.

Any recorded lienholder interested in a motor vehicle seized under the provisions of the above paragraphs should contact the respective U.S. Government Agency relative to filing a claim as provided for by law; however, the filing of a claim would not affect the validity of any sale accomplished under forfeiture proceedings; and a release of lien is not required except in the case of Income Tax Liens.

Seizure and Sale by Comptroller

Chapter 111 of the Tax Code provides for the State Comptroller to seize and sell the property of a person who is delinquent in the payment of their taxes. When a motor vehicle is sold in accordance with this statute, the Comptroller furnishes the purchaser with a bill of sale. The bill of sale should describe the vehicle and the authority under which the vehicle was sold. This bill of sale is acceptable in place of an assigned certificate of title when the purchaser files the application for certificate of title; however, if there is a lien recorded against the vehicle, a release of lien must also accompany the application for title.

Texas Alcoholic Beverage Code

Any vehicle used for the transportation of any illicit beverage may be seized without warrant by any representative of the Texas Alcoholic Beverage Commission or any peace officer who arrests any person involved in the violation. In a suit for forfeiture of the vehicle, if the court finds the state has proved its case, the court may render judgment forfeiting the vehicle to the State and the vehicle may be sold at public or private sale. When the vehicle is sold, a sheriff's or constable's bill of sale or a bill of sale signed by an agent of the commission is sufficient evidence to support an application for title (no release of lien required). If

the State fails to prove that an owner or lienholder knowingly violated some provision of the code, then the court hearing the forfeiture suit may render judgment delivering possession of the vehicle to the party with the highest priority to possession of the vehicle.

Change of Name (Texas Family Code - Chapter 45)

Any adult may file a petition in court in the county of their residence requesting a name change and the court may order a change of name. If a title has been issued in the original name, an application for corrected title should be filed to record the changed name. The original title and a certified copy of the order or decree should be attached. Name changes due to marriage do not require a court order and may be corrected by indicating the new name on the **Form 130-U** when filing for a corrected title.

Divorce Suits

On the final disposition of a divorce suit (or annulment), the court may enter a decree changing the name of either party requesting a name change. An application for corrected title may be filed to correct the name on the title. A copy of the decree is suggested but not required. A statement explaining the name change is sufficient. If the ownership of the car is transferred by the decree from the husband to the wife, or vice versa, an application for transfer of title must be filed and a certified copy of the divorce decree attached.

- The Texas title is not required.
- If the vehicle was last titled in another state, the out-of-state title or verification of title and registration is required. If the applicant is unable to obtain the title or verification from the state in which the vehicle was last titled, the options available to obtain Texas title are as follows:
  - Pursue a “Bonded” title, if they meet the requirements set out in Section 501.053;
  - Obtain title in the other state, prior to transferring to Texas; or
  - Pursue litigation through a court of competent jurisdiction.
- If the title record shows a lien, a release of the lien must be attached to the application. If the lien is carried forward to the new application, the title must be attached.
- The divorce decree should adequately describe the vehicle and the vehicle title record must be in the name of the husband or wife. The person awarded the vehicle is not required to title in his or her name before transferring ownership. If the vehicle is sold, the certificate of title should be assigned to the purchaser with a copy of the divorce decree. However, a Bill of Sale is acceptable when the title is not available.

- Some divorce decrees state that each party shall retain the personal property currently in his or her possession. For example, if the vehicle is titled in the husband's name, but is in the possession of the wife, the outstanding certificate of title must be properly assigned to her; or a copy of the property settlement agreement, which is filed with the court, must be attached verifying that she has possession of the vehicle.
- A property settlement agreement between husband and wife is not acceptable by itself without certified copy of the divorce decree.

Judgments and Decrees

In any civil case, a judgment or decree issued by a Texas court is sufficient evidence for the issuance of a new title, provided:

- The department was made a party to the suit (named as a defendant).
- If there is a recorded lien and the lienholder was made a party to the suit, the title and a release of the lien is not necessary.
- If the recorded lienholder was not a party to the suit, a release of the lien is required.
- A judgment or decree must be the original or Certified as a true and correct copy on file with the County or District Clerk.

Note: An original or certified copy of a divorce decree is acceptable with an electronic judge's signature, if it contains a statement or stamp that the original is signed by the judge or was signed electronically.

Judicial Declaration of Incompetence

If a husband or wife has been judicially declared to be incompetent the other spouse may dispose of community property. A copy of the court order must be attached to a transaction to support the authority of the competent spouse.

Rights of Survivorship Ownership Agreement for a Motor Vehicle

See Chapter 17, "Rights of Survivorship".

Texas Uniform Gifts or Transfers to Minors Act

The following procedure applies when the title holder is transferring a gift to a minor under this Act:

- The title must show the name of custodian, for example,
  Vicki Stevens Custodian for Stacey Smith under T.U.G.M.A. or T.U.T.M.A.
- The custodian named in the title assignment must complete the application for title.

- The name of owner on the application may not exceed the space limitations available for the name of owner (two 30 character print lines).
- When the title is assigned VTR requires no authorization for the custodian to sign documents relating to the title transaction.
- After title has been issued, the custodian named on the title must accomplish a title transfer involving this vehicle unless there is a court order appointing someone else to act as custodian for the minor.

Justice of the Peace (JP) or Municipal Judge Order

When a JP or Municipal Judge holds an examining trial to determine the proper disposition of property, which has been alleged as stolen, the JP or Municipal Judge may issue an order to release the property to the person determined to be the rightful owner. A JP or Municipal Judge may determine ownership of a vehicle when transferred under an operation of law. A JP or Municipal Judge order is acceptable to support application for certificate of title. However, any order from a JP or Municipal Judge must specify that the order confers ownership, not just possession, of the vehicle, before it may be titled.

A JP or Municipal Judge Order issued in accordance with Article 47.01, Code of Criminal Procedures, ordering a vehicle delivered to a government agency is acceptable for that agency to obtain a certificate of title and Exempt license plates.

Chapter 17

Rights of Survivorship

This chapter contains the following sections:

- Rights of Survivorship Agreement

Rights of Survivorship Agreement

Transportation Code Section 501.031

(a) The department shall include on each certificate of title a rights of survivorship agreement form. The form must:

(1) provide that if the agreement is signed by two or more eligible persons, the motor vehicle is held jointly by those persons with the interest of a person who dies to survive to the surviving person or persons; and

(2) provide blanks for the signatures of the persons.

(b) If the vehicle is registered in the name of one or more of the persons who signed the agreement, the certificate of title may contain a:

(1) rights of survivorship agreement signed by all the persons; or

(2) remark if a rights of survivorship agreement is surrendered with the application for certificate of title or otherwise on file with the department.

(c) Except as provided in Subsection (g), ownership of the vehicle may be transferred only:

(1) by all the persons acting jointly, if all the persons are alive; and

(2) on the death of one of the persons by the surviving person or persons by transferring the certificate of title, in the manner otherwise required by law for transfer of ownership of the vehicle, with a copy of the death certificate of the deceased person attached to the certificate of title application.

(d) A rights of survivorship agreement under this section may be revoked only by surrender of the certificate of title to the department and joint application by the persons who signed the agreement for a new title in the name of the person or persons designated in the application.

(e) A person is eligible to sign a rights of survivorship agreement under this section if the person:

(1) is married and the spouse of the signing person is the only other party to the agreement;

(2) is unmarried and attests to that unmarried status by affidavit; or

(3) is married and provides the department with an affidavit from the signing person's spouse that attests that the signing person's interest in the vehicle is the signing person's separate property.

(f) If the title is being issued in connection with the sale of the vehicle, the seller is not eligible to sign a rights of survivorship agreement under this section unless the seller is the child, grandchild, parent, grandparent, brother, or sister of each other person signing the agreement. A family relationship required by this subsection may be a relationship established by adoption.

(g) If an agreement, other than the agreement provided for in Subsection (a), providing for right of survivorship is signed by two or more persons, the department shall issue a new certificate of title to the surviving person or persons upon application accompanied by a copy of the death certificate of the deceased person. The department may develop for public use under this subsection an optional rights of survivorship agreement form.

Transportation Code, §501.031 provides for two or more eligible persons to enter into a rights of survivorship agreement and is not restricted to a husband and wife.

Rights of Survivorship Agreement Between a Husband and Wife

A husband and wife do not have to provide or submit any type of documentation to verify that they are married.

Application for a certificate of title

When a husband and/or wife purchases a used or new vehicle and wants the certificate of title to show the rights of survivorship remark, the husband and wife may complete the rights of survivorship agreement block on the *Application for Texas Certificate of Title*, **Form 130-U**, or complete a *Rights of Survivorship Ownership Agreement for a Motor Vehicle*, **Form VTR-122,** and attach it to the application for certificate of title. The certificate of title issues showing a rights of survivorship remark and upon the death of the husband or wife, the surviving spouse does not need a separate rights of survivorship form.

Corrected Certificate of Title to Add Rights of Survivorship

If the original certificate of title does not have a rights of survivorship remark, and the husband and wife wants the remark printed on the certificate of title, they may apply for a corrected certificate of title. A **Form VTR-122** may be completed and attached to the application for corrected certificate of title, or the rights of survivorship agreement block on the **Form 130-U** may be completed. The certificate of title issues showing a rights of survivorship remark and upon the death of the husband or wife, the surviving spouse does not need a separate rights of survivorship form.

Rights of Survivorship Remark not Shown on the Certificate of Title

Agreement on the Face of the Certificate of Title

If the existing certificate of title issued in the husband and/or wife's name was not issued with a rights of survivorship remark, but the certificate of title includes a rights of survivorship agreement on the face of the certificate of title, the husband and wife may execute the rights of survivorship agreement and retain the certificate of title until the death of either necessitates the issuance of a corrected certificate of title (if in both names) or a transfer of certificate of title (if titled only in name of deceased spouse). The certificate of title and a copy of the death certificate must accompany the application for certificate of title.

Agreements Retained in Personal Records

A husband and wife also have the option of completing a rights of survivorship agreement **Form VTR-122** and retaining it in their records until the death of the husband or wife necessitates the transfer of title.

Certificate of Title in Both Husband and Wife's Name

The surviving spouse may apply for a corrected certificate of title to remove the deceased spouse's name. The certificate of title, rights of survivorship agreement and a copy of the death certificate must accompany the application for certificate of title.

Certificate of Title in Either Husband or Wife's Name

If the certificate of title is not in the name of the surviving spouse, the surviving spouse may apply for a certificate of title in their name. The certificate of title, rights of survivorship agreement and a copy of the death certificate must accompany the application for certificate of title.

Persons That are Not Married

Rights of survivorship agreements that indicate, or specify, "husband and wife" may not be used when the rights of survivorship agreement is between persons that are not married.

Title Shows Rights of Survivorship

If two or more persons that are not married wish to enter into a rights of survivorship agreement and wants the certificate of title to show the rights of survivorship remark, they must complete a **Form VTR-122** and attach it to the application for a certificate of title or corrected certificate of title. The persons must also attest to their unmarried status by a notarized affidavit. A certificate of title issues showing a rights of survivorship remark.

- Upon the death of one or more of the persons named in the rights of survivorship agreement, a new certificate of title issues to the surviving person or persons or the surviving person or person's transferee upon an application for certificate of title completed by the survivor or survivors. A transferee could be a licensed motor vehicle dealer.
- The certificate of title and a copy of the death certificate must accompany the application for certificate of title.

Title Does Not Show Rights of Survivorship

If two or more persons that are not married wish to enter into a rights of survivorship agreement and do not want the certificate of title to show the rights of survivorship remark, they may execute a rights of survivorship agreement **Form VTR-122** and a notarized affidavit that attests to their unmarried status and retain the document(s) in their records until the death of one or more of the persons necessitates the transfer of certificate of title.

- Upon the death of one or more of the persons named in the rights of survivorship agreement, a new certificate of title issues to the surviving person or persons upon an application for certificate of title completed by the survivor or survivors.
- The certificate of title, rights of survivorship agreement, affidavit that attests to the unmarried status, and a copy of the death certificate must accompany the application for certificate of title.

If two or more persons that are not married wish to enter into a rights of survivorship agreement and do not want the certificate of title to show the rights of survivorship remark, they may execute the rights of survivorship agreement on the face of the certificate of title and a notarized affidavit that attests to their unmarried status and retain the documents until the death of one or more of the persons necessitates the transfer of certificate of title.

- Upon the death of one or more of the persons named in the rights of survivorship agreement, a new certificate of title issues to the surviving person or persons or the surviving person or person's transferee upon an application for certificate of title completed by the survivor or survivors.
- The certificate of title, affidavit that attests to the unmarried status, and a copy of the death certificate must accompany the application for certificate of title.

Includes a Married Person but not Their Spouse

If a person enters into a rights of survivorship agreement with a person that is married to someone not shown on the rights of survivorship agreement and they want the certificate of title to show the rights of survivorship remark, they must complete a **Form VTR-122** at the time application for a certificate of title or corrected certificate of title is made. Additionally, any married person must provide

a notarized affidavit from their spouse (who is not shown on the rights of survivorship agreement) which attests that they have no interest in the motor vehicle and that the motor vehicle is their spouse's (who is signing the rights of survivorship agreement) separate property.

- Upon the death of one or more of the persons named in the rights of survivorship agreement, a new certificate of title issues to the surviving person or persons or the surviving person or person's transferee upon an application for certificate of title completed by the survivor or survivors.
- The certificate of title and a copy of the death certificate must accompany the application for certificate of title.

Title Does Not Show Rights of Survivorship

If a person enters into a rights of survivorship agreement with a person that is married to someone not shown on the rights of survivorship agreement and they do not want the certificate of title to show the rights of survivorship remark, they may execute a rights of survivorship agreement **Form VTR-122** and a notarized affidavit from the spouse, who is not shown on the rights of survivorship agreement, which attests that they have no interest in the motor vehicle and that the motor vehicle is their spouse's (who is signing the rights of survivorship agreement) separate property.

- The document(s) must be retained until the death of one or more of the persons in the rights of survivorship agreement necessitates the transfer of certificate of title in the name of the survivor or survivors.
- The certificate of title, rights of survivorship agreement, notarized affidavit, and a copy of the death certificate must accompany the application for certificate of title.

If a person enters into a rights of survivorship agreement with a person that is married to someone not shown on the rights of survivorship agreement and they do not want the certificate of title to show the rights of survivorship remark, they may execute the rights of survivorship agreement on the face of the certificate of title and obtain a notarized affidavit from the spouse, who is not shown on the rights of survivorship agreement, which attests that they have no interest in the motor vehicle and that the motor vehicle is their spouse's (who is signing the rights of survivorship agreement) separate property. The document(s) must be retained until the death of one or more of the persons in the rights of survivorship agreement necessitates the transfer of certificate of title.

- Upon the death of one or more of the persons named in the rights of survivorship agreement, a new certificate of title issues to the surviving person or persons or the surviving person or person's transferee upon an application for certificate of title completed by the survivor or survivors.

- The certificate of title, notarized affidavit, and a copy of the death certificate must accompany the application for certificate of title.

Includes the Seller of the Vehicle

The seller of a vehicle may enter into a rights of survivorship agreement for the vehicle being sold if the seller is related as the child, grandchild, parent, grandparent, brother, or sister of each other person signing the rights of survivorship agreement. These relationships include those established by adoption.

Names Recorded on the Certificate of title

A vehicle does not need to be titled in the names of all the persons in the rights of survivorship agreement.

Use of a Power of Attorney (POA)

A POA may **not** be used to sign a rights of survivorship agreement.

Notarized Affidavits

Acknowledgements by county personnel, including deputized full-service offices, are acceptable in place of notarized documents.

Death Certificate

Upon the death of one or more of the persons named in a rights of survivorship agreement, a copy of the deceased person(s) death certificate must always accompany the application for certificate of title.

Rights of Survivorship Agreement Represents Joint Ownership

A motor vehicle is jointly owned when two or more persons execute a rights of survivorship agreement, even if only one of them is the recorded owner (shown on the certificate of title). Therefore, all persons shown in a rights of survivorship agreement must act jointly when ownership is to be transferred. Likewise, a CCO application for a jointly owned vehicle must include signatures of all persons shown in the rights of survivorship agreement.

Rights of Survivorship Agreement Signed in Error

A statement of fact may be used to explain the error when the buyer or seller signs the rights of survivorship statement on the **Form 130-U** or on the face of the certificate of title in error.

Revoking the Rights of Survivorship Agreement

If the persons named in a rights of survivorship agreement wish to revoke their rights of survivorship agreement, the certificate of title must be surrendered with a new application for certificate of title and all the persons named in the rights of survivorship agreement must execute the certificate of title assignment.

Certificate of Title Requirements for the Survivor(s)

Upon the death of one or more of the persons named in a rights of survivorship agreement, a certificate of title issues to the survivor(s) or to the survivor(s)' transferee upon application with the county tax assessor-collector and a copy of the deceased person's death certificate **if:**

- the rights of survivorship agreement is executed on the face of the certificate of title
- the certificate of title indicates the rights of survivorship remark, or
- the rights of survivorship agreement is on file with the department (imaged records on file with the department indicate that the rights of survivorship remark should have been shown on the certificate of title)

1. A copy of the deceased person's death certificate must support the application for certificate of title.
2. If the rights of survivorship agreement is executed on the face of the certificate of title and is between persons other than husband and wife, additional documentation is required such as the affidavit attesting to unmarried status or the affidavit of non-interest completed by the spouse not included in the rights of survivorship agreement.

If the rights of survivorship agreement **Form VTR-122** was executed and retained only in personal records, the survivor(s) is required to apply for certificate of title in their name.

Miscellaneous Evidence

- A copy of the rights of survivorship agreement must be attached to the application for certificate of title.
- If the rights of survivorship agreement was between unmarried persons, a notarized affidavit attesting to the unmarried status must be included.
- If the rights of survivorship agreement included a person or persons married to someone not included in the rights of survivorship agreement, the married person or persons must provide a notarized affidavit from the spouse, not included on the rights of survivorship agreement, which attests that they have no interest in the motor vehicle and that the motor vehicle is their spouse's (who is signing the rights of survivorship agreement) separate property.

- The certificate of title and a copy of the deceased person's death certificate must support the application for certificate of title.

Chapter 18

Out of State Requirements

This chapter contains the following sections:

- Motor Vehicles Brought Into State
- Requirement for Title
- Evidence of Ownership
- Electronic Lien and Title (ELT) System
- VIN Inspection
- Vehicles Not Subject to Inspection
- Vehicles from Indian Reservation
- Trailers and Semitrailers Last Registered or Titled Out of State
- Apprehended Out Of State Vehicles
- Out of State Miscellaneous
- Certificate of Title Information for Each State

Motor Vehicles Brought Into State

Transportation Code Section 501.030

(a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, the applicant must furnish the county assessor-collector with a verification form under Section 548.256.

Requirement for Title

A vehicle must be registered and titled in Texas if the owner establishes residency or becomes gainfully employed in Texas. The vehicle may be operated with current out-of-state license plates for 30 days.

A vehicle is not required to be registered and titled in Texas if the owner is a nonresident member of the United States Armed Forces or a nonresident student attending an accredited Texas college or university on a full-time basis. Part-time employment is allowed. The vehicle must display valid license plates and remain currently registered at all times.

A nonresident owner can transfer their vehicle in Texas under the laws of their home state by assignment of the out-of-state title or, if from a “nontitle state”, by an assigned current registration receipt or a bill of sale if the registration receipt does not contain a transfer of ownership section. (The out-of-state registration receipt must reflect registration that is current or that has been expired for six months or less.) This procedure is reciprocal since a Texas resident can transfer their vehicle in any other state by assigning the back of the Texas title.

When a Texas resident has purchased a vehicle with an out-of-state title that indicates an assignment to someone other than the Texas purchaser or a licensed motor vehicle dealer, the options for the “first Texas owner” to obtain title are to pursue a Tax Collector’s Hearing, a Bonded Title, or a court order. Additionally, the same options apply when a Texas titled vehicle is sold to an out-of-country dealer or resident and then resold to a Texas resident on the existing Texas title.

If an assignment of title is assigned to a person in the military or non-resident student who is stationed or attending a college or university in Texas, the purchaser should apply for title and registration in their name in Texas or their home state before the vehicle may be sold or encumbered.

Evidence of Ownership

All states have some type of certificate of title law and issue a certificate of title document to convey ownership. (Refer to the “Certificate of Title Information for Each State” chart at the end of this chapter for specific details.)

In most states, title laws apply only to certain year model vehicles; and vehicles of prior year models are excluded and issued only registration receipts. Therefore, the term “nontitle state” when used in this manual refers to states which exclude certain year motor vehicles from the title requirements.

Canada and Mexico are considered “non-titled state”. These countries issue annual registration receipts as evidence of ownership.

The first Texas title applicant of an out-of-state motor vehicle should attach the following evidence of ownership to the application for title:

Note: Texas licensed motor vehicle dealers may no longer “dealer register” a used motor vehicle in the dealership's name prior to the sale of the vehicle. Dealers who wish to secure Texas license plates for new vehicles covered by manufacturer's certificates or for used vehicles covered by *U.S. Government Certificate to Obtain Title to a Motor Vehicle,* Form 97 or out-of-state evidence of ownership must apply for Texas Certificate of Title in the dealership’s name at the time of registration or attach a dealer license plate.

1. New and Unregistered Vehicle - A Manufacturer's Certificate of Origin (MCO).
2. Used Vehicle from a Title State - The out-of-state title with any recorded liens released and complete assignments starting with the owner as shown on the face of the title and an *Out-of-state Identification Certificate,* **Form VI-30.** (A release of lien is not required if there is no transfer of ownership involved and the same lienholder, as recorded on the out-of-state title, is shown on the application for Texas title.)

3. Used Vehicle from Non Title State – The current registration receipt with an assignment to the Texas applicant or the current registration receipt and bill of sale to the Texas applicant; either of which must be accompanied by an *Out-of-state Identification Certificate*, **Form VI-30**. (The out-of-state registration receipt must reflect registration that is current or that has been expired for six months or less.)

Assignment or Release of Ownership

Each state provides for an assignment or release of ownership on the certificate of title, and the information required in each assignment or release of ownership must be complete.

There are three general types of assignments on out-of-state titles:

- An assignment in which the seller appears before a person authorized to take acknowledgments (notary) and the purchaser's name is a part of the assignment.
- An assignment in which the seller's signature is witnessed by another individual and the name of the purchaser is a part of the assignment.
- A release of ownership in which the owner releases their interest in a motor vehicle by signing his or her name and dating the release in the designated space. If a title of this type provides a space for the purchaser's name in the release, it must be shown.

Some states provide a space on the back of their titles for an applicant to apply directly for title. These “applications for title” may not be used as an assignment or as a reassignment of title to a motor vehicle.

Some states provide for additional assignments for dealers by providing a form to be attached to their titles when all the assignments have been used. These additional assignments together with the out-of-state title may be used to support an application for Texas title. A *Texas Dealer's Reassignment of Title to a Motor Vehicle*, **Form VTR-41-A**, may be used by Texas licensed dealers in the same manner. Title transactions that do not reflect a licensed out-of-state dealer license number are acceptable.

Note: If all the assignments are completed on an out-of-state title, which complies with the Federal odometer disclosure requirements, the out-of-state dealer must use a reassignment document, which also conforms with Federal odometer disclosure requirements to transfer ownership to a Texas dealer or resident. A bill of sale may be used if all dealer reassignments sections on the out-of-state title have been completed and that state does not use supplemental dealer reassignment forms or does not require the dealer to apply for title in their name. If

an application for Texas Certificate of Title is filed, the odometer disclosure statement (Block 18) should be completed or the odometer disclosure statement must be included in the bill of sale when sold to a retail buyer.

Non negotiable titles issued by other states are not accepted as evidence of ownership in securing Texas title and registration.

Undisclosed Liens

Some states issue certificates of title that contain the legend: “This vehicle may be subject to an undisclosed lien.” These titles may be accepted in support of an application for Texas title.

Restricted Titles

“Restricted” out-of-state certificates of title which are issued for vehicles that could not pass the state's motor vehicle inspection requirements are acceptable as evidence of ownership provided an *Out-of-state Identification Certificate*, **Form VI-30**, is attached verifying that the vehicle has passed the Texas safety inspection requirements.

Current Registration Receipt

A validated current registration receipt or verification (by letter or fax from the proper state authorities or by a copy of the registration receipt) is evidence of ownership from a nontitle state and some foreign countries. This registration receipt should be in the name of the applicant or properly assigned to the applicant. A bill of sale may be accepted, if no assignment is provided on the registration receipt.

Validated Receipt

A validated receipt is one with an official stamp, seal, signature, or license number and date. Some receipts are only applications for registration that are mailed to the motor vehicle owners by the nontitle state; and are not validated until the fee has been paid.

Registration Receipt

A registration receipt from a nontitle state or country is acceptable evidence of ownership for six months after expiration of registration. If the receipt is not current, a statement must be attached that the surrendered registration receipt is the last registration for the vehicle. The statement must be signed by the owner, as shown on the receipt, and by all other owners that have owned the vehicle since the date of expiration. Additionally, the statement should explain if the vehicle has been registered since the last registration date.

Registration Receipt from a Nontitle State

A registration receipt from a nontitle state or country must show a complete chain of transfers to the Texas title applicant.

Out-of-state evidence surrendered to support an application for Texas title should be examined with consideration of the laws of that state or country.

Joint Ownership

If the words “or” or “and/or” are shown to indicate dual or joint ownership on any out-of-state evidence, either one or both of the owners may assign the evidence of ownership as seller(s) or make application for Texas title. However, the words “or” or “and/or” should not be shown on the application for Texas title. If dual or joint ownership is indicated by the word “and” on the out-of-state evidence, then both owners must release their interest or provide a power of attorney from the one not signing. (Refer to Chapter 11, “Signature - Authority to Sign” for further discussion)

Estates

When an out-of-state title has been issued in the name of an estate and states the name of the executor, administrator, guardian, etc., or the title is issued in the name of the executor, administrator, guardian, etc., no proof of authority is required for an application for a Texas title in the name of the estate or in the name of the executor, administrator, guardian, etc., or for the title assignment.

Electronic Lien and Title (ELT) System

States with an ELT program allow for the electronic recording of liens. Accordingly, no title document is issued until a lien is satisfied. Once an electronic lien is satisfied, a clear certificate of title is issued. The clear title may or may not exhibit the following indicators:

- A prior lien notation
- An “ELT designation”
- A new title issuance date indicating when the lien was released
- The dealer’s name as either the addressee or the new lienholder

County tax assessor-collector’s offices should check for one of the indicators when processing transactions involving a title from an ELT state submitted with a secure POA. If one of the above indicators is noted on a title, use of the **Form VTR-271-A** is acceptable.

The states currently identified as implementing an ELT program are:

- Arizona – AZ
- California – CA
- Florida – FL
- Hawaii – HI
- Idaho – ID
- Kansas – KS
- Massachusetts – MA
- New York - NY
- Ohio – OH
- Pennsylvania – PA
- Virginia – VA
- Washington – WA

Applicants wishing to transfer a title from an ELT state to a Texas title must present the out-of-state title as proof of ownership. Otherwise, they should apply for "Registration Purposes Only" or go through the hearing/bond process to secure a negotiable Texas Certificate of Title.

VIN Inspection

A vehicle last registered or titled outside the State of Texas must pass a Texas Safety Inspection and the vehicle identification number must be verified by a state appointed Safety Inspection Station before applying for Texas title or registration. Upon verifying the vehicle identification number, the inspection station completes the Department of Public Safety's *Out-of-state Identification Certificate*, **Form VI-30**, and give it to the applicant for submission to the county tax assessor-collector when filing an Application for Texas Certificate of Title.

Out-of-state Identification Certificate

The *Out-of-state Identification Certificate* must be properly completed and reflect the correct vehicle identification number, odometer reading, and description of vehicle as follows:

Motor Number of 1955 and Prior Models

The motor number must be shown on the *Out-of-state Identification Certificate* and on the application for title and agree with the out-of-state basic evidence except as follows:

- If the basic out-of-state evidence records a serial number for a 1955 or prior model and the *Out-of-state Identification Certificate* also records the serial number, the vehicle may be titled under the serial number.

- If the basic out-of-state evidence records the motor number of a 1955 or prior model and the *Out-of-state Identification Certificate* records the serial number, the transaction must be rejected for a corrected *Out-of-state Identification Certificate* showing the motor number, a pencil tracing of the motor number or a **Form VTR-68-A**. The vehicle titles using the motor number.

Serial Number of 1956 and Later Models

Serial Number of 1956 and Later Models and all Fords, Mercurys, and Lincolns manufactured Since March 31, 1932 must be shown on the *Out-of-state Identification Certificate* and on the application for title and must agree with the out-of-state basic evidence. However, if the basic out-of-state evidence records a motor number, the owner must provide a pencil tracing of both the motor number and the serial number and the vehicle titles under the serial number.

One or Two Character Errors

If a one or two character error in the vehicle identification number is discovered on the out-of-state evidence, the error can be corrected without verification from the authorities of the issuing state. The application for title showing the correct vehicle identification number must be supported by the out-of-state evidence, the *Out-of-state Identification Certificate*, and a pencil tracing of the correct vehicle identification number or, if it is not possible to obtain a pencil tracing a *Statement of Physical Inspection*, **Form VTR-270**, verifying the correct vehicle identification number. If an error is in the vehicle identification number on the *Out-of-state Identification Certificate*, a corrected certificate is required.

Information Agreement

The make of vehicle, year model, and body style as shown on the out-of-state evidence must agree with the description as shown on the *Out-of-state Identification Certificate*, except when it can be determined that the out-of-state evidence is in error or that the inspector has made a mistake in the description of vehicle and the correct make, year model, or body style can be confirmed by the vehicle identification number. If it is determined that the make, year model, or body style is recorded on the out-of-state evidence in error but is shown correctly on the *Out-of-state Identification Certificate*, the owner does not need to obtain verification from the state that issued the incorrect evidence of ownership. If it is determined, that the out-of-state evidence is correct but the *Out-of-state Identification Certificate* is in error, a corrected certificate is not required.

License Numbers

- Out-of-state license numbers are not required on the Out-of-state Identification Certificate; however, this information should be shown, if possible.

Inspection Information

- The date, signature, station number, and name of station should be filled in completely by the inspector; but the Out-of-state Identification Certificate, suffices if the form is signed by the inspector.
- The vehicle identification number may be either typed or written on the Out-of-state Identification Certificate, but if altered, a new Out-of-state Identification Certificate is required.
- In the event an *Out-of-state Identification Certificate* indicates that a vehicle identification number is missing, altered or illegible, the department assigns a number in accordance with the provisions of Transportation Code, §501.032.
- The current odometer reading at the time of the inspection should be recorded on the Out-of-state Identification Certificate by the inspector. When the Out-of-state Identification Certificate was obtained before or after completing the application for title and results in a discrepancy between the mileage recorded on the Out-of-state Identification Certificate and the application, the application should be accepted.

Texas Vehicle Inspections

If the owner of an out-of-state vehicle has a current safety inspection sticker but cannot produce the *Out-of-state Identification Certificate*, **Form VI-30**, they must obtain another a “Duplicate” or have the vehicle re-inspected.

The provisions of Transportation Code, §501.030 that require a vehicle last registered and titled out of state to pass the Texas Safety Inspection before it may be registered and titled in Texas applies to all motor vehicles. Exceptions (see also Vehicles Not Subject to Inspection) include:

- Vehicles, such as farm trailers and machinery, which are registered but not titled.
- Vehicles, which are titled but not required to be registered.
- Off highway motorcycles and three or more wheel ATVs.
- Travel trailers, trailers, and semitrailers having gross weights of 4,500 pounds or less.
- Travel trailers used as a residence, and are being registered for the sole purpose of obtaining a certificate of title and not for operation on the highways. The applicant is required to complete a *Travel Trailer or Park Model Trailer Verification,* **Form VTR-141,** certifying that the vehicle is not in operation on the highways of this State and that the applicant has physically inspected the vehicle to verify the correct serial number.

- Vehicles registered with Antique, Parade, or Disaster Relief license plates. When processing these vehicle titles, the county should input VIN Verification Waived on the vehicle record. This remark carries forward until the owner submits an application for regular registration with the required *Out-of-State Identification Certification* **Form VI-30**.
- Vehicles previously owned by the federal government and transferred on the *United States Government Certificate to Obtain a Title to a Motor Vehicle*, **Form 97**.
- Vehicles previously registered with Federal "Diplomat" license plates that are transferred on a U. S. Department of State Certificate of Authority to Sell a Vehicle.
- Vehicles displaying slow moving vehicle emblems", such as road construction equipment that are designed to operate at a maximum speed of 25 mph or less.
- Vehicles which are imported free of duty into the United States for use of members of the German Federal Armed Forces (or a civilian component of the German Federal Armed Forces), provided the transaction is accompanied by proper evidence of ownership and a self-certification verifying the vehicle identification number.

Vehicles Titled but Not Located in Texas

An *Out-of-state Identification Certificate*, **Form VI-30**, is not required when a vehicle is to be titled in Texas but not located in Texas and the application involves:

- Apportioned vehicles.
- Military personnel who are Texas residents whose duty stations are located outside the State.
- Students who are Texas residents enrolled in accredited out-of-state colleges or universities.
- Elected officials serving in the United States Congress.
- Texas residents who are full time recreational vehicle users who are temporarily out of state.
- Texas residents who purchase a vehicle out of state and are not exempted by any of the above provisions must contact the Austin Headquarters office for approval of self-certification on an individual basis.

Military Personnel

Military personnel who are Texas residents (claim Texas as their legal state of residence) stationed outside the state may continue to title and register their vehicle in Texas. They may use the self-certification form verified by the Provost Marshal. If the self-certification is not verified by the Provost Marshal, the applicant must provide verification that he or she is currently stationed out of state. Verification may consist of military orders, etc., which indicate the current duty station of the applicant.

Students

Students located outside the State may use the self-certification form with verification that they are an actual student. Verification may consist of a tuition receipt, enrollment form, student identification card, etc., which confirms that the student is currently enrolled in an accredited college or university outside the State. It is **not** necessary for the title application to be in the name of the student.

Vehicles Not Subject to Inspection

Transportation Code Section 548.052

This chapter does not apply to:

(1) a trailer, semitrailer, pole trailer, or mobile home moving under or bearing a current factory-delivery license plate or current in-transit license plate;

(2) a vehicle moving under or bearing a paper dealer in-transit tag. Machinery license, disaster license, parade license, prorate tab, one-trip permit, antique license, temporary 24-hour permit, or permit license;

(3) a trailer, semitrailer, pole trailer, or mobile home having an actual gross weight or registered gross weight of 4,500 pounds or less;

(4) farm machinery, road-building equipment, a farm trailer, or a vehicle required to display a slow moving vehicle emblem under section 547.703;

(5) a former military vehicle, as defined by Section 504.502; or

(6) a vehicle qualified for a tax exemption under Section 152.092, Tax Code; or

(7) a vehicle for which a certificate of title has been issued but that is not required to be registered.

A vehicle that is not subject to the Texas safety inspection requirements because they are exempt, located out-of-state or will not operate on Texas public roads must submit a self-certification instead of an *Out-of-State Identification Certification* form VI-30.

If applying for:

- A Texas Certificate of Title for a vehicle located out-of-state, the owner must complete and submit a *Vehicle Identification Number Self-certification,* **Form VTR-272-B**.
- A Registration Purposes Only, the owner must complete and submit an *Application for Registration Purposes Only,* **Form VTR-272**.
- A Texas Certificate of Title for an off-highway use only vehicle, the owner must complete and submit a *Statement of Physical Inspection,* **Form VTR-270.**
- A Texas Certificate of Title for a vehicle that is not subject to the Texas safety inspection requirements, the owner must complete and submit a *Statement of Physical Inspection,* **Form VTR-270**.
- A Title Only Texas Certificate of Title, the owner must complete and submit a *Statement of Physical Inspection,* **Form VTR-270**. Counties should enter a VIN Certification Waived remark when a customer files a Title Only application without submitting an *Out-of-State Identification Certification* **Form VI-30**. Later, when registering the vehicle, the customer must then submit a new title application to remove the VIN Certification Waived remark.

Vehicles from Indian Reservation

Indian Tribal titles from tribes that are federally recognized (see Table 18-1) and are accepted by the appropriate state authority are acceptable title documents to support application for Texas certificates of Title. The tribal title requires the supporting documentation as that of other out-of-state titles. The states of North Dakota and Oklahoma have confirmed acceptance of tribal titles within their jurisdictions.

Table 18-1 Federally Recognized Indian Tribes In Oklahoma (Rev. 10/06*)*

ABSENTEE SHAWNEE TRIBE 2025 S. Gordon Cooper Dr. Shawnee, OK 74801 (405) 275-4030	DELAWARE TRIBE OF INDIANS 220 NW Virginia Ave. Bartlesville, OK 74003 (918) 336-5272	OSAGE NATION 813 Grandview Pawhuska, OK 74056 (918) 287-5432	THLOPTHLOCCO TRIBAL TOWN P.O. Box 188 Okemah, OK 74859-0188 (918) 623-2620
ALABAMA QUASSARTE TRIBAL TOWN P.O. Box 187 Wetumka, OK 74863 (405) 452-3987	EASTERN SHAWNEE TRIBE P.O. Box 350 Seneca, MO 64865 (918) 666-2435	OTOE-MISSOURIA TRIBE 8151 Highway 177 Red Rock, OK 74651 (580) 723-4466	TONKAWA TRIBE P.O. Box 70 Tonkawa, OK 74653 (580) 628-2561

APACHE TRIBE P.O. Box 1220 Anadarko, OK 73005 (405) 247-9493	FORT SILL APACHE TRIBE Route 2, Box 121 Apache, OK 73006 (580) 588-2298	OTTAWA TRIBE P.O. Box 110 Miami, OK 74355 (918) 540-1536	UNITED KEETOOWAH BAND OF CHEROKEES P.O. Box 746 Park Hill, OK 74465 (918) 431-1818
CADDO TRIBE P.O. Box 487 Binger, OK 73009 (405) 656-2344	IOWA TRIBE OF OKLAHOMA R.R. 1, Box 721 Perkins, OK 74059 (405) 547-2402	PAWNEE NATION OF OKLAHOMA P.O. Box 470 Pawnee, OK 74058 (918) 762-3621	WICHITA & Affiliated Tribes P.O. Box 729 Anadarko, OK 73005 (405) 247-2425
CHEROKEE NATION P.O. Box 948 Tahlequah, OK 74465 (918) 456-0671	KAW NATION OF OKLAHOMA P.O. Box 50 Kaw City, OK 74641 (580) 269-2552	PEORIA TRIBE OF INDIANS OF OKLAHOMA P.O. Box 1527 Miami, OK 74355 (918) 540-2535	WYANDOTTE NATION P.O. Box 250 Wyandotte, OK 74370 (918) 678-2297
CHEYENNE-ARAPAHO TRIBES P.O. Box 38 Concho, OK 73022 (405) 262-0345	KIALEGEE TRIBAL TOWN P.O. Box 332 Wetumka, OK 74883 (405) 452-3262	PONCA NATION 20 White Eagle Drive Ponca City, OK 74601 (580) 762-8104	
CHICKASAW NATION P.O. Box 1548 Ada, OK 74821 (580) 436-2603	KICKAPOO TRIBE OF OKLAHOMA P.O. Box 70 McLoud, OK 74851 405) 964-7053	QUAPAW TRIBE OF OKLAHOMA P.O. Box 765 Quapaw, OK 74363 (918) 542-1853	
CHOCTAW NATION P.O. Drawer 1210 Durant, OK 74702 (580) 924-8280	KIOWA TRIBE P.O. Box 369 Carnegie, OK 73015 (580) 654-2300	SAC & FOX NATION Route 2, Box 246 Stroud, OK 74079 (918) 968-3526	
CITIZEN POTAWATOMI NATION 1601 S. Gordon Cooper Dr. Shawnee, OK 74801 (405) 275-3121	MIAMI NATION P.O. Box 1326 Miami, OK 74355 (918) 542-1445	SEMINOLE NATION P.O. Box 1498 Wewoka, OK 74884 (405) 257-6287	
COMANCHE NATION P.O. Box 908 Lawton, OK 73502 (580) 492-3751	MODOC TRIBE 515 "G" SE Miami, OK 74354-8224 (918) 542-1190	SENECA-CAYUGA TRIBE OF OKLAHOMA P.O. Box 1283 Miami, OK 74355 (918) 542-6609	
DELAWARE NATION P.O. Box 825 Anadarko, OK 73005 (405) 247-2448	MUSCOGEE (CREEK) NATION P.O. Box 580 Okmulgee, OK 74447 (918) 756-8700	SHAWNEE TRIBE P.O. Box 189 Miami, OK 74355 (918) 542-2441	

Source: Oklahoma Indian Affairs Commission

Trailers and Semitrailers Last Registered or Titled Out of State

Acceptable evidence of ownership on used trailers and semitrailers from out of state is as follows:

- The certificate of title is required for all trailers and semitrailers from title states.
- The registration receipt is required for all trailers and semitrailers from non-title states.

The *Out-of-state Identification Certificate*, **Form VI-30**, issued by a state appointed Safety Inspection Station, must support each application for Texas title for out-of-state trailers and semitrailers except as provided in Transportation Code, §501.030.

A weight certificate must be attached to an application for title to a trailer or semitrailer, and the title copy of the registration receipt must be attached to an application for title to a trailer or semitrailer.

Note: The space for weight on the application for title must record the empty weight of a trailer or semitrailer.

Apprehended Out Of State Vehicles

Out of state vehicles, which are registered in Texas as the result of being apprehended for registration violations are not subject to the safety inspection requirements, provided "Registration Purposes Only" is applied for and the application shows an out-of-state address; the applicant must furnish a self-certification statement as to the correct vehicle identification number appearing on the vehicle. An *Out-of-state Identification Certificate*, **Form VI-30**, is required if a Texas address is shown on the *Application for Registration Purposes Only*, **Form VTR-272**.

Note: Registration is required, the department or a Law Enforcement Officer is authorized to waive the requirements of a weight certificate for commercial vehicles. When a vehicle is being registered as the result of an apprehension, the county tax assessor-collector must check the box to indicate apprehension.

Out of State Miscellaneous

Registration Purposes Only

If a holder of a registration purposes only receipt issued by Texas desires a negotiable Texas Certificate of Title an *Out-of-state Identification Certificate*, **Form VI-30** is not required if the Texas registration receipt or non negotiable title was issued prior to September 1, 2001.

Out-of-state License Plates

An *Out-of-state Identification Certificate* issued by a State appointed Safety Inspection Station, is required when the evidence supporting an application for title is a Tax Collector's hearing order or an auction sales receipt covering a vehicle that displays out-of-state license plates.

Salvage Vehicles

A salvage vehicle title may be issued when it is needed to allow the owner to transfer ownership without repairing the vehicle. If the vehicle is later repaired and placed in an operable condition, the purchaser's application for title must be supported by the Texas salvage title, a *Rebuilt Affidavit*, **Form VTR-61**, and the current vehicle inspection sticker number and date of expiration, issued by an authorized state safety inspection station after the motor vehicle was rebuilt.

Mixed component Parts

Any application for a Texas title supported by out-of-state evidence and accompanied by further evidence of ownership for motor, frame, or body to correct one of the component parts of the vehicle should not be accepted; correction should be made by the state in which the vehicle was last registered or titled. However, if that state refuses to issue corrected evidence, a letter from the proper out-of-state authorities stating such fact must be attached to the transaction. If the change was made in Texas, the same procedure should be followed as if the vehicle were titled in Texas (refer to Chapter 25, “Reconstructed or Assembled Vehicles”).

Errors

If there is an error in the basic motor or vehicle identification number on a Texas title and the records reveal the application for the first Texas title was issued from out-of-state evidence, refer to Chapter 7, “Corrections” for the correction procedures.

Title Only

A motor vehicle, which was previously titled and/or registered out of state that is issued a “title only”, is exempt from the *Out-of-state Identification Certificate* requirement. However, the title and motor vehicle record indicates a “VIN CERTIFICATION WAIVED” remark. If the vehicle is registered at a later date, the applicant must apply for title and registration. In support of the title application, the applicant must provide an *Out-of-state Identification Certificate*, **Form VI-30**, a weight certificate (if the vehicle is commercial), valid proof of insurance, and negotiable evidence of ownership.

Certificate of Title Information for Each State

Table 18-2 was revised 10/06.

Table 18-2 Title Information for Each State

State	Applicable To And Exceptions
Alabama	1975 and subsequent year model vehicles and 1990 and subsequent year model travel trailers. ATVs and off-road vehicles are not titled.
Alaska	All year model vehicles, except salvage, ATVs and off-road vehicles.
Arizona	All year model vehicles, except mopeds.
Arkansas	All year model vehicles, except off-road vehicles and mopeds.
California	All year model vehicles.
Colorado	All year model vehicles, except ATVs, off-road vehicles, and mopeds.
Connecticut	All 1981 and subsequent year model vehicles. All trailers less than 3,000 lbs. gross weight, ATVs, off-road vehicles, and mopeds are not titled.
Delaware	All year model vehicles, except ATVs and off-road vehicles.
Dist. Of Columbia	All year model vehicles, except ATVs and off-road vehicles.
Florida	All year model vehicles, except ATVs and off-road vehicles purchased prior to 7/1/02, and trailers weighing less than 2,000 lbs and mopeds.
Georgia	All 1985 and newer year model vehicles except ATVs, mopeds, off-road vehicles, and homemade trailers.
Hawaii	All year model vehicles, except trailers of all sizes, ATVs, off-road vehicles, and mopeds.
Idaho	All year model vehicles, all trailers that weigh over 2,000 lbs. unladen, and ATVs or off-road vehicles purchased after January 1, 1991.
Illinois	All year model vehicles.
Indiana	All year model vehicles and camping trailers manufactured after January 1, 1986, except mopeds and the titling of ATVs is optional.
Iowa	All year model vehicles and ATVs new or acquired on or after January 1, 2000, except trailers/semitrailers with an unladen weight of 2,000 lbs. or less.
Kansas	All year model vehicles, except trailers under 2,000 lbs. gross weight are optional and farm trailers 6,000 lbs. laden weight or less are exempt.
Kentucky	All year model vehicles, except off-road vehicles and mopeds. ATVs are optional.
Louisiana	All year model vehicles.
Maine	All 15 year model vehicles and newer, except any trailer with an unladen weight of 3,000 lbs. or less, ATVs and mopeds.
Maryland	All year model vehicles, except mopeds. Boat and utility trailers with a 2,500 GVWR or less and ATVs are optional.
Massachusetts	All vehicles purchased after 9/1/72, except trailers having a gross weight of 3,000 lbs. or less, ATVs, off-road vehicles, and mopeds.
Michigan	All year model vehicles, except trailers weighing less than 2,500 lbs. and mopeds.
Minnesota	All year model vehicles except trailers having a gross weight of 4,000 lbs. or less unless secured by a lien or previously titled, trailers designed primarily for agricultural purposes, ATVs, and off-road vehicles.
Mississippi	All motor vehicles purchased from a licensed dealer after July 1, 1969 or brought into the state from a state requiring titling. Titling for all other vehicles bought in the state are optional, except pole trailers, utility trailers of less than 5,000 lbs. gross vehicle weight, ATVs, and off-road vehicles are not titled.
Missouri	All year model vehicles, except mopeds, motor vehicles used as ambulances, and patrol wagons and fire apparatus owned by any municipality in the State of Missouri.
Montana	All year model vehicles, except mopeds, if they can be pedaled as well as powered driven.
Nebraska	All year model vehicles, except ATVs (unless purchased new after 1-1-04), mopeds, non-commercial trailers with gross weight of 9,000 lbs. or less, and off-road vehicles.
Nevada	All year model vehicles except ATVs. Mopeds are optional.
New Hampshire	Vehicles that are 15 model years old and newer, and heavy trucks (3 or more axles) and truck-tractors with a gross weight in excess of 18,000 lbs. Trailers with a gross weight of less than 3,001 lbs., off-road, ATVs, and mopeds are exempt.

State	Applicable To And Exceptions
New Jersey	All year model vehicles, except trailers and semi-trailers weighing less than 2,500 pounds, off-road vehicles and ATVs.
New Mexico	All year model vehicles.
New York	1973 and newer models except mopeds, off-highway vehicles, trailers with an unladen weight less than 1,000 lbs., and ATVs.
North Carolina	All year model vehicles, except ATVs, mopeds and off-road vehicles.
North Dakota	All year model vehicles, except boat, luggage and non-farm private trailers with a gross weight less than 1,500 lbs.
Ohio	All year model vehicles, except all trailers with a manufacturer's weight of 4,000 lbs. or less, and mopeds.
Oklahoma	All year model vehicles except for ATVs and off-road vehicles purchased prior to 7/1/05. Boat, luggage, and utility trailers are exempt.
Oregon	All year model vehicles, except trailers with a loaded with of 1,800 lbs. or less. ATVs are optional.
Pennsylvania	All year model vehicles.
Rhode Island	All vehicles 10 years old or newer must be titled, except ATVs, off-road vehicles, trailers having a carrying capacity of 3,000 lbs. or less, and mopeds. No title certificate is required once a vehicle is 10 years old.
South Carolina	All year model vehicles, except for mopeds, and ATVs.
South Dakota	All year model vehicles, except mopeds (optional).
Tennessee	All year model vehicles, except for boat and collapsible camping trailers.
Texas	All year model vehicles, except for trailers with an empty weight of 4,000 lbs. or less, semitrailers with a gross weight of 4,000 lbs. or less.
Utah	All year model vehicles, except trailers with an unladen weight of 750 lbs. or less that are not used for hire.
Vermont	All vehicles 15 years old or newer, and ATVs and off-road vehicles beginning with 2004 model year. Trailers with an unladen weight of 1,500 lbs. or less and motorcycles with less than 300 cubic centimeters of engine displacement and mopeds are exempt.
Virginia	All year model vehicles, except ATVs, off-road vehicles, and mopeds.
Washington	All year model vehicles.
West Virginia	All year model vehicles.
Wisconsin	All year model vehicles, except trailers 1,000 lbs. or less unladen weight or ATVs and off-road vehicles.
Wyoming	All year model vehicles, except trailers 1,000 lbs. or less unladen weight.

Chapter 19

Imported Vehicles

This chapter contains the following sections:

- Motor Vehicles Brought Into State
- Evidence of Ownership
- Additional Documentation
- Proof of Compliance with USDOT Safety Requirements
- United States Customs Entry/Clearance Documentation
- Registration Purposes Only (RPO) for Foreign Vehicles
- Tax Collectors Hearing or Bonded Title for Foreign Vehicles
- List of Manufacturers to Notify For Proof of Compliance

Motor Vehicles Brought Into State

Transportation Code Section 501.030

(a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, the applicant must furnish the county assessor-collector with a verification form under Section 548.256.

(b) Before a motor vehicle that was not manufactured for sale or distribution in the United States may be titled in this state, the applicant must:

(1) provide to the assessor-collector:

(A) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging:

(i) receipt of a statement of compliance submitted by the importer of the vehicle; and

(ii) that the statement meets the safety requirements of 19 C.F.R. 12.80(e);

(B) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and shown to conform to federal emission requirements; and

(C) a receipt or certificate issued by the United States Department of the Treasury showing that all gas guzzler taxes due on the vehicle under 26 U.S.C. Section 4064(a) have been paid; or

(2) provide to the assessor-collector proof satisfactory to the assessor-collector that the vehicle was not brought into the United States from outside of the country.

(c) Subsections (a) and (b) do not apply to a motor vehicle lawfully imported into the United States by a distributor or dealer from the vehicle's manufacturer.

(d) If a motor vehicle has not been titled or registered in the United States, the application for certificate of title must be accompanied by:

(1) a manufacturer's certificate of origin written in English issued by the vehicle manufacturer;

(2) the original documents that constitute valid proof of ownership in the country where the vehicle was originally purchased, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator; or

(3) if the vehicle was imported from a country that cancels the vehicle registration and title for export, the documents assigned to the vehicle after the registration and title were canceled, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator.

(e) Before a motor vehicle that is required to be registered in this state and that is brought into this state by a person other than a manufacturer or importer may be bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle or encumbered by a lien, the owner must apply for a certificate of title on a form prescribed by the department to the county assessor-collector for the county in which the transaction is to take place. The assessor-collector may not issue a title receipt unless the applicant delivers to the assessor-collector satisfactory evidence of title showing that the applicant is the owner of the vehicle and that the vehicle is free of any undisclosed liens.

(f) A county assessor-collector may not be held liable for civil damages arising out of the assessor-collector's failure to reflect on the title receipt a lien or encumbrance on a motor vehicle to which Subsection (e) applies unless the assessor-collector's failure constitutes willful or wanton negligence.

(g) Until an applicant has complied with this section:

(1) a county assessor-collector may not accept an application for certificate of title; and

(2) the applicant is not entitled to an appeal as provided by Sections 501.052 and 501.053.

Note: As a result of a decision handed down by the United States Fifth Circuit Court of Appeals, the department is prohibited from enforcing the provision of this statute that requires the surrender of a bond release letter from the Environmental Protection Agency.

Evidence of Ownership

All vehicles imported into the United States must have proper evidence of ownership. The original documents constituting valid proof of ownership in the country in which the vehicle was originally purchased must be surrendered when application is made for a Texas Certificate of Title. (A certified copy of the foreign evidence of ownership is acceptable, if certified by the appropriate foreign registrar.) For example, the Fahrzeugbrief title document issued by Germany is acceptable evidence of ownership for vehicles imported into the United States.

National Reference Guides

National reference guides may be used to identify acceptable foreign evidence of ownership and other documents. (Supplemental documents distributed by the department may be used to identify acceptable foreign evidence of ownership.) Documents not illustrated in the reference guides that are presented as evidence of ownership must be approved by a VTR regional office manager, prior to acceptance by a county tax assessor-collector’s office. If the ownership and description of a vehicle cannot be determined or there is doubt regarding information on a foreign document, a translation into the English language is required. The translation must contain a notarized or acknowledged affidavit from the translator, including the name and address of the translator.

Vehicle Registration and Title Canceled Upon Export

If a vehicle is imported from a country that cancels the vehicle registration and title upon export, the documents assigned to the vehicle after the registration and/or title have been canceled would be acceptable evidence of ownership. (If a translation is required, refer to the previous paragraph.)

Manufacturer's Certificate of Origin

A secure Manufacturer's Certificate of Origin (MCO) is required on all new imported vehicles. The “New Vehicle Information Statement” (NVIS) issued by Canada is acceptable instead of an MCO with a bill of sale or dealer reassignment form to the first Texas retail purchaser.

Foreign Bills of Sale

Foreign bills of sale or invoices are not acceptable without proper evidence of ownership from the country in which the vehicle was last registered, and only if the evidence of ownership does not contain a transfer of ownership section. These documents must identify the vehicle (make, year model, and vehicle identification number or foreign registration), indicate the name of the buyer and seller, and be acknowledged and dated.

Transfers to the Applicant

Surrendered evidence must reflect a proper transfer to the first United States purchaser or importer and contain a complete chain of transfers to the applicant.

The Notation D.B.A.

When an individual's name is shown with the notation "D.B.A." followed by the name of a dealership on foreign evidence of ownership, a separate affidavit is required from the dealership certifying that the individual is an agent/employee of the dealership.

Salvage Vehicles

Caution should be taken to observe any vehicular remark or restrictions that would impede titling and registration of such vehicles such as non-repairable, parts only, dismantler purposes only, etc.

Document Alterations

Alterations on foreign documents are not acceptable. Written verification from the appropriate foreign country must be obtained by the applicant.

Additional Documentation

Additional documentation required on a foreign/imported vehicles includes:

- An *Out-of-State Identification Certificate*, completed by a State approved Safety Inspection Station, must accompany all vehicles imported into the United States (except certain vehicles owned by members of the German Federal Armed Forces.
- The Inspection Report on the bottom of the *Application for Assigned or Reassigned Number*, **Form VTR-68-A,** must be completed by a law enforcement officer who is a member of one of the following agencies: Municipal Police Auto Theft Unit; County Sheriff's Department Auto Theft Unit; Federal Bureau of Investigation; Texas Department of Public Safety Motor Vehicle Theft Services; or the National Insurance Crime Bureau (NICB) Vehicle Theft Investigators. The completed **Form-68-A** must accompany any title documentation supported by foreign evidence filed on and after August 1, 2000 except for military evidence. U.S. military personnel, including immediate family members, returning to Texas military bases are no longer required to submit a form VTR-68-A. However, proof of active duty and assignment to a Texas military base is required.
- A weight certificate on all imported commercial motor vehicles in excess of one ton.
- Proof of compliance with all U. S. Department of Transportation (USDOT) safety requirements, if applicable.

Note: Vehicles with year models 25 years old or older are exempt from safety compliance.

- U. S. Customs' entry/clearance documentation.
- Valid proof of financial responsibility for the vehicle in the applicant's name. (Refer to Chapter 11 of the Vehicle Registration Manual.)
- All foreign vehicles imported into Texas for title and registration purposes are subject to odometer requirements. (Refer to Transportation Code, §501.072.)
- A receipt or certificate issued by the U. S. Department of Treasury showing that any and all gas-guzzler taxes have been fully paid, if applicable. A copy of the **IRS Form 720** that was filed by the applicant, accompanied by a copy of the canceled check, is also acceptable proof of payment.

Proof of Compliance with USDOT Safety Requirements

When an applicant applies for a Texas Certificate of Title on an imported motor vehicle, the application must be supported by acceptable proof of compliance with all USDOT safety requirements, if applicable.

USDOT Form HS-7

Importers of vehicles must file a USDOT **Form HS-7,** *Application for (Declaration) Importation of Motor Vehicles and Motor Vehicle Equipment Subject to Federal Motor Vehicle Safety, Bumper and Theft Prevention Standards*, (available at ports of entry) at the time a vehicle is imported to declare whether the vehicle complies with all applicable federal motor vehicle safety standards (USDOT safety requirements). The USDOT Form HS-7 must be validated with an original U. S. Customs stamp or an ABI electronic release which includes a date and time stamp, or must be accompanied by other U. S. Customs entry/clearance documentation.

Refer to the quick reference at the end of this chapter to determine title and registration requirements that are applicable to the various blocks checked on the USDOT **Form HS-7**.

Note: Vehicles with year models that are 25 years old or older are exempt from those requirements.

Automated Broker Interface (ABI) system

The USDOT and U. S. Customs House Brokers have established an Automated Broker Interface (ABI) system that allows importers to provide USDOT **HS-7** information electronically to USDOT on Customs releases. Instead of a USDOT **Form HS-7**, a title applicant can provide a properly completed ABI screen that serves as a U. S. Customs entry/clearance documentation and shows the USDOT safety requirement eligibility information normally provided on the USDOT **Form HS-7.** The following information must be included on the ABI screen:

- The description of the vehicle (year model, make, VIN, and model);
- The USDOT **Form HS-7** box number of eligibility* (1, 2A, 2B, 3, 5, 7, 8, 9 & 12);
- U. S. Customs entry number; and
- A reference notation, such as “USDOT” or “DOT.”

Note: If Box 3 is indicated, the registered importer number is also required on the ABI screen.

USDOT Safety Certification

Vehicles manufactured to meet all applicable USDOT safety requirements have a USDOT Safety Certification label affixed by the original manufacturer in the area of the driver-side door. A vehicle without this certification label must be imported as a nonconforming vehicle through a USDOT Registered Importer and post a USDOT Bond.

Note: A current listing of Registered Importers is available by writing to the U. S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA), Room 6111, 400 Seventh Street S.W., Washington, D.C., 20590, or on NHTSA’s Web page at www.nhtsa.dot.gov/cars/rules/import**.**

Vehicles Imported Under Bond

If the vehicle is imported **u**nder bond, one of the following documents is required:

- An original bond release letter from the USDOT, with all attachments referred to in the letter, if any; or
- An applicant claiming exemption from the USDOT safety requirements must provide a legible copy of a USDOT **Form HS-7** (yellow copy) as filed with the USDOT, which confirms the exemption. These forms must be validated with an original Customs stamp. Certified copies by U. S. Customs are also acceptable.

Vehicle Inspections

If a vehicle is manufactured in compliance with USDOT safety requirements and is imported into the United States (such as military personnel returning from overseas duty, individuals returning from Canada, etc.), and the owner is unable to produce the USDOT **Form HS-7**, U. S. Customs may inspect the vehicle and certify whether or not the vehicle conforms to USDOT safety requirements. If it is confirmed that the vehicle complies with USDOT safety requirements, certification on U. S. Custom's letterhead and signed by a customs agent is acceptable instead of the USDOT **Form HS-7**.

The department may also inspect the vehicle to confirm that a USDOT Safety Certification Label has been affixed to the driver side door area by the original manufacturer or USDOT Registered Importer. This inspection serves only as proof of compliance with USDOT safety requirements. The U. S. Customs entry/clearance documentation is also required.

USDOT Form HS-7 Problems

If the U. S. Customs documentation or USDOT **Form HS-7** is not properly completed and stamped, the applicant must contact the vehicle manufacturer or U. S. Department of Transportation (USDOT) for a written (letter) of vehicle compliance. For telephone, numbers relating to manufacturers see Table 19-1 for a list of manufacturers. The telephone number for NHTSA's Office of Vehicle Safety Compliance is (202) 366-5291.

Proof of Compliance

Proof of compliance is also required on imported vehicles under the following conditions:

- Apprehended vehicle unless the vehicle is covered under imported vehicle portion of the **Form VTR-272**, Application for Registration Purposes Only.
- Vehicles sold at public auction by federal, state, and local law enforcement agencies.
- Vehicles with a non-USA vehicle identification number that have been seized or forfeited. (Refer to Chapter 16, "Operation of Law" for further information).
- Salvage vehicles that have been placed in an operable condition.
- The United States Government Certificate to Obtain Title to a Motor Vehicle,
- **Form 97,** issued by the U. S. Government.
- Storage and mechanics liens.
- Court order awarding ownership to a Texas resident.

Exceptions

The following are exceptions to the above-mentioned requirements; and in these instances, proof of USDOT safety compliance should not be required.

- If a vehicle is manufactured in a foreign country and the title transaction is supported by a Manufacturer's Certificate of Origin invoiced to a United States dealer or distributor.
- If the motor vehicle's year model is 25 years old or older.
- Vehicles imported into the United States from a U. S. Territory (American Samoa, Baker and Howard Islands, Commonwealth of the Northern Marianas Islands, Federated States of Micronesia, Guam, Jarvis, Johnston, Kingman Reef, Marshall Islands, Midway, Navassa, Palau, Palmyra, Puerto Rico, U.S. Virgin Islands, and Wake) were declared to U. S. Customs when imported into that territory and were required to meet the same standards as those vehicles imported into the United States.
- Vehicles which have been titled in the United States and shipped overseas (as in the case of vehicles owned by military personnel) are required to be declared to U. S. Customs upon reentering the United States; however, an application for Texas title and registration may be accepted without USDOT proof of compliance if the vehicle is currently titled in the United States. The certificate of title is sufficient to substantiate that the vehicle has met U. S. specifications.
- Vehicles that have been seized and forfeited under Federal or State contraband laws and awarded by court order to a law enforcement agency for their official use. (Refer to Chapter 16, "Operation of Law" for further information).
- U.S. Customs documentation should not be required if a vehicle is manufactured in the United States and transferred on a security-type manufacturer's certificate of origin, which reflects a 17-character VIN. Whether or not the vehicle is transferred by the U.S. manufacturer to an overseas distributor or dealer is immaterial.

Vehicles assembled in Mexico

A vehicle identification number beginning with a "3" designates a vehicle, which was manufactured in Mexico, but does not necessarily mean the vehicle was not manufactured in compliance with U.S. safety standards. To determine if the vehicle meets US safety standards, a VTR regional office may inspect and verify that a USDOT Safety Certification Label is affixed to the driver side door area. If the US certification label is not affixed, the vehicle must be imported under contract with a Registered Importer.

Only certain vehicles manufactured for the Mexican market have been determined by NHTSA to be eligible for importation into the United States. Therefore, if the USDOT Safety Certification Label is not affixed, the title transaction may not be accepted for processing unless it is supported by:

- A USDOT **Form HS-7** or other documentation, which is acceptable in lieu of the USDOT **Form HS-7**; and
- A USDOT Bond Release Letter or a manufacturer's confirmation letter containing the USDOT stamp.

United States Customs Entry/Clearance Documentation

In addition to proof of compliance with applicable United States Department of Transportation (USDOT) safety requirements, an application for Certificate of Title must also be supported by acceptable U. S. Customs entry/clearance documentation. Acceptable evidence of U. S. Customs entry/clearance may consist of:

1. A USDOT **Form HS-7** validated with an original U. S. Customs stamp or an ABI electronic release which includes a date and time stamp. Certified copies by U. S. Customs are also acceptable.
2. Certification on U. S. Customs letterhead and signed by a customs agent.
3. A Bond Release Letter from USDOT that references the customs “Entry Number” and “Port Code”.
4. Any of the following U.S. Customs forms:

Note: The department requires a USDOT Form HS-7, or other acceptable evidence of USDOT safety requirement compliance, if applicable, in addition to these forms.

- CF-368 – Collection Receipt for Informal Entry;
- CF-3299 – Declaration for Free Entry of Unaccompanied Articles;
- CF-3311 – Declaration for Free Entry of Returned American Property;
- CF-3461 – Entry/Immediate Delivery; (may include ABI electronic release which includes a date and time stamp)
- CF-3461ALT – Entry/Immediate Delivery;
- CF-6059B – Customs Declaration (Badge number instead of signature);
- CF-7501 – Entry Summary (does not require a Customs Inspector’s signature); or
- CF-7523 – Entry and Manifest of Merchandise Free of Duty.

Note: Newer versions of these form may be represented as CBP Form (Customs and Border Patrol) rather than CF (Customs Form).

Registration Purposes Only (RPO) for Foreign Vehicles

In some situations, an imported vehicle that cannot be sold or titled in Texas may be issued registration only. The owner of a non conforming vehicle may be required to obtain Texas registration for failure to display the international marker or if the foreign license plates expire or become lost or stolen. In these instances, the owner/applicant must complete an *Application for Registration Purposes Only*, **Form VTR-272**, including the imported vehicle declaration portion, and not required to comply with USDOT standards. Only the following applicants, identified as indicated by Block 5, 7A, or 12 on the required USDOT **Form HS-7**, may qualify:

- Block 5 - A nonresident (visitor). Vehicle may be temporarily registered only for one year. Vehicle cannot be sold and must be exported within one year.
- Block 7A - An individual who imports a vehicle for show, test, experiment, or competition. Requires USDOT approval letter to be temporarily registered for one year.
- Block 12 - A member of the armed forces or a civilian on assignment for a foreign government in excess of one year. Also, see civilian individual who imports a vehicle for show, test, experiment, or competition.

Additional required documentation

Application for a Texas Certificate of Title, **Form 130-U**; *Out-of-State Identification Certificate*, **Form VI-30**; *Application for Registration Purposes Only*, **Form VTR-272**; proof of financial responsibility; USDOT **Form HS-7** or other acceptable Customs documentation.

Note: When processing an RPO (Form VTR-272) on an imported vehicle, the "DOT Proof Required" remark must be selected on the additional information screen in the RTS title event to ensure that a registration renewal notice does not print.

Tax Collectors Hearing or Bonded Title for Foreign Vehicles

A Tax Collector's Hearing or Bonded Title option is not available when the applicant cannot furnish the USDOT bond release letter or proof of payment of the gas-guzzler tax, if applicable. However, county tax assessor-collectors are not prohibited from holding a hearing if the applicant can provide such documents but does not have proper evidence of ownership.

List of Manufacturers to Notify For Proof of Compliance

Table 19-1 is (Revision 11-06)

Table 19-1 List of Manufacturers to Notify For Proof of Compliance

Manufacturer	Contact Information
Acura Division-American Honda 1919 Torrance Boulevard Torrance, CA 90501-2746 Richard Downing Consumer Affairs	USA: (310) 783-3260 CANADA: (310) 783-3260
Alfa Romeo/Fiat	USA: (810) 488-5600 CANADA: (810) 488-5600
Audi Audi Customer Relations 3800 Hamlin Road Auburn Hills, MI 48326	USA: 1-800-822-2834 CANADA: 1-800-822-2834
BMW of North America 1 BMW Plaza Montvale, NJ 07645	USA: (201) 573-2041 Environmental Engineering Dept.
BMW Headquarters 920 Champlain Court Whitby, Ontario Canada L1N 6K9	CANADA: (905) 683-1200
Chrysler Corporation National Owner Relations Dept. 26001 Lawrence Avenue Center Line, MI 48015-1231	USA: 1-800-992-1997 Customer Center CANADA: 1-800-465-2001
Ferrari North America Mr. Masoni	USA: (201) 816-2684 CANADA: (201) 816-2684
Fiat Auto R & D USA 39300 Country Club Drive Farmington Hill, MI 48331	USA: (248) 488-5600 FAX: (248) 488-5820 CANADA: (810) 488-5600
Ford-Ford Motor Company P. O. Box 43360 Detroit, MI 48242	USA: 1-800-392-3673 Lincoln: USA: 1-800-521-4140
Ford-Ford Motor Company Canada The Canadian Road P. O. Box 2000 Oakville, Ontario Canada L6J 5E4	CANADA: 1-800-565-3673
General Motors Environmental Activities Staff Room 12-204 3044 West Grand Boulevard Detroit, MI 48202	USA: (905) 644-5843 FAX: (905) 644-5436
General Motors of Canada Limited 1908 Colonel Sam Drive Oshawa, Ontario Canada L1H 8P7	CANADA: (888) 467-6853 FAX: (905) 644-5436
Harley Davidson Milwaukee, WI	USA: (414) 343-4056 CANADA: (414) 343-4056
Honda-American Honda Motor Co., Inc. 1919 Torrance Boulevard Torrance, CA 90501-2746	USA: (310) 783-3260 1-800-999-1009 CANADA: (310) 783-2000 1-800-999-1009 (Ask for Consumer Affairs)

Manufacturer	Contact Information
Hyundai Motor America 10555 Talbert Avenue Fountain Valley, CA 92728	USA: 1-800-633-5151
Hyundai Auto Canada Markham, Ontario Canada L3R 6H2	CANADA: (905) 477-0202 (Ask for Customer Service)
Infiniti (Division of Nissan Motor Corp) P. O. Box 47038 Gardena, CA 90247-6838	USA: 1-800-662-6200 CANADA: (310) 532-3111
Isuzu	USA: 1-800-255-6727 CANADA: 1-800-255-6727
Jaguar-Jaguar Cars, Inc. 555 MacArthur Boulevard Mahwah, NJ 07430-2327	USA: (201) 818-8171
Jaguar Canada Inc. #8 Indell Lane Bramalea, Ontario L6T 4H3 Canada	CANADA: (905) 792-9400 Debbie Price Ex. 242
Kawasaki Motors Corp 9950 Jeronimo Road Irvine, CA 92718-2016	USA: (714) 770-0400 CANADA: (714) 770-0400
Lamborghini 27 Jayson Avenue Great Neck, NY 11021	USA: (516) 829-8694 CANADA: (516) 829-8694 Michael J. Grossman
Land Rover North America 555 MacArthur Blvd Mahwah, NJ 07430	USA: 1-800-637-6837
Land Rover Canada 8 Indell Lane Bramalea, ON L6T 4H3 Canada	CANADA: 1-800-346-3493
Lexus One Toyota Place Scarborough, Ontario Canada M1H 1H9	CANADA: (416) 438-6535 FAX: (416) 438-6136
Mazda North American Operations Attn: International Imports/Exports 7755 Irvine Center Drive Irvine, CA 92618-2922	USA: (949) 727-1990 extension 1114 FAX: (949) 727-6703 E-MAIL: intl.imports.exports@mazdausa.com CANADA: (949) 727-1990
Mercedes-Benz of North America 1 Mercedes Drive Montvale, NJ 07645	USA: (201) 573-2632
Mercedes-Benz Canada 849 Eglinton Avenue East Toronto, Ontario Canada M4G 2L5	CANADA: (416) 425-3550 FAX: (416) 423-5027
Mitsubishi Motors of America 6400 Kalella Avenue Cypress, CA 90630	USA: (714) 372-6000 CANADA: (714) 372-6000
Nissan Motor Corporation P. O. Box 191 Gardena, CA 90248-0191	USA: (310) 532-3111 CANADA: (310) 532-3111

Manufacturer	Contact Information
Porsche Cars of North America 100 West Liberty Street P. O. Box 30911 Reno, NV 89520-3911	USA: (702) 348-3000 1-800-545-8039 CANADA: (702) 348-3000
	USA: (770) 279-6364 CANADA: (770) 279-6364 Diane Rember
Subaru of America, Inc. Subaru Plaza P. O. Box 6000 Cherry Hill, NJ 08034-6000	USA: 1-800-782-2783 FAX: (609) 488-0485 CANADA: 1-800-782-2783 Patti Mickel
Suzuki-American Suzuki Motor Corp. 3251 East Imperial Highway Post Office Box 1100 Brea, CA 92622-1100	USA: (714) 996-7040 CANADA: (905) 889-2677 extension: 2278 Bill Collins FAX: (714) 970-6005
Toyota-Toyota Motor Sales, Inc. 19001 South Western Avenue P. O. Box 2991 Torrance, CA 90509-2991	USA: (800) 331-4331 FAX: (310) 468-7814 CANADA: (800) 263-7640
Volkswagen of America, Inc. Customer Relations Department 3800 Hamlin Road Auburn Hills, MI 48326	USA: 1-800-822-8987 CANADA: 1-800-822-8987
Volvo Cars of North America, Inc. Volvo Drive Rockleigh, NJ 07647	USA: (201) 768-7300 FAX: (201) 784-4525
Volvo Canada Ltd. 175 Gordon Baker Road North York, Ontario Canada M2H 2N7	CANADA: 1-800-663-8255 FAX: (416) 493-8754
Yamaha Motor Corporation 6555 Katella Avenue Cypress, CA 90630-5101 Mike Schmitt	USA: (714) 761-7710 CANADA: (714) 761-7710

Chapter 20

Military

This chapter contains the following sections:

- Persons on Active Duty in Armed Forces of United States
- Entry of Motor Vehicles into the United States

Persons on Active Duty in Armed Forces of United States

Transportation Code Section 520.0225

(a) This section applies only to a used motor vehicle that is owned by a person who:

(1) is on active duty in the armed forces of the United States;

(2) is stationed in or has been assigned to another nation under military orders; and

(3) has registered the vehicle or been issued a license for the vehicle under the applicable status of forces agreement by:

(A) the appropriate branch of the armed forces of the United States; or

(B) the nation in which the person is stationed or to which the person has been assigned.

(b) The requirement in Section 520.021 that a used vehicle be registered under the law of this state does not apply to a vehicle described by Subsection (a). In lieu of delivering the license receipt to the transferee of the vehicle, as required by Section 520.022, the person selling, trading, or otherwise transferring a used motor vehicle described by Subsection (a) shall deliver to the transferee:

(1) a letter written on official letterhead by the owner's unit commander attesting to the registration of the vehicle under Subsection (a)(3); or

(2) the registration receipt issued by the appropriate branch of the armed forces or host nation.

(c) A registration receipt issued by a host nation that is not written in the English language must be accompanied by:

(1) a written translation of the registration receipt in English; and

(2) an affidavit, in English and signed by the person translating the registration receipt, attesting to the person's ability to translate the registration receipt into English.

The registration receipt and/or license plate issued by the armed forces or host nation remains valid and a motor vehicle may be operated for 90 days after the vehicle is returned to Texas. (Transportation Code §502.0025, refer to Registration Manual.)

The above law provides that under specific circumstances, persons who are on active duty in the armed forces may apply for a Texas Certificate of Title without obtaining Texas registration (title only).

Additional Requirements

In addition to the negotiable evidence of ownership that must be surrendered in support of the Texas Certificate of Title, the applicant must meet the following requirements:

- The applicant must be a Texas resident.
- The applicant must be on active duty in the armed forces of the United States.
- The applicant must be stationed in or has been assigned to another Country under military orders.
- The applicant must have registered the vehicle or been issued a license for the vehicle under the applicable status of forces agreement (SOFA) by the appropriate branch of the armed forces of the United States. A SOFA is an agreement between a country and the United States who are stationing military forces in that country and defines the legal status of entry and exit of personal property in the country.

Title Only

In addition to requiring the negotiable evidence of ownership, release of lien (if applicable), etc., a *Request to Issue a Negotiable Certificate of Title Without Registration* (title only), **Form VTR-131,** and an *Application for Texas Certificate of Title*, **Form 130-U**, must be completed by the applicant.

The applicant must provide the vehicle description, including vehicle year, make, body style, license plate number, year of license, VIN, and registration sticker number, if applicable.

- The third check box must be checked on the **Form VTR-131** if the applicant is applying for Texas title without Texas registration under Transportation Code, §502.0025. This applies to Texas residents who are active military personnel and have current registration in another country (military or registration under the host nation). Proof of valid military registration must be provided to the tax assessor-collector’s office. Valid proof includes: a letter written on official letterhead by the applicant’s unit commander attesting to the registration of the vehicle; or

- The registration receipt issued by the appropriate branch of the armed forces or host nation.
- A registration receipt not written in English must be accompanied by a written translation in English with a signed affidavit by the translator attesting to their ability to translate the receipt into English.

The signature of the applicant on the **Form VTR-131** verifies that the applicant understands that the vehicle may not be operated on the public streets and highways of Texas without the applicant obtaining and displaying current registration.

A Title Only may not be issued for slow-moving vehicles or ATV's.

The applicant does not have to provide proof of insurance at the time of application for title without registration.

Vehicles with a Texas title obtained without registration are not subject to inspection under Transportation Code, §548.052.

Note: For additional information on other Title Only applications, refer to Chapter 6, "Application and Issuance of Certificate of Title".

Entry of Motor Vehicles into the United States

Civilians and members of the United States Armed Forces who bring motor vehicles into the United States must follow rules and regulations established by the federal government and this department. An *Out-of-State Identification Certificate*, **Form VI-30**, issued by a state appointed Safety Inspection Station must accompany any final application for a vehicle brought into Texas. If the vehicle is located outside of Texas, a self-certification of the vehicle identification number on an *Application for Registration Purposes Only* **Form VTR-272** or *Vehicle Identification Number Self -certification*, **Form VTR-272-B** may be completed. (Refer to Chapter 18, "Out of State Requirements" for a complete discussion of motor vehicle inspection requirements.)

There are several types of U. S. Military title and registration documents issued to military personnel and individuals working for the military services in foreign countries, and these documents are acceptable as evidence of ownership to support an application for Texas title provided they agree with the motor vehicle description.

Foreign Titles

A title (or if no title, a registration receipt) issued by a foreign country is acceptable as evidence of ownership to support an application for Texas title. (The registration receipt issued by a foreign country is considered current evidence of ownership for six months after expiration). (Refer to Chapter 19, "Imported Vehicles" for evidence of ownership requirements for imported and foreign vehicles.)

Post Exchanges

When Post Exchanges (PXs) that are located on property controlled by a branch of the Armed Forces of the United States, sells new vehicles as part of their normal business, the PX acts as an authorized selling agent for a manufacturer and issues a "Manufacturer's Certificate of Ownership (MCO)" to the purchaser**.** Such MCOs may support an application for Texas title. The use of these certificates arises most frequently on motor vehicles imported from countries which require the registration receipt or booklet to be surrendered when the motor vehicle leaves the country, or in some cases, because the purchaser shipped the motor vehicle to the United States immediately upon purchase. In such cases, the MCO would be the only evidence of ownership the applicant would possess, and in others the registration receipt is the latest evidence, although the owner may still possess the MCO. The status of any lien should be requested and if a lien is shown on the MCO and not paid, the lien should be shown on the Texas title.

When a motor vehicle is owned and operated by a PX, the vehicle must be transferred on the *United States Government, Certificate to obtain Title to a Vehicle*, **Form 97**. The PX is considered an agency of the Federal Government and, therefore, must provide the purchaser of a PX owned and operated motor vehicle with a **Form 97**.) If the purchaser loses the **Form 97**, a Tax Collector's Hearing or Bonded Title are the applicant's available options.

Chapter 21

Theft and Fraudulent Activities

This chapter contains the following sections:

- Record of Stolen or Concealed Motor Vehicle
- Placement of Serial Number With Intent to Change Identity
- Right of Possession – Rightful Owner
- Justice of the Peace Orders
- Sale or Offer Without Title Receipt or Title
- Application for Title for Stolen or Concealed Vehicle
- Alteration of Certificate or Receipt
- False Name, False Information and Forgery

Record of Stolen or Concealed Motor Vehicle

Transportation Code Section 501.135

(a) The department shall:

(1) make a record of each report to the department that a motor vehicle registered in this state has been stolen or concealed in violation of Section 32.33, Penal Code; and

(2) note the fact of the report in the department's records of the vehicle's certificate of title.

(b) A person who reports a motor vehicle as stolen or concealed under Subsection (a) shall notify the department promptly if the vehicle is recovered, and the department shall change its records accordingly.

"Stolen" used in reference to the acquisition of property, includes property acquired by theft. "Conversion" is the selling of legally possessed property without being the legal owner or operating legally possessed property to one's own personal gain or use without permission from the legal owner. "Concealed motor vehicle" may be applied to a mortgaged vehicle, sold without the consent of the lienholder, or to a mortgaged vehicle when either the vehicle or the registered owner of the vehicle is removed to an unknown location so that necessary legal papers cannot be served or the vehicle seized.

Law Enforcement Procedures

Whenever the owner of a motor vehicle reports to a law enforcement agency that their vehicle has been stolen, converted, or concealed, the enforcement agency notifies the Texas Department of Public Safety (DPS) and a “Stolen” remark placed on the vehicle record. If the department receives an application for title involving such vehicle, the transaction returns to the county tax assessor-collector, and all parties involved advised that title does not issue until the “Stolen” remark is removed by the applicable law enforcement agency.

Stolen Marked Titles

Generally, when a “Stolen” remark appears in a vehicle's title record, the department rejects an application for title. However, in some cases, a title may be issued depending upon the circumstances and presentation of certain evidence. In these instances, the “Stolen” remark carries forward**.** A title may be issued for a vehicle with a “Stolen” remark on the vehicle record, under the following instances.

Stolen After the Date of Transfer

A Texas Certificate of Title to a vehicle on which a “Stolen” remark appears in the vehicle record issue only when the vehicle was stolen after the date of transfer to the person from whom it was stolen. In this instance, a certificate of title issue in the name of the applicant, if the applicant is the person from whom the vehicle was stolen and such evidence is presented to the department. In addition to the title transaction, a copy of the theft report filed with law enforcement must accompany as supporting evidence. Occasionally, a transaction may be held by a dealer before being filed with the county tax assessor-collector, and if the vehicle is stolen during this time, it does not affect the issuance of the original Texas title. When title is issued, the “Stolen” remark is carried forward to the new title record.

Corrected Title

A corrected title to record a lien for a vehicle with a “Stolen” remark appears on the vehicle record issues only when the vehicle was stolen after the date it was encumbered. In this instance, the applicant must furnish to the department a copy of the theft report, filed with law enforcement. If the theft report was filed before the date of encumbrance, the title does not issue. If the theft report was filed after the date of encumbrance, title issues, and the “Stolen” remark carried forward to the new title record.

Certified Copy of Title

A certified copy of title for a vehicle on which a “Stolen” remark appears on the vehicle record issues when an affidavit from the recorded owner states that the title is lost, and outlines the reasons why certified copy is needed, such as the title being necessary for settlement of the claim by the insurance company.

- The department rejects applications for certified copy original titles and advises the applicant of the stolen remark and the necessity of its removal before title can be issued.
- If, the application is resubmitted accompanied by the above mentioned affidavit, the certified copy original title issues.

Total Loss Claims on Stolen Vehicles

When an insurance company pays a total loss claim on a stolen vehicle, the insurance company must apply for a negotiable certificate of title in the company name. This should be done immediately in order for the insurance company to be notified by law enforcement when the vehicle is recovered. Salvage ownership documents are not issued to insurance companies for stolen vehicles on which titles are obtained because of paying total loss claims.

Application for Title

Application for title in the name of the insurance company should be supported by proper evidence of ownership, such as negotiable certificate of title or manufacturer's certificate. Any recorded liens must be released or carried forward, and the owner's interest must be released by assignment of title or by attachment of a Power of Attorney (POA) or Proof of Loss Statement. (If a POA is attached, the assignment must be completed by the person authorized by the POA).

Application Fees

The insurance company must pay the title application fee. The registration fee, registration transfer fee, delinquent transfer penalty, and sales or use tax fee requirements are waived provided the stolen remark is on the vehicle record and the insurance company attaches a statement that the vehicle is a stolen vehicle on which the company has paid a total loss claim if the stolen vehicle was previously titled out of state. The Vehicle Identification Certificate issued by a state safety inspection station may also be waived; however, a “VIN Certification Waived” remark must be added to the vehicle record. An odometer reading and brand is required, but may be carried forward from the surrendered title if the current reading and brand is unavailable.

Vehicle Record

The “Stolen” remark carries forward in the vehicle record.

Recovered Stolen Vehicles

If the stolen vehicle is recovered prior to filing an application for Texas title, the insurance company is not required to apply for title. Instead, the insurance company may reassign a regular certificate of title (negotiable Texas title, or out of state original or certified copy) to the new purchaser.

If the recovered vehicle is damaged to the extent that it is a salvage or non repairable vehicle, the insurance company must apply for the appropriate salvage ownership document (refer to Chapter 26, "Salvage and Non Repairable Vehicles" for the applicable procedure).

Placement of Serial Number With Intent to Change Identity

Transportation Code Section 501.151

(a) A person commits an offense if the person stamps or places a serial number on a vehicle or part of a vehicle with the intent of changing the identity of the vehicle.

(b) It is an affirmative defense to prosecution of an offense under this section that the person acted with respect to a number assigned by:

(1) a vehicle manufacturer and the person was an employee of the manufacturer acting within the course and scope of employment; or

(2) the department, and the person was:

(A) discharging official duties as an agent of the department; or

(B) complying with department rule as an applicant for a serial number assigned by the department.

(c) An offense under this section is a felony of the third degree.

Right of Possession – Rightful Owner

With reference to the term "rightful owner**",** the applicant is recognized as the rightful owner. No further determination is required if the identification number recorded on the evidence of ownership submitted by the applicant ties in with the true identification number affixed to the vehicle or component part for which the assigned number is applied. The department determines this through a comparison of the evidence of ownership submitted by the applicant against his assigned number application and the inspection report executed by a law enforcement officer who is a member of:

- A Municipal Police Auto Theft Unit;
- Sheriff's Department Auto Theft Unit;
- Federal Bureau of Investigation;
- DPS Motor Vehicle Theft Services; or
- The National Insurance Crime Bureau (NICB) vehicle theft investigators.

If the identification number shown on the evidence of ownership does not match the identification number on the vehicle or component part, and vehicle ownership cannot be determined, a court order from a court of competent jurisdiction must be attached to the application before an assigned number may be issued.

A Justice of the Peace can determine right of ownership to a vehicle only if in accordance with Chapter 47, Code of Criminal Procedures and if the vehicle is alleged to have been stolen.

Justice of the Peace Orders

When a JP or Municipal Judge holds an examining trial to determine disposition of property alleged as stolen, the JP or Municipal Judge may issue an order to release the property to the person determined to have rightful possession. A JP or Municipal Judge does not award vehicle ownership; therefore, a JP or Municipal Judge Order is not acceptable to support application for certificate of title. The vehicle owner may pursue a county tax assessor-collector's hearing, or obtain a district or county court order.

A JP or Municipal Judge Order issued in accordance with Article 47.01a(b), Code of Criminal Procedures which orders a vehicle delivered to a government agency is acceptable for that agency to obtain a certificate of title and Exempt license plates.

Sale or Offer Without Title Receipt or Title

Transportation Code Section 501.152

(a) Except as provided by this section, a person commits an offense if the person:

(1) sells, offers to sell, or offers as security for an obligation a motor vehicle registered in this state; and

(2) does not possess the title receipt or certificate of title for the vehicle.

(b) It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the certificate of title to the vehicle if the sole reason he or she does not have possession of the certificate of title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code.

No person in this state may offer for sale any motor vehicle registered out-of-state without having in their possession a title, or registration receipt if the motor vehicle is from a non-title state.

Application for Title for Stolen or Concealed Vehicle

Transportation Code Section 501.153

A person commits an offense if the person applies for a certificate of title for a motor vehicle that the person knows is stolen or concealed in violation of Section 32.33, Penal Code.

When an application for title is applied for by an insurance company as a result of the payment of a theft by conversion claim, the title transaction must be accompanied by an *Affidavit for a Repossessed Motor Vehicle*, **Form VTR-264**, completed by the lienholder and a notarized statement from the insurance company verifying that a theft by conversion total loss claim has been paid. The license number on the *Application for Texas Certificate of Title*, **Form 130-U** and the license number on the *Application Receipt,* **Form VTR-500-RTS,** should be left blank when registration is not transferred.

Alteration of Certificate or Receipt

Transportation Code Section 501.154

A person commits an offense if the person alters a manufacturer's or importer's certificate, a title receipt, or a certificate of title.

An altered *Application Receipt,* **Form VTR-500-RTS**, certificate of title, or manufacturer's certificate received by the department constitute valid reason for the rejection of any transaction to which the altered evidence is attached.

False Name, False Information and Forgery

Transportation Code Section 501.155

(a) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a certificate of title;

(2) an application for a certified copy of an original certificate of title;

(3) an assignment of title for a motor vehicle;

(4) a discharge of a lien on a title for a motor vehicle; or

(5) any other document required by the department or necessary to the transfer of ownership of a motor vehicle.

(b) An offense under this section is a felony of the third degree.

Penalties

Transportation Code Section 501.157

(a) Unless otherwise provided by this chapter, an offense under this chapter is a misdemeanor punishable by a fine of not less than $1 or more than $100 for the first offense. If a person is subsequently convicted of the same offense, at the jury's discretion, a person may be fined not less than $2 or more than $200.

(b) A person commits an offense if the person violates Subchapter E or a rule adopted under that subchapter. An offense under this subsection is a Class A misdemeanor.

Seizure of Stolen Vehicle or Vehicle With Altered Serial Number

Transportation Code Section 501.158

(a) A peace officer may seize a vehicle or part of a vehicle without a warrant if the officer has probable cause to believe that the vehicle or part:

(1) is stolen; or

(2) has had the serial number removed, altered, or obliterated.

(b) A vehicle or part seized under this section may be treated as stolen property for purposes of custody and disposition of the vehicle or part.

The department issues an assigned component part number to any person who has been determined to be the rightful owner of any motor vehicle component part - motor, transmission, frame, or body - if the manufacturer's identification number has been removed, changed, or obliterated. A distinctive type number is assigned to each component part, and these numbers are to be die stamped on the components in a location prescribed by the department. (See Chapter 13, “Vehicle Identification Numbers” for more information regarding assigned/reassigned numbers).

Chapter 22

Abandoned Vehicles

This chapter contains the following sections:

- Abandoned Vehicle
- Vehicles Abandoned in Coastal Waters
- Public Nuisance Vehicles
- Definitions
- Abandoned Motor Vehicle
- Conflict of Laws; Effect on Other Laws
- Authority to Take Abandoned Motor Vehicle Into Custody
- Taking Abandoned Motor Vehicle Into Custody: Notice
- Storage Fees
- Auction or Use of Abandoned Items; Waiver of Rights
- Auction Proceeds
- Law Enforcement Agency Use of Certain Abandoned Motor Vehicles
- Garagekeeper's Duty: Abandoned Motor Vehicles
- Garagekeeper's Fees and Charges
- Unauthorized Storage Fee; Offense
- Disposal of Vehicle Abandoned in Storage Facility
- Application for Authorization to Dispose of Certain Motor Vehicles
- Contents of Application; Application Fee
- Department to Provide Notice
- Authority to Dispose of Vehicle
- Rules and Forms
- Demolisher's Duty
- Demolisher's Records; Offense
- Junked Vehicle Definition
- Municipal Requirements
- Junked Vehicle Declared to be Public Nuisance
- Offense
- Authority to Abate Nuisance; Procedures
- Notice
- Hearing
- Alternative Procedure for Administrative Hearing
- Inapplicability of Subchapter

- Junked Vehicle Disposal

Abandoned Vehicle

Transportation Code, §683.002 defines a motor vehicle as abandoned if the motor vehicle:

1. Is over five years old, is inoperable, and has been left unattended on public property for more than 48 hours;
2. Has remained illegally on public property for more than 48 hours;
3. Has remained on private property without consent of the owner or person in control of the property for more than 48 hours; or
4. Has been left unattended on the right-of-way of any designated county, state, or federal highway within this state in excess of 48 hours or for more than 24 hours on: (a) a turnpike project constructed and maintained by the Texas Turnpike Authority; or (b) a controlled-access highway;
5. Considered abandoned under 644.153(r).

Note: A "controlled access highway" means a highway or roadway to which persons, including owners or occupants, of abutting real property have no right of access; and access by persons to enter or exit the highway or roadway is restricted under law except at a place and in the manner determined by the authority that has jurisdiction over the highway or roadway.

Abandoned Motor Vehicle

When an abandoned vehicle is taken into Custody by a Law Enforcement Agency (Transportation Code, §683.012) the following applies:

A law enforcement agency means the Texas Department of Public Safety, the police department of any municipality, the police department of an institution of higher education, or the sheriff or a constable of any county within this State.

A garagekeeper means an owner or operator of a storage facility. A storage facility includes a garage, parking lot, or establishment for the servicing, repairing, or parking of motor vehicles.

Towed Vehicles

A law enforcement agency or operator of a storage facility who receives a vehicle that has been towed to the facility at the request of law enforcement must send a written notice to the registered owner and each lienholder within 10 days.

The agency or operator must send the notice by certified mail, return receipt requested, and it must contain:

- the vehicle description (year, make, model and vehicle identification number);
- the type and amount of all charges due when the vehicle is claimed;
- the location of the facility where the vehicle is held (full name, street address, and telephone number of the facility);
- the owner and lienholder's right to claim the vehicle within 20 days upon payment of charges due; and
- the consequences for failure to reclaim the vehicle.

Garage Charges and Responsibilities

Until the notice is mailed, a law enforcement agency or garagekeeper may not charge more than 10 days storage, in addition to towing, notification, and preservation fees incurred on the abandoned vehicle. (Transportation Code, §683.013)

If there is no record of title, notice may be made by publication in a local newspaper. The newspaper publication:

- must appear in the same time period that is required for notice by certified mail;
- must contain all of the same information as required for the certified mail notice; and
- may contain a list of more than one abandoned motor vehicle.
- A law enforcement agency has custody if the agency:
  - has physical custody of the vehicle;
  - has given notice to the storage facility that the agency intends to dispose of the vehicle; or
  - has received a report of the abandonment from the garagekeeper.

The garagekeeper is required to report the abandonment of the motor vehicle and pay a $10.00 fee to the law enforcement agency in the jurisdiction where the vehicle is located or the Department of Public Safety within 7 days of the vehicle being deemed abandoned (Transportation Code, §§683.031, 683.032).

A garagekeeper who fails to report an abandoned vehicle to a law enforcement agency within 7 days after the date it becomes abandoned may not claim reimbursement for storage of the vehicle.

Within 10 days of receiving an abandoned motor vehicle report and the applicable fee from a garagekeeper, the law enforcement agency or the Department of Public Safety is required to notify the registered owner and lienholder of record that the vehicle has been taken into custody.

Public Auctions

If the vehicle is not reclaimed and the charges paid within 20 days, it may be sold at a public auction by the law enforcement agency by use of the department's form, *Auction Sales Receipt for an Abandoned Motor Vehicle Sold by a Law Enforcement Agency at Public Auction*, **Form VTR-71-1**. This form, when properly completed by a law enforcement agency, is acceptable as valid evidence of ownership in place of the certificate of title.

Note: The law enforcement agency must indicate any value limiting remarks from the vehicle record on the form. Examples include "salvage," "rebuilt salvage," or "reconditioned," etc.

The purchaser at public auction takes title to the motor vehicle free and clear of all liens and claims of ownership (a release of any recorded lien is not required). However, if the vehicle is purchased by an out-of-state/country resident, the **Form VTR-71-1,** may not be acceptable in their state/country, and as a non-Texas resident, they may not apply for title in Texas.

- The purchaser shown on the **Form VTR 71-1** must title in their name before sale to a subsequent purchaser, except as provided below. If the purchaser is a Texas licensed dealer, the dealer may transfer the vehicle by completing a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, or,
- If the purchaser is a demolisher or a motor vehicle salvage dealer, the **Form VTR 71-1** must be listed on the demolisher's inventory sheet, (*Inventory Receipt for Surrendered Certificates of Title or Other Evidence of Ownership*, **Form VTR-340**) and surrendered to the department in place of the certificate of title. (Transportation Code §§501.096, 683.056, 683.057, and Occupations Code, §2302.257)

Application for Title

The purchaser must file an *Application for Texas Certificate of Title*, **Form 130-U**, supported by the **Form VTR 71-1**, with the local county tax assessor-collector where the purchase took place, the purchaser resides, or where the vehicle is encumbered.

Evidence of notification to the owner and lienholder is not required to support an application for title when an *Auction Sales Receipt for an Abandoned Motor Vehicle Sold by a Police Department at Public Auction*, **Form VTR 71-1**, is surrendered as the evidence of ownership. An application for title supported by this form must also include:

- verification of the latest Texas Inquiry or out-of-state title and registration record found; or
- if no record of title and registration is found, the original or copy of the newspaper publication providing the year, model, make, and vehicle identification number of the vehicle being titled.

An odometer disclosure statement is required except on the transfer of any of the following vehicles:

- a vehicle having a manufacturer's rated carrying capacity in excess of two tons;
- a vehicle that is not self-propelled;
- a vehicle that is 10 years old or older;
- a vehicle sold directly by the manufacturer to any agency of the United States government in conformity with contractual specifications; and
- a new motor vehicle before its transfer to the first retail purchaser.

An *Out-of-state Identification Certificate*, **Form VI-30**, is required if the vehicle was last registered and titled or registered out-of-state.

A weight certificate is required to support an application for the title covering a commercial vehicle, if applicable, as explained in Chapter 10, "Evidence of Ownership".

A copy of current proof of liability insurance in the applicant's name is also required.

If the vehicle is not taken into custody by the law enforcement agency within 31 days after the notification is mailed, the garagekeeper may dispose of the vehicle.

Garagekeepers and Abandoned Motor Vehicles

The provisions of Section 683.031 of the Transportation Code deems "abandoned" those motor vehicles left in a storage facility operated for commercial purposes (garage, parking lot, or any type of facility or establishment for the servicing, repairing, storing, or parking of motor vehicles) after the tenth day on which:

The garagekeeper gives notice by registered or certified mail, return receipt requested, to the owner and any lienholder of record to pick up the vehicle. (Until the notice is mailed, a garagekeeper may not charge more than five days storage.)

A contract for the vehicle to remain at the facility has expired; or the vehicle was left by a person other than the registered owner or a person authorized to have possession of the vehicle under a contract of use, service, storage, or repair.

1. The garagekeeper is required to report the abandonment of the motor vehicle and pay a $10.00 fee to the law enforcement agency with jurisdiction where the vehicle is located within 7 days of the vehicle being deemed abandoned (Transportation Code, §§683.031).

2. A garagekeeper who fails to report an abandoned vehicle to a law enforcement agency within 7 days after the date it becomes abandoned may not claim reimbursement for storage of the vehicle.

3. The law enforcement agency must notify the last known registered owner and each lienholder of record, by certified mail that the vehicle has been taken into custody.

4. Custody of the vehicle must remain with the garagekeeper until taken into custody by the law enforcement agency and sold by the law enforcement agency at public auction in the same manner and under the same conditions as explained in Garage Charges and Responsibilities, in this chapter.

5. The garagekeeper applies the proceeds of the sale to charges for servicing, storage, or repair. The law enforcement agency receives two percent of the sale or all of the proceeds if the gross proceeds are less than $10.00, for the expense incurred in handling and auctioning the vehicle.

6. If the vehicle is not taken into custody by the law enforcement agency within 31 days after the notification is mailed, the garagekeeper may dispose of the vehicle under:

   - Chapter 70, Property Code, by using **Form VTR 265-S** (Refer to Chapter 23, “Foreclosure of Miscellaneous Liens” for disposal procedures), or
   - Chapter 2303, Occupations Code (only if the storage facility is a licensed storage facility and the possession of the vehicle is non-consensual), by using **Form VTR 265-VSF**. (Refer to Chapter 23, “Foreclosure of Miscellaneous Liens” for disposal procedures.)

Disposal to Demolisher

Section 683.051 of the Transportation Code provides a procedure where any person (including a firm, corporation or unit of government) may apply to the department for authority to sell, give away, or dispose of a motor vehicle to a demolisher for demolition, wrecking, or dismantling if:

- the person owns the motor vehicle and the certificate of title is lost, destroyed, or faulty; or
- the vehicle is an abandoned motor vehicle in the possession of the person or located on property owned by the person.

Note: Form VTR-71-2 is used to dispose of these vehicles.

Additional Disposal Procedure

An additional procedure is provided to dispose of a motor vehicle to a demolisher for demolition, wrecking, or dismantling if:

- the abandoned motor vehicle is in the possession of the person;
- it is more than eight years old;
- it has no motor or is totally inoperable or does not comply with all applicable air pollution emissions control related requirements or the vehicle emissions inspection and maintenance requirements or the state's air quality state implementation plan;
- it was authorized to be towed by a law enforcement agency; and the law enforcement agency approves the application.

Note: Form VTR-71-2X is used to dispose of these vehicles.

Nonrepairable Vehicle Title

Upon approval of the application, the department issues a Nonrepairable Vehicle Title to the applicant.

Note: Beginning October 1, 2007, VTR began issuing a Nonrepairable Vehicle Title instead of a Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking or Dismantling Only (COA) Form VTR 71-3.

A $2.00 fee must accompany the application, except where a unit of government is applying.

A vehicle disposed of in this manner may not be reconstructed, made operable or retitled and the component part of the vehicle that reflects the vehicle identification number may not be used in the construction of another vehicle, such as an assembled vehicle, rebuilt vehicle, body change, etc.

Vehicles Abandoned in Coastal Waters

The removal and disposal process for vessels and structures in or on coastal waters is found in the Natural Resources Code, Chapter 40 and is administered by the General Land Office.

The term “structure” includes a vehicle as defined by Section 502.001, Transportation Code, if the vehicle is:

- located in coastal waters; and
- in a wrecked, derelict, or substantially dismantled condition.

A person may not abandon, or maintain any such structure or vessel in or on coastal waters, on public or private lands if the commissioner finds the structure or vessel to be:

- involved in an actual or threatened unauthorized discharge of oil;
- a threat to public health, safety, or welfare;
- a threat to the environment; or
- a navigation hazard.

The commissioner may remove and dispose of or contract for the removal and disposal of any such vessel or structure and may recover the resulting costs from the owner or operator.

This method of disposal is expected to be uncommon and occur usually after weather related disasters. The General Land Office then administers the disposal of the vehicles.

Public Nuisance Vehicles

Section 683.072 of the Transportation Code declares junked vehicles to be a public nuisance and Section 683.074 authorizes any city, town, or county within this State to adopt procedures (city ordinance, etc.) for the abatement and removal of junked vehicles or parts of a junked vehicles from private property, public property, or public rights-of-way.

Section 683.071 of the Transportation Code, defines a junked vehicle as a vehicle that is self-propelled, does not have valid registration or a valid motor vehicle inspection certificate attached; is wrecked, dismantled or partially dismantled or discarded; or inoperable or has remained inoperable for more than 72 consecutive hours on public property; or 30 consecutive days on private property.

Junked vehicles disposed of in accordance with these provisions must be disposed of as scrap or salvage only and may not be reconstructed, made operable, or re-titled.

A city, town, or county that removes a vehicle under these provisions must notify the department no later than five days after the date of removal by completing and submitting a *Notice to the Texas Department of Motor Vehicles of the Abatement of Junked Vehicles*, **Form VTR 71-4**.

Definitions

Transportation Code Section 683.001

In this chapter:

(1) "Department" means the Texas Department of Transportation.

(2) "Garagekeeper" means an owner or operator of a storage facility.

(3) "Law enforcement agency" means:

(A) the Department of Public Safety;

(B) the police department of a municipality;

(C) the police department of an institution of higher education; or

(D) a sheriff or a constable.

(4) "Motor vehicle" means a vehicle that is subject to registration under Chapter 501.

(5) "Motor vehicle demolisher" means a person in the business of:

(A) converting motor vehicles into processed scrap or scrap metal; or

(B) wrecking or dismantling motor vehicles.

(6) "Outboard motor" means an outboard motor subject to registration under Chapter 31, Parks and Wildlife Code.

(7) "Storage facility" includes a garage, parking lot, or establishment for the servicing, repairing, or parking of motor vehicles.

(8) "Watercraft" means a vessel subject to registration under Chapter 31, Parks and Wildlife Code.

(9) "Abandoned nuisance vehicle" means a motor vehicle that is at least 10 years old and is of a condition only to be junked, crushed, or dismantled.

(10) "Vehicle storage facility" means a vehicle storage facility, as defined by Section 2303.002, Occupations Code, which is operated by a person who holds a license issued under Chapter 2303 of that code to operate that vehicle storage facility.

Abandoned Motor Vehicle

Transportation Code Section 683.002

(a) For the purposes of this chapter, a motor vehicle is abandoned if the motor vehicle:

(1) is inoperable, is more than five years old, and has been left unattended on public property for more than 48 hours;

(2) has remained illegally on public property for more than 48 hours;

(3) has remained on private property without the consent of the owner or person in charge of the property for more than 48 hours;

(4) has been left unattended on the right-of-way of a designated county, state, or federal highway for more than 48 hours; or

(5) has been left unattended for more than 24 hours on the right-of-way of a turnpike project constructed and maintained by the Texas Turnpike Authority division of the Texas Department of Transportation or a controlled access highway; or

(6) is considered an abandoned motor vehicle under Section 644.153(r).

(b) In this section, "controlled access highway" has the meaning assigned by Section 541.302.

Conflict of Laws; Effect on Other Laws

Transportation Code Section 683.003

(a) Sections 683.051 - 683.055 may not be read as conflicting with Sections 683.074 - 683.078.

(b) This chapter does not affect a law authorizing the immediate removal of a vehicle left on public property that is an obstruction to traffic.

Authority to Take Abandoned Motor Vehicle Into Custody

Transportation Code Section 683.011

(a) A law enforcement agency may take into custody an abandoned motor vehicle, watercraft, or outboard motor found on public or private property.

(b) A law enforcement agency may use agency personnel, equipment, and facilities or contract for other personnel, equipment, and facilities to remove, preserve, store, send notice regarding, and dispose of an abandoned motor vehicle, watercraft, or outboard motor taken into custody by the agency under this subchapter.

Taking Abandoned Motor Vehicle Into Custody: Notice

Transportation Code Section 683.012

(a) A law enforcement agency shall send notice of abandonment to:

(1) the last known registered owner of each motor vehicle, watercraft, or outboard motor taken into custody by the agency or for which a report is received under Section 683.031; and

(2) each lienholder recorded under Chapter 501 for the motor vehicle or under Chapter 31, Parks and Wildlife Code, for the watercraft or outboard motor.

(b) The notice under Subsection (a) must:

(1) be sent by certified mail not later than the 10th day after the date the agency:

(A) takes the abandoned motor vehicle, watercraft, or outboard motor into custody; or

(B) receives the report under Section 683.031;

(2) specify the year, make, model, and identification number of the item;

(3) give the location of the facility where the item is being held;

(4) inform the owner and lienholder of the right to claim the item not later than the 20th day after the date of the notice on payment of:

(A) towing, preservation, and storage charges; or

(B) garagekeeper's charges and fees under Section 683.032 and, if the vehicle is a commercial motor vehicle impounded under Section 644.153(q), the delinquent administrative penalty and costs; and

(5) state that failure of the owner or lienholder to claim the item during the period specified by Subdivision (4) is:

(A) a waiver by that person of all right, title, and interest in the item; and

(B) consent to the sale of the item at a public auction.

(c) Notice by publication in one newspaper of general circulation in the area where the motor vehicle, watercraft, or outboard motor was abandoned is sufficient notice under this section if:

(1) the identity of the last registered owner cannot be determined;

(2) the registration has no address for the owner; or

(3) the determination with reasonable certainty of the identity and address of all lienholders is impossible.

(d) Notice by publication:

(1) must be published in the same period that is required by Subsection (b) for notice by certified mail and contain all of the information required by that subsection; and

(2) may contain a list of more than one abandoned motor vehicle, watercraft, or outboard motor.

(e) A law enforcement agency is not required to send a notice, as otherwise required by Subsection (a), if the agency has received notice from a vehicle storage facility that an application has or will be submitted to the department for the disposal of the vehicle.

(f) In addition to the notice required under Subsection (a), if a law enforcement agency takes an abandoned motor vehicle into custody, the agency shall notify a person that files a theft report or similar report prepared by any law enforcement agency for the vehicle of that fact. The notice must be sent by regular mail on the next business day after the agency takes the vehicle into custody. The law enforcement agency shall also provide the name and address of the person that filed the theft report or similar report to the vehicle storage facility or governmental vehicle storage facility that is storing the vehicle.

Storage Fees

Transportation Code Section 683.013

A law enforcement agency or the agent of a law enforcement agency that takes into custody an abandoned motor vehicle, watercraft, or outboard motor is entitled to reasonable storage fee:

(1) for not more than 10 days, beginning on the day the item is taken into custody and ending on the day the required notice is mailed; and

(2) beginning on the day after the day the agency mails notice and ending on the day accrued charges are paid and the vehicle, watercraft, or outboard motor is removed.

Auction or Use of Abandoned Items; Waiver of Rights

Transportation Code Section 683.014

(a) If an abandoned motor vehicle, watercraft, or outboard motor is not claimed under Section 683.012:

(1) the owner or lienholder:

(A) waives all rights and interests in the item; and

(B) consents to the sale of the item by public auction or the transfer of the item, if a watercraft, as provided by Subsection (d); and

(2) the law enforcement agency may sell the item at a public auction, transfer the item, if a watercraft, as provided by Subsection (d), or use the item as provided by Section 683.016.

(b) Proper notice of the auction shall be given. A garagekeeper who has a garagekeeper's lien shall be notified of the time and place of the auction.

(c) The purchaser of a motor vehicle, watercraft, or outboard motor:

(1) takes title free and clear of all liens and claims of ownership;

(2) shall receive a sales receipt from the law enforcement agency; and

(3) is entitled to register the motor vehicle, watercraft, or outboard motor and receive a certificate of title.

(d) On consent of the Parks and Wildlife Department, the law enforcement agency may transfer a watercraft that is not claimed under Section 683.012 to the Parks and Wildlife Department for use as part of an artificial reef under Chapter 89, Parks and Wildlife Code, or for other use by the Parks and Wildlife Department permitted under the Parks and Wildlife Code. On transfer of the watercraft, the Parks and Wildlife Department:

(1) takes title free and clear of all liens and claims of ownership; and

(2) is entitled to register the watercraft and receive a certificate of title.

Auction Proceeds

Transportation Code Section 683.015

(a) A law enforcement agency is entitled to reimbursement from the proceeds of the sale of an abandoned motor vehicle, watercraft, or outboard motor for:

(1) the cost of the auction;

(2) towing, preservation, and storage fees resulting from the taking into custody; and

(3) the cost of notice or publication as required by Section 683.012.

(b) After deducting the reimbursement allowed under Subsection (a), the proceeds of the sale shall be held for 90 days for the owner or lienholder of the vehicle.

(c) After the period provided by Subsection (b), proceeds unclaimed by the owner or lienholder shall be deposited in an account that may be used for the payment of auction, towing, preservation, storage, and notice and publication fees resulting from taking other vehicles, watercraft, or outboard motors into custody if the proceeds from the sale of the other items are insufficient to meet those fees.

(d) A municipality or county may transfer funds in excess of $1,000 from the account to the municipality's or county's general revenue account to be used by the law enforcement agency.

(e) If the vehicle is a commercial motor vehicle impounded under Section 644.153(q), the Department of Public Safety is entitled from the proceeds of the sale to an amount equal to the amount of the delinquent administrative penalty and costs.

Law Enforcement Agency Use of Certain Abandoned Motor Vehicles

Transportation Code Section 683.016

(a) The law enforcement agency that takes an abandoned motor vehicle into custody that is not claimed under Section 683.012 may:

(1) use the vehicle for agency purposes; or

(2) transfer the vehicle to any municipal or county agency or school district for the use of that agency or district.

(b) The law enforcement agency shall auction the vehicle as provided by this subchapter if the law enforcement agency or the municipal or county agency or school district to which the vehicle was transferred under Subsection (a) discontinues use of the vehicle.

(c) This section does not apply to an abandoned vehicle on which there is a garagekeeper's lien.

(d) This section does not apply to a vehicle that is:

(1) taken into custody by a law enforcement agency located in a county with a population of 2.4 million or more; and

(2) removed to a privately owned storage facility.

(e) A law enforcement agency must comply with the notice requirements of Section 683.012 before the law enforcement agency may transfer a vehicle under Subsection (a)(2).

Garagekeeper's Duty: Abandoned Motor Vehicles

Transportation Code Section 683.031

(a) A motor vehicle is abandoned if the vehicle is left in a storage facility operated for commercial purposes after the 10th day after the date on which:

(1) the garagekeeper gives notice by registered or certified mail, return receipt requested, to the last known registered owner of the vehicle and to each lienholder of record of the vehicle under Chapter 501 to remove the vehicle;

(2) *a contract for the vehicle to remain on the premises of the facility expires; or*

(3) *the vehicle was left in the facility, if the vehicle was left by a person other than the registered owner or a person authorized to have possession of the vehicle under a contract of use, service, storage, or repair.*

(b) *If notice sent under Subsection (a) (1) is returned unclaimed by the post office, substituted notice is sufficient if published in one newspaper of general circulation in the area where the vehicle was left.*

(c) *The garagekeeper shall report the abandonment of the motor vehicle to a law enforcement agency with jurisdiction where the vehicle is located and shall pay a $10 fee to be used by the law enforcement agency for the cost of the notice required by this subchapter or other cost incurred in disposing of the vehicle.*

(d) *The garagekeeper shall retain custody of an abandoned motor vehicle until the law enforcement agency takes the vehicle into custody under Section 683.034.*

Garagekeeper's Fees and Charges

Transportation Code Section 683.032

(a) *A garagekeeper who acquires custody of a motor vehicle for a purpose other than repair is entitled to towing, preservation, and notification charges and reasonable storage fees, in addition to storage fees earned under a contract, for each day:*

(1) *not to exceed five days, until the notice described by Section 683.031(a) is mailed; and*

(2) *after notice is mailed, until the vehicle is removed and all accrued charges are paid.*

(b) *A garagekeeper who fails to report an abandoned motor vehicle to a law enforcement agency within seven days after the date it is abandoned may not claim reimbursement for storage of the vehicle.*

(c) *This subchapter does not impair any lien that a garagekeeper has on a vehicle except for the termination or limitation of claim for storage for the failure to report the vehicle to the law enforcement agency.*

Unauthorized Storage Fee; Offense

Transportation Code Section 683.033

(a) A person commits an offense if the person charges a storage fee for a period for which the fee is not authorized by Section 683.032.

(b) An offense under this subsection is a misdemeanor punishable by a fine of not less than $200 or more than $1,000.

Disposal of Vehicle Abandoned in Storage Facility

Transportation Code Section 683.034

(a) A law enforcement agency shall take into custody an abandoned vehicle left in a storage facility that has not been claimed in the period provided by the notice under Section 683.012. In this section, a law enforcement agency has custody if the agency:

(1) has physical custody of the vehicle;

(2) has given notice to the storage facility that the law enforcement agency intends to dispose of the vehicle under this section; or

(3) has received a report under Section 683.031(c) and the garagekeeper has met all of the requirements of that subsection.

(b) The law enforcement agency may use the vehicle as authorized by Section 683.016 or sell the vehicle at auction as provided by Section 683.014. If a vehicle is sold, the proceeds of the sale shall first be applied to a garagekeeper's charges for providing notice regarding the vehicle and for service, towing, impoundment, storage, and repair of the vehicle.

(c) As compensation for expenses incurred in taking the vehicle into custody and selling it, the law enforcement agency shall retain:

(1) two percent of the gross proceeds of the sale of the vehicle; or

(2) all the proceeds if the gross proceeds of the sale are less than $10.

(d) Surplus proceeds shall be distributed as provided by Section 683.015.

(e) If the law enforcement agency does not take the vehicle into custody before the 31st day after the date the vehicle was reported abandoned under Section 683.031:

(1) the law enforcement agency may not take the vehicle into custody; and

(2) the storage facility may dispose of the vehicle under:

(A) Chapter 70, Property Code, except that notice under Section 683.012 satisfies the notice requirements of that chapter; or

(B) Chapter 2303, Occupations Code, if the storage facility is a vehicle storage facility.

Application for Authorization to Dispose of Certain Motor Vehicles

Transportation Code Section 683.051

A person may apply to the department for authority:

(1) to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher if:

(A) the person owns the motor vehicle and the certificate of title to the vehicle is lost, destroyed, or faulty; or

(B) the vehicle is an abandoned motor vehicle and is:

(i) in the possession of the person; or

(ii) located on property owned by the person; or

(2) to dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if:

(A) the abandoned motor vehicle:

(i) is in the possession of the person;

(ii) is more than eight years old;

(iii) either has no motor or is otherwise totally inoperable or does not comply with all applicable air pollution emissions control related requirements included in: (aa) the vehicle inspection requirements under Chapter 548, as evidenced by a current inspection certificate affixed to the vehicle windshield; or (bb) the vehicle emissions inspection and maintenance requirements contained in the Public Safety Commission's motor vehicle emissions inspection and maintenance program under Subchapter F, Chapter 548, or the state's air quality state implementation plan; and

(iv) was authorized to be towed by a law enforcement agency; and

(B) the law enforcement agency approves the application.

Contents of Application; Application Fee

Transportation Code Section 683.052

(a) An application under Section 683.051 must:

(1) contain the name and address of the applicant;

(2) state the year, make model, and vehicle identification number of the vehicle, if ascertainable, and any other identifying feature of the vehicle; and

(3) include:

(A) a concise statement of facts about the abandonment;

(B) a statement that the certificate of title is lost or destroyed; or

(C) a statement of the reasons for the defect in the owner's certificate of title for the vehicle.

(b) An application under Section 683.051(2) must also include an affidavit containing a statement of the facts that make that subdivision applicable.

(c) The applicant shall make an affidavit stating that;

(1) the facts stated in the application are true; and.

(2) no material fact has been withheld.

(d) the application must be accompanied by a fee of $2, unless the application is made by a unit of government. Fees collected under this subsection shall be deposited to the credit of the state highway fund.

Department to Provide Notice

Transportation Code Section 683.053

Except as provided by Section 683.054(b), the department shall give notice as provided by Section 683.012 if it determines that an application under Section 683.051 is:

(1) executed in proper form; and

(2) shows that:

(A) the abandoned motor vehicle is in the possession of the applicant or has been abandoned on the applicant's property; or

(B) the vehicle is not an abandoned motor vehicle and the applicant appears to be the owner of the vehicle.

Authority to Dispose of Vehicle

Transportation Code Section 683.054

(a) The department shall issue the applicant a certificate of authority to dispose of the vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if notice under Section 683.053 was given and the vehicle was not claimed as provided by the notice.

(b) Without giving the notice required by Section 683.053, the department may issue to an applicant under Section 683.051(2) a certificate of authority to dispose of the motor vehicle to a demolisher if the vehicle meets the requirements of Sections 683.051 (2)(A)(ii) and (iii).

(c) A motor vehicle demolisher shall accept the certificate of authority in lieu of a certificate of title for the vehicle.

ENACTMENT NOTE: HB 3588, Article 17, 76th Texas Legislature, 2003, Section 17.11(d) provided that "the Texas Department of Transportation shall issue a nonrepairable vehicle title as the certificate of authority to dispose of a motor vehicle as provided for in Chapter 683, Transportation Code."

Rules and Forms

Transportation Code Section 683.055

The department may adopt rules and prescribe forms to implement Sections 685.051 - 683.054.

Demolisher's Duty

Transportation Code Section 683.056

A motor vehicle demolisher who acquires a motor vehicle for dismantling or demolishing shall obtain from the person delivering the vehicle:

(1) the motor vehicle's certificate of title;

(2) a sales receipt for the motor vehicle;

(3) a transfer document for the vehicle as provided by Subchapter B or Subchapter E; or

(4) a certificate of authority for the disposal of the motor vehicle.

(a) A demolisher is not required to obtain a certificate of title for the vehicle in the demolisher's name.

(b) On the department's demand, the demolisher shall surrender for cancellation the certificate of title or certificate of authority.

(c) The department shall adopt rules and forms necessary to regulate the surrender of auction sales receipts and certificates of title.

Demolisher's Records; Offense

Transportation Code Section 683.057

(a) A motor vehicle demolisher shall keep a record of a motor vehicle that is acquired in the course of business.

(b) The record must contain:

(1) the name and address of the person from whom the vehicle was acquired; and

(2) the date of acquisition of the vehicle.

(c) The demolisher shall keep the record until the first anniversary of the date of acquisition of the vehicle.

(d) The record shall be open to inspection by the department or any law enforcement agency at any time during normal business hours.

(e) A motor vehicle demolisher commits an offense if the demolisher fails to keep a record as provided by this section.

(f) An offense under Subsection (e) is a misdemeanor punishable by:

(1) a fine of not less than $100 or more than $1000;

(2) confinement in the county jail for a term of not less than 10 days or more than six months; or

(3) both the fine and confinement.

Junked Vehicle Definition

Transportation Code Section 683.071

In this subchapter, "Junked Vehicle" means a vehicle that is self-propelled and:

(1) does not have lawfully attached to it:

(A) an unexpired license plate; and

(B) a valid motor vehicle inspection certificate; and

(2) is:

(A) wrecked, dismantled or partially dismantled, or discarded; or

(B) is inoperable and has remained inoperable for more than:

(i) 72 consecutive hours, if the vehicle is on public property; or

(ii) 30 consecutive days, if the vehicle is on private property.

Municipal Requirements

Transportation Code Section § 683.0711

An ordinance adopted by a governing body of a municipality may provide for a more inclusive definition of a junked vehicle subject to regulation under this subchapter.

Junked Vehicle Declared to be Public Nuisance

Transportation Code Section 683.072

A junked vehicle, including a part of a junked vehicle that is visible from a public place or public right-of-way:

(1) is detrimental to the safety and welfare of the public;

(2) tends to reduce the value of private property;

(3) invites vandalism;

(4) creates a fire hazard;

(5) is an attractive nuisance creating a hazard to the health and safety of minors;

(6) produces urban blight adverse to the maintenance and continuing development of municipalities; and

(7) is a public nuisance.

Offense

Transportation Code Section 683.073

(a) A person commits an offense if the person maintains a public nuisance described by Section 683.072.

(b) An offense under this section is a misdemeanor punishable by a fine not to exceed $200.

(c) The court shall order abatement and removal of the nuisance on conviction.

Authority to Abate Nuisance; Procedures

Transportation Code Section 683.074

(a) A municipality or county may adopt procedures that conform to this subchapter for the abatement and removal from private or public property or a public right-of-way of a junked vehicle or part of a junked vehicle as a public nuisance.

(b) The procedures must:

(1) prohibit a vehicle from being reconstructed or made operable after removal;

(2) require a public hearing on request of a person who receives notice as provided by Section 683.075 if the request is made not later than the date by which the nuisance must be abated and removed; and

(3) require that notice identifying the vehicle or part of the vehicle be given to the department not later than the fifth day after the date of removal.

(c) An appropriate court of the municipality or county may issue necessary orders to enforce the procedures.

(d) Procedures for abatement and removal of a public nuisance must be administered by regularly salaried, full-time employees of the municipality or county, except that any authorized person may remove the nuisance.

(e) A person authorized to administer the procedures may enter private property to examine a public nuisance, to obtain information to identify the nuisance, and to remove or direct the removal of the nuisance.

(f) On receipt of notice of removal under Subsection (b) (3), the department shall immediately cancel the certificate of title issued for the vehicle.

(g) The procedures may provide that the relocation of a junked vehicle that is a public nuisance to another location in the same municipality or county after a proceeding for the abatement and removal of the public nuisance has commenced has no effect on the proceeding if the junked vehicle constitutes a public nuisance at the new location.

Notice

Transportation Code Section 683.075

(a) The procedures for the abatement and removal of a public nuisance under this subchapter must provide not less than 10 days' notice of the nature of the nuisance. The notice must be personally delivered or sent by certified mail with a five-day return requested, or delivered by the United States Postal Service with signature confirmation service to:

(1) the last known registered owner of the nuisance;

(2) each lienholder of record of the nuisance; and

(3) the owner or occupant of:

(A) the property on which the nuisance is located; or

(B) if the nuisance is located on a public right-of-way, the property adjacent to the right-of-way.

(b) The notice must state that:

(1) the nuisance must be abated and removed not later than the 10th day after the date on which the notice was personally delivered or mailed; and

(2) any request for a hearing must be made before that 10-day period expires.

(c) If the post office address of the last known registered owner of the nuisance is unknown, notice may be placed on the nuisance or, if the owner is located, personally delivered.

(d) If notice is returned undeliverable, action to abate the nuisance shall be continued to a date not earlier than the 11th day after the date of the return.

Hearing

Transportation Code Section 683.076

(a) The governing body of the municipality or county or a board, commission, or official designated by the governing body shall conduct hearings under the procedures adopted under this subchapter.

(b) If a hearing is requested by a person for whom notice is required under Section 683.075(a) (3), the hearing shall be held not earlier than the 11th day after the date of the service of notice.

(c) At the hearing, the junked motor vehicle is presumed, unless demonstrated otherwise by the owner, to be inoperable.

(d) If the information is available at the location of the nuisance, a resolution or order requiring removal of the nuisance must include the vehicle's:

(1) description;

(2) vehicle identification number; and

(3) license plate number.

Alternative Procedure for Administrative Hearing

Transportation Code Section 683.0765

A municipality by ordinance may provide for an administrative adjudication process under which an administrative penalty may be imposed for the enforcement of an ordinance adopted under this subchapter. If a municipality provides for an administrative adjudication process under this section, the municipality shall use the procedure described by Section 54.044, Local Government Code.

Inapplicability of Subchapter

Transportation Code Section 683.077

(a) Procedures adopted under Section 683.074 or 683.0765 may not apply to a vehicle or vehicle part:

(1) that is completely enclosed in a building in a lawful manner and is not visible from the street or other public or private property; or

(2) that is stored or parked in a lawful manner on private property in connection with the business of a licensed vehicle dealer or junkyard, or that is an antique or special interest vehicle stored by a motor vehicle collector on the collector's property, if the vehicle or part and the outdoor storage area, if any, are:

(A) maintained in a orderly manner;

(B) not a health hazard; and

(C) screened from ordinary public view by appropriate means, including a fence, rapidly growing trees, or shrubbery.

(b) In this section:

(1) "Antique vehicle" means a passenger car or truck that is at least 25 years old.

(2) "Motor vehicle collector" means a person who:

(A) owns one or more antique or special interest vehicles; and

(B) acquires, collects, or disposes of an antique or special interest vehicle or part of an antique or special interest vehicle for personal use to restore and preserve an antique or special interest vehicle for historic interest.

(3) "Special interest vehicle" means a motor vehicle of any age that has not been changed from original manufacturer's specifications and, because of its historic interest, is being preserved by a hobbyist.

Junked Vehicle Disposal

Transportation Code Section 683.078

(a) A junked vehicle, including a part of a junked vehicle, may be removed to a scrap yard, a motor vehicle demolisher, or a suitable site operated by a municipality or county.

(b) A municipality or county may operate a disposal site if its governing body determines that commercial disposition of junked vehicles is not available or is inadequate. A municipality or county may:

(1) finally dispose of a junked vehicle or vehicle part; or

(2) transfer it to another disposal site if the disposal is scrap or salvage only.

Chapter 23

Foreclosure of Miscellaneous Liens

This chapter contains the following sections:

- Deployed Military
- Mechanics' Lien Procedures
- Storage Lien
- Storage Lien for Licensed Vehicle Storage Facility (VSF)
- Landlord's Lien
- Self-service Storage Facility Lien
- Statutory Foreclosure Procedures Charts

Deployed Military

Military members deployed prior to September 1, 2009 have protections under the Service Members Civil Relief Act (SCRA) that could result in a filing under pre August 31, 2009 requirements. The SCRA states that a person holding a lien on the property or effects of a service member may not, during any period of military service of the service member and for 90 days thereafter, foreclose or enforce any lien on such property or effects without a court order granted before foreclosure or enforcement.

Mechanics' Lien Procedures

In those instances when a mechanic's lien is acquired on a motor vehicle under provisions of the Property Code, Chapter 70, Subchapter A, Section 70.001 (Worker's Lien), the lien may be disposed of in accordance with the provisions of Section 70.006. A mechanic's lien can be created only when a vehicle is repaired pursuant to a contract or agreement between a garagekeeper and the vehicle owner or a person who has authority to contract for such services.

General Information

Refer to Table 23-1 to identify the appropriate mechanic lien procedures for your situation. The procedures differ depending on whether you are a franchised or non-franchised dealer and when you obtained the vehicle. For procedures prior to Sept. 1, 1999, all dealers see Table 23-7. For additional universal procedures, see Requirements Applicable to all Mechanic Liens.

Table 23-1 Mechanic Lien Procedural Chart

Time Vehicle Obtained	Franchised or Non-Franchised Dealer	Appropriate Procedure
Prior to Sept.1, 1999	All	See Table 23-7
Sept. 1 1999 to Aug. 31 2009	All	See Procedure Two or Table 23-6
After Sept. 1, 2009	Non Franchised Dealers	See Procedure One or
	Franchised Dealers	See Procedure Two or Table 23-6

If unable to determine where the vehicle was last registered, this method of disposal of the vehicle cannot be used. Disposal of the vehicle must be by court order through a county or district court.

Possession

If possession of the vehicle was released in return for a payment that was stopped, dishonored because of insufficient funds, no funds or account closed the lien continues to exist. The person claiming the lien is entitled to repossess the vehicle if the work order or repair contract has a statement the vehicle may be subject to repossession in boldface, capitalized, underlined or in a conspicuous manner with a separate signature line. The holder of the lien may include the repossession fee to the original amount due.

Mechanics' Liens Occurring Out-of-State

Out of State mechanic's liens should be cleared by the state in which the lien was created.

Renewal Recipient Notification

It is not necessary to send notifications described in this chapter to a renewal recipient's address, but it is recommended.

Storage Fees Notice

If any amount of the charges includes storage fees, a second notification must be made by certified mail to the registered owner and lienholder, or see Notifications to the Owner(s) and any Lienholder(s) for applicable notice by newspaper publication. If last registered out-of-state, notice must be made within 14 days of obtaining

possession. A *Storage Lien for Abandoned Vehicle or Private Tow*, **Form VTR-265-S** must also be completed. A release of lien is also required if any portion of the amount due represents charges for storage; otherwise, foreclosure must be through a county or district court.

Procedure One

Vehicles Obtained After Sept. 1 2009

This section pertains to possessions obtained by on or after September 1, 2009 unless the possessory lienholder is a licensed franchised dealer. Licensed franchised dealers should follow the foreclosure procedures in Procedure Two or Table 23-6.

Foreclosure Notice

Within 30 days after the charges accrue, the person claiming the lien must notify the owner(s), lienholder(s) of record and to the address that appears on the work order if the address is different from the address on the motor vehicle record by certified mail, return receipt requested. The notification must include:

- the address where the repairs were made
- the legal name of the person that holds the possessory lien
- the taxpayer or employer identification number of the person that holds the possessory lien
- a signed copy of the work order authorizing repairs
- the amount of the charges due; and
- a request for payment.

The person filing the lien, other than a licensed franchise dealer must also submit to the local county tax assessor-collector's office within 10 days:

- an administrative fee of $25
- a copy of their notification
- a signed copy of the work order.

Not later than the 10th day after receiving notification, the county tax assessor-collector must send by certified mail with return receipt requested, a copy of the work order and notification to the owner(s), and lienholder(s) of record and to the address on the work order if different from the address on the motor vehicle record.

If the owner or lienholder requests, the possessory lienholder must make the motor vehicle available for inspection to verify the repairs no later than 30 days of receipt of notice.

Work Order

Attach a copy of the signed work order. If a signed work order is not available, this method of disposal of the vehicle cannot be used. Disposal of the vehicle must be by court order through a county or district court.

Public Sale

If charges are not paid before the 31st day after the day that notice of the amount of charges was mailed by the county tax assessor or published by the possessory lienholder, and the charges do not include storage fees, the possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The proceeds are to be applied to the payment of charges due and the excess proceeds (balance) paid to the person entitled to it.

- If a person entitled to the excess proceeds is not known or has moved from this state or country, the person holding the excess must pay it to the county treasurer of the county that the lien originated. The treasurer should issue the person a receipt for the payment.
- If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.

Procedure Two

Vehicles obtained September 1, 1999 through August 31, 2009

This section pertains to vehicles obtained by all dealers on or after Septmber1, 1999 through August 31, 2009. For information concerning foreclosure procedures prior to September 1, 1999, refer to Table 23-6.

Foreclosure Notice

Thirty days after the day on which repair charges are due, the person claiming the lien must notify the owner(s) and lienholder(s) of record by certified mail, return receipt requested, of the location of the vehicle, charges due and a request for payment. The claimant must also send notice to the address that appears on the work order/document authorizing possession if the address is different from the address on the motor vehicle record. Notice by newspaper publication may be permitted. For more information see Notice by Newspaper Publication (only if applicable).

Public Sale

If charges are not paid before the 31st day after the day on which notice of the amount of charges was mailed or published, and the charges do not include storage fees, the possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The claimant may apply the proceeds to the payment of charges due and pay the excess proceeds (balance) to the person entitled to it.

- If a person entitled to the excess proceeds is not known or has moved from this state or country, the person holding the excess must pay it to the county treasurer of the county in which the lien originated. The treasurer should issue the person a receipt for the payment.
- If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.

Requirements Applicable to all Mechanic Liens

The remaining sections apply to all mechanic liens regardless of when a vehicle was acquired unless specifically noted.

Application for Title

The purchaser of the vehicle at public sale must apply for title in their name.

Notifications to the Owner(s) and any Lienholder(s)

Instead of notification by certified mail, return receipt requested, claimants may notify by publication in a newspaper of general circulation in the county in which the vehicle is stored if **all** of the following apply:

- the motor vehicle is registered in another state;
- the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record;
- the holder of the lien:
  - is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or
  - does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request.
- the identity of the last known registered owner cannot be determined;
- the registration does not contain an address for the last known registered owner; and
- the holder of the lien cannot determine the identities and addresses of the lienholders of record.

The holder of the lien is not required to publish notice in a newspaper, if a correctly addressed certified mail notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

Note: County tax assessor-collector's are not required to publish a notice in the newspaper.

Evidence Required to Support an Application for Title

The statutory lienholder must complete the *Mechanic's Lien Foreclosure***, Form VTR-265-M**.

Verification of Title and Registration

If registered in Texas - verification of Texas title and registration is required.
If registered outside of Texas – verification of title and registration from the state of record. If not available, the following may be provided:

- If a holder of a lien sends a written request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions the state elects to forward the notification to the owner(s) and lienholder(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or
- If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof consists of a copy of the request sent along with certified receipts for the notification sent to the state of record.

Proof of notifications

Notice by Certified Mail

Proof consists of the U.S. 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.

- Alternate for **PS Form 3800 -** A copy of the page from the *Firm Mailing Book for Accountable Mail* (**PS Form 3877)** or a copy of a privately printed or computer generated firm mailing bill is acceptable provided it contains a U.S. postal date stamp, the name and complete address of the person/firm to whom the certified mail was sent, and the "Article Number" corresponds on all documentation.

- Alternate for **PS Form 3811 -** When the post office loses the return receipt or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address, the mailer may request a return of receipt after mailing from the post office and the proof of delivery record provided by the post office may be accepted.

Notice by Newspaper Publication (only if applicable)

Proof consists of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication that includes the name of the publication and the date of publication.

Proof of Insurance

There must be a copy of current proof of liability insurance in the applicant's name. (Refer to Chapter 11 of the Vehicle Registration Manual.)

Work Order

Attach a copy of the work order unless item 4 of B on the front of the **Form VTR-265-M** is completed.

Serial Numbers

VTR may require a pencil tracing of the motor and serial numbers to establish the vehicle's correct identity.

Out of State Vehicles

If the vehicle was last registered outside of Texas, the following documentation is also required:

- *Out-of-State Identification Certificate* (**Form VI-30**) and
- Weight certificate on a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".

Public Auctions

When a vehicle is lawfully acquired at public auction pursuant to a mechanic's lien foreclosure sale and the vehicle is of such little value that it does not justify the expense of registration and title, the purchaser may apply to the department for a Non repairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only. Applicants must complete the **Form VTR-70** *(Application for Authority to Dispose of Vehicle Purchased at a Foreclosure Sale)*, accompanied by the *Mechanic's Lien Foreclosure*, **Form VTR-265-M,** and all related documents necessary to support the foreclosure transaction.

Storage Lien

A storage lien acquired on a motor vehicle under the provisions of the Property Code, Chapter 70, Subchapter A, Section 70.003, may be disposed of in accordance with the provisions of Sections 70.004. Generally, a storage lien can exist only when a vehicle is stored pursuant to a contract or agreement between a garagekeeper and the vehicle owner or a person who has authority to contract for such services.

Note: A garagekeeper may dispose of an abandoned vehicle under Property Code, Chapter 70, if the vehicle was not taken into custody by law enforcement within 31 days after the notification required under Transportation Code, Section 683.034 (Disposal of Vehicle Abandoned in Storage Facility) was mailed. In such cases, garagekeepers must comply with the procedures addressed in Chapter 22 – III.

Storage Lien Procedures

This section relates to possessions obtained on or after September 1, 1999. For information concerning foreclosure procedures prior to September 1, 1999, refer to the Statutory Foreclosure Procedures Chart at the end of this chapter.

Note: If unable to determine the vehicle's last registration location, a garagekeeper cannot use this method of disposal. Disposal of the vehicle must be by court order through a court of competent jurisdiction.

First Notice

If the vehicle was last registered in Texas, claimants must provide notice within five days of obtaining possession. If last registered outside of Texas, claimants must provide notice within 14 days of obtaining possession. Claimants must send the first notice to the last known owner(s) and any lienholder(s) of record by certified mail, return receipt requested, or if applicable, notice by newspaper publication. See Notifications to the Owner(s) and any Lienholder(s).

Second Notice

If charges are still unpaid 31 days after the first notice claimants must send the second notice by certified mail, return receipt requested, or if applicable, notice by newspaper publication, to the last known owner(s) and any lienholder(s) of record. See Notifications to the Owner(s) and any Lienholder(s).

Public Sale

If charges are not paid before the 31st day after the second notice was made, the possessory lienholder may sell the vehicle at public sale. A release of lien is required, if one is indicated on the Texas or out-of-state title and registration verification. Claimants may apply the proceeds to the payment of charges due and pay the excess proceeds (balance) to the person entitled to it.

- If a person entitled to the excess proceeds is not known or has moved from this state or country, the person holding the excess must pay it to the county treasure or the county in which the lien originated. The treasurer should issue the person a receipt for the payment.
- If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.

Application for Title

The purchaser of the vehicle at public sale must apply for title in their name.

Notifications to the Owner(s) and Lien Holder(s)

Instead of notification by certified mail, return receipt requested, claimants may use notification by publication in a newspaper of general circulation in the appropriate county if **all** of the following apply:

- the motor vehicle is registered in another state
- the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity that the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record
- the holder of a lien:
  - is advised in writing by the governmental entity that the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or
  - does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request.
- the identity of the last known registered owner cannot be determined
- the registration does not contain an address for the last known registered owner; and the holder of the lien cannot determine the identities and addresses of the lienholders of record

Note: The holder of the lien is not required to publish notice in a newspaper, if a correctly addressed certified mail notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

Title Evidence Required

The statutory lienholder must complete a *Storage Lien for Abandoned Vehicle or Private Tow*, Form **VTR-265-S**, properly.

Verification of Title and Registration

If registered in Texas – Verification of Texas title and registration is required.

If registered outside of Texas – Verification of title and registration from the state of record. If not available, a holder of a lien sends a written request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or

If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof consists of a copy of the request sent along with certified receipts for the notification sent to the state of record.

Proof of Notifications

Proof of notifications is required for both first and second notices and, if applicable, with requests sent to the state of record

Notices by Certified Mail – Proof consists of the U.S. 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.

- **Alternate for PS Form 3800 -** A copy of the page from the *Firm Mailing Book for Accountable Mail* (**PS Form 3877)** or a copy of a privately printed or computer generated firm mailing bill is acceptable provided it contains a U.S. postal date stamp, the name and complete address of the person/firm to whom the certified mail was sent, and the "Article Number" corresponds on all documentation.

- **Alternate for PS Form 3811 -** A print-out of the U.S. postal service's electronic track/confirm screen may be accepted or, when the post office loses the return receipt or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address, the mailer may request a return of receipt after mailing from the post office and the proof of delivery record provided by the post office may be accepted.

Note: When using Form VTR 265-S for a storage lien foreclosure on an abandoned vehicle towed by law enforcement, lienholders must complete items 5 of B and 2 of C of the form. However, they may attach the law enforcement certified receipts or any unopened certified letter(s) returned as undeliverable instead of completing item 5 of B and the proof of notice described above is not required.

Notice by Newspaper Publication (Only if applicable) – Proof consists of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication that includes the name of the publication and the date of publication.

Liability Insurance

A copy of current proof of liability insurance in the applicant's name. (Refer to Chapter 11 of the Vehicle Registration Manual.)

City Ordinance

If foreclosure is in accordance with a city ordinance, the bill of sale must refer to the ordinance number under which removal and sale was authorized, and a copy of the city ordinance must be attached.

Release of Lien

A release of lien for any lien properly recorded in Texas or out of state, if applicable.

Serial Number

VTR may require a pencil tracing of the motor and serial numbers to establish the vehicle's correct identity.

Out-of-state Vehicles

If the vehicle was last registered out of Texas, the following documentation is also required:

- *Out-of-State Identification Certificate* **(Form VI-30**); and
- Weight certificate on a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".

Storage Liens

Storage liens occurring in other states should be cleared by the state in which the lien was created.

Public Auctions

When a vehicle is lawfully acquired at public auction pursuant to a storage lien foreclosure sale and the vehicle is of such little value that it does not warrant the expense of registration and title, the purchaser may apply to the department for a Nonrepairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only. Applicants must use the **Form VTR-70** *(Application for Authority to Dispose of Vehicle Purchased at a Foreclosure Sale),* accompanied by the *Storage Lien Abandoned Vehicle or Private Tow,* **Form VTR-265-S** and all related documents necessary to support the foreclosure transaction.

Storage Lien for Licensed Vehicle Storage Facility (VSF)

Senate Bill 855 (1997) amended the Vehicle Storage Facility Act (Occupations Code Chapter 2303) to provide an additional process for disposal of a motor vehicle towed on or after September 1, 1997, in conjunction with a non-consent private property or law enforcement tow, and the vehicle was taken to a vehicle storage facility (VSF) licensed by the Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008). In these cases, a licensed VSF can dispose of a vehicle without requiring a court order if they cannot obtain a release or discharge of any lien on the vehicle.

Later, House Bill 1376 (1999) amended the Vehicle Storage Facility Act to provide for an alternate means for notification of the vehicle owner(s) and lienholder(s) in certain situations, if possession occurred on or after September 1, 1999.

And currently, House Bill 2630 (2005) amended the Vehicle Storage Facility Act to provide for alternate means for notification of the vehicle owner(s) and lienholder(s) in certain situations, if possession occurred on or after September 1, 2005. The disposal of a motor vehicle towed and stored prior to September 1, 2005 remains under the law in effect immediately prior to House Bill 2630.

As a result, two procedures for disposal of a vehicle by a licensed storage facility are provided below. The correct procedure is dependent on the time period in which the licensed storage facility obtained possession of the vehicle. If possession of the vehicle was obtained by a licensed VSF:

- On or after September 1, 2005, follow the procedure outlined in follow VSF Storage Lien: After September 1, 2005.
- Prior to September 1, 2005, follow the procedure outlined in VSF Storage Lien: Prior to September 1, 2005.

VSF Storage Lien: After September 1, 2005

This section pertains to possessions obtained on or after September 1, 2005

The VSF's possession of the vehicle must have been in conjunction with a non-consent private property or law enforcement tow and the vehicle must have been taken to a vehicle storage facility licensed by the Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008). Provisions of the Vehicle Storage Facility Act do not apply to a vehicle parked or stored at a VSF with the consent of the vehicle's owner.

Notifications

All notifications are required to be written notices made by certified mail, return receipt requested, or by electronic certified mail, unless certain criteria apply. If any of the following apply, lienholders may make notification by publication in a newspaper of general circulation in the county in which the vehicle is stored:

- The vehicle is registered in another state;
- The VSF has sent a correctly addressed request, by certified mail with return receipt requested, to the applicable state requesting the name and address of the last known registered owner(s) and lienholder(s), if any;
- The identity if the last known owner(s) cannot be determined;
- The registration does not contain an address for the last known owner(s);
- The identity and address of the lienholder(s), if any cannot be determined; or
- The vehicle does not display a license plate or a vehicle inspection certificate indicating the state of registration and no record of title or registration is found in Texas (verification by VIN required).

Note: The holder of the lien is not required to publish notice in a newspaper, if a correctly addressed notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee has moved without leaving a forwarding address.

All notifications must include the information required by the Texas Department of Licensing and Regulation. For information concerning these requirements, call: (512) 463-6599 or Toll-Free 800-803-9202.

First Notice

Notification to Law Enforcement - A vehicle is deemed abandoned, by statute, Transportation Code, 683.031(a), 10 days after the date the first notice was made. The VSF must report the motor vehicle as abandoned to the law enforcement agency in the jurisdiction where the vehicle is located or the Department of Public Safety within 7 days of the deemed abandoned date. Upon receipt of this report, law enforcement has 10 days to send another notice by certified mail to the registered owner(s) and lienholder(s).

Second Notice

If law enforcement does not take custody of the vehicle, or if the charges due are not paid, before the 41st day after the first notice was given the VSF is required to make a second notification to the registered owner(s) and lienholder(s) by certified mail, return receipt requested, electronic certified mail, or newspaper publication, if applicable.

Public Sale

If the charges are not paid before the 30th day after the second notice is given, or the vehicle taken into custody by a law enforcement agency, the VSF may sell the vehicle at a public sale without a court order or release/discharge of any lien on the vehicle. Lienholders may apply the proceeds from the sale of the vehicle to the payment of any charges and pay the balance, if any, to the person entitled to it.

Application for Title

Vehicles sold to the highest bidder at public sale transfer to the purchaser using **Form VTR-265-VSF**, *Storage Lien for Licensed Vehicle Storage Facility.* The purchaser must apply for a certificate of title in their name or a *Nonrepairable Vehicle Title (Form VTR-70)*.

Evidence Required to Support the Application for Title

In addition to the **Form VTR-265-VSF**, the following must support the application for title in the name of the purchaser:

Verification of Title and Registration

- If last registered in Texas – Verification of title and registration is required.
- If last registered outside of Texas – Verification of title and registration from the state of record, if available.
- If no title and registration verification record is available from Texas or out-of-state, verification by VIN of no record in Texas is required.

Proof of notifications (Required for both first and second notices)

Notices Made by Certified Mail – Proof consists of the U.S. 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.

Alternate for PS **Form 3800** – A copy of the page from the *Firm Mailing Book for Accountable Mail* (PS **Form 3877**) or a copy of a privately printed or computer generated firm mailing bill is acceptable, provided it contains a U.S. postal date stamp, the name and complete address of the person/firm to whom the certified mail was sent, and the "Article Number" corresponds on all documentation.

Alternate for PS **Form 3811** – A print-out of the U.S. postal service's electronic track/confirm screen may be acceptable or, if the post office loses the return receipt or the unopened certified letters, the mailer may request a return of receipt after mailing from the post office and the proof of delivery record provided by the post office may be accepted.

If the lienholder uses services of an electronic certified mail vendor for vehicles towed on or after September 1, 2003, the certified mail receipts similar to the PS **Form 3800**, and a copy of an electronic listing indicating when the notice was mailed, delivered and/or returned to the U.S. Postal Service is acceptable.

Notices Made by Newspaper Publication

Proof may consist of legible photocopy of the newspaper publication that includes the name and the date of the publication.

Proof of Insurance

There must be a copy of current proof of liability insurance in the applicant's name, covering the described vehicle (Refer to Chapter 11 of the Vehicle Registration Manual).

City Ordinance

If foreclosure is in accordance with a city ordinance, the bill of sale must refer to the ordinance number under which removal and sale was authorized and a copy of the city ordinance must be attached.

Serial Numbers

VTR may require a pencil tracing of the motor and serial numbers to establish the vehicle's correct identity.

Out of State Vehicles

If the vehicle was last registered outside of Texas, the following documentation is also required:

- *Vehicle Identification Certificate* **Form VI-30** and
- Weight certificate for a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".

Storage Liens

Storage liens occurring in other states should be cleared by the state in which the lien was created.

When a vehicle is lawfully acquired at public auction pursuant to a Storage Lien Foreclosure Sale and the vehicle is of such little value that it does not warrant the expense of registration and title, the purchaser has the option of applying to the department for a Nonrepairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only. The applicant must use the **Form VTR-70** *(Application for Authority to Dispose of Vehicle Purchased at a Foreclosure Sale)*, accompanied by the applicable storage foreclosure form **VTR-265-VSF** and all related forms necessary to support the foreclosure transaction.

VSF Storage Lien: Prior to September 1, 2005

This section pertains to possessions obtained prior to September 1, 2005

Note: This method of disposal cannot be used if the vehicle was last registered in Texas and the registered owner(s) and lienholder(s) cannot be established, or the VSF is unable to determine where the vehicle was last registered.

The VSF's possession of the vehicle must have been in conjunction with a non-consent private property or law enforcement tow and the vehicle must have been taken to a vehicle storage facility licensed by Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008).

Notifications

VTR requires all notifications to be certified mail, return receipt requested, unless certain criteria apply. Only if ALL of the following apply, may notification be made by publication in a newspaper of general circulation in the county in which the vehicle is stored:

1. The vehicle is registered in another state.
2. The VSF has sent a correctly addressed request, by certified mail with return receipt requested, to the applicable state requesting the name and address of the last known registered owner(s) and lienholder(s), if any.
3. The identity if the last known owner(s) is unknown.
4. The registration does not contain an address for the last known owner(s), and
5. The identity and address of the lienholder(s), if any is unknown.

Note: The holder of the lien is not required to publish notice in a newspaper, if a correctly addressed certified mail notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

All notifications must include the information required by the Texas Department of Licensing and Regulation. For information concerning these requirements, call: (512) 463-6599 or Toll-Free 800-803-9202.

First Notice

The vehicle storage facility must notify, by certified mail, return receipt requested, or if applicable by newspaper publication, the last known registered owner and all lienholders of record to pick up the vehicle and request payment of charges. If the vehicle was last registered:

- In Texas, the lienholder must make the first notification within five days of taking the vehicle into possession; or
- Outside of Texas, he lienholder must make the first notification within 14 days of taking possession of the vehicle.

Second Notice

If law enforcement does not take custody of the vehicle, or if the charges due are not paid, before the 41st day after the first notice was given the VSF is required to make a second notification to the registered owner(s) and lienholder(s) by certified mail or newspaper publication, if applicable.

Public Sale

If the charges are not paid before the 30th day after the second notice is given, the VSF may sell the vehicle at a public sale without a court order or release/discharge of any lien on the vehicle. The seller may apply the proceeds from the sale of the vehicle to the payment of any charges and pay the balance, if any, to the person entitled to it.

Application for Title

Vehicles sold to the highest bidder at public sale must transfer to the purchaser using form, **Form VTR-265-VSF**, *Storage Lien for Licensed Vehicle Storage Facility*, with a revision date of 9/99 or later. The purchaser may then apply for a certificate of title in their name or a Nonrepairable Vehicle Title (Form VTR-70).

Evidence Required to Support the Application for Title

In addition to the **Form VTR-265-VSF**, the following must support the application for title in the name of the purchaser:

Verification of Title and Registration

If last registered in Texas – VTR requires certification of title and registration.

If last registered outside of Texas – VTR requires verification of title and registration from the state of record, if available. If not available, applicants may provide the following in lieu of title and registration from the state of record:

- If a VSF sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions the state elects to forward the VSF's notification to the owner(s) and lienholder(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or
- If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof shall consist of a copy of the request sent along with certified receipts for each notification sent to the state of record.

Proof of Notifications

(Required for both first and second notices and, if applicable, requests sent to the state of record).

Notices Made by Certified Mail - Proof shall consist of the U.S. 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.

- **Alternate for PS Form 3800 -** A copy of the page from the *Firm Mailing Book for Accountable Mail* (**PS Form 3877)** or a copy of a privately printed or computer generated firm mailing bill can be acceptable, provided it contains a U.S. postal date stamp, the name and complete address of the person/firm to whom the certified mail was sent, and the "Article Number" corresponds on all documentation.
- **Alternate for PS Form 3811 -** A print-out of the U.S. postal service's electronic track/confirm screen may be acceptable or, when the post office loses the return receipt or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address, the mailer may request a return of receipt after mailing from the post office and the proof of delivery record provided by the post office is acceptable.

Notices Made by Newspaper Publication

(Only if applicable) Proof shall consist of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication that includes the name of the publication and the date of publication.

Proof of Insurance

A copy of current proof of liability insurance in the applicant's name, covering the described vehicle (Refer to Chapter 11 of the Vehicle Registration Manual.);

City Ordinance

If foreclosure is in accordance with a city ordinance, the bill of sale refers to the ordinance number under which removal and sale was authorized and a copy of the city ordinance must be attached.

Serial Number

VTR may require a pencil tracing of the motor and serial numbers to establish the vehicle's correct identity.

Out of State Vehicles

If the vehicle was last registered outside of Texas, the following documentation is also required:

- *Identification Certificate* **Form VI-30** and
- Weight certificate for a commercial vehicle as explained Chapter 10, "Evidence of Ownership".

Storage Liens

Storage liens occurring in other states should be cleared by the state in which the lien was created.

Public Auctions

When a vehicle is lawfully acquired at public auction pursuant to a Storage Lien Foreclosure Sale and the vehicle is of such little value that it does not warrant the expense of registration and title, the purchaser has the option of applying to the department for a Nonrepairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only. Application for such certificate must use the **Form VTR-70** *(Application for Authority to Dispose of Vehicle Purchased at a Foreclosure Sale)*, accompanied by the applicable storage foreclosure **Form VTR-265-VSF**, (with a revision date prior to 9/1/05) and all related forms necessary to support the foreclosure transaction.

Landlord's Lien

When a landlord's lien is acquired on a motor vehicle under the provisions of the Property Code, Chapter 54, Subchapter C, Sections 54.041 the landlord may sell or dispose of a motor vehicle in accordance with the provisions of Chapter 54.

Note: If the vehicle title is not in the tenant's name, verification of the title record cannot be obtained from another state, or if a release of lien cannot be obtained, the landlord foreclosure procedure is not available and the foreclosure must be accomplished through a county or district court.

A landlord may only use this procedure if they:

- have a written lease or rental agreement with the tenant and a record of the title or ownership of the motor vehicle can be established in the tenant's name.
- have a lease agreement or contract that authorizes, in conspicuous bold print, the sale and disposition of the property signed by both the tenant and landlord.

Exempt Property

The landlord may not seize exempt property.

Seizure of Property Notice

The landlord must leave, in a conspicuous place within the dwelling, a written notice of entry with an itemized list of the items removed immediately. The notice must state the amount of delinquent rent and the name, address, and telephone number of the person the tenant may contact regarding the amount owed. The notice must state that the property be promptly returned on full payment of the delinquent rent.

Notice of Sale

The landlord must give notice to the tenant no later than the thirtieth day before the date of the sale. They must send notice by first class certified mail, return receipt requested, to the tenant's last known address and must include:

- the date, time, and place of the sale;
- an itemized account of the amount owed by the tenant to the landlord; and
- the name, address, and telephone number of the person the tenant may contact regarding the sale and the right to redeem the property at any time before the property is sold by paying all delinquent rents and, if authorized in the written lease, reasonable packing, moving, storage, and sale costs.

Sale Requirements

The property must sell to the highest cash bidder at public sale.

The landlord may apply proceeds from the sale first to delinquent rents and, if authorized by the written lease, reasonable packing, moving, storage, and sale costs.

The landlord must mail any sale proceeds remaining to the tenant at the tenant's last known address no later than the thirtieth day after the date of the sale. The landlord must provide the tenant with an account of all the proceeds on the sale within 30 days of the tenant making a written request for the accounting.

Transfer of Title

Vehicles sold to the highest bidder at public sale must transfer from the landlord to the purchaser using the *Application and Affidavit for Foreclosure on a Motor Vehicle Under Statutory Contractual Landlord's Liens, Chapter 54, State Property Code*, **Form VTR-265-L**.

1. The landlord must provide the purchaser:
   - a copy of the lease or rental agreement
   - a copy of the motor vehicle title record
   - a release of any recorded liens.
2. The purchaser must apply for a certificate of title in their name and provide a copy of current proof of liability insurance in the purchaser's name, covering the described vehicle.

3. If the vehicle was last registered outside of Texas, the following documentation is also required:
   - *Vehicle Identification Certificate* **Form VI-30** and
   - Weight certificate for a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".
4. Landlord liens occurring in other states should be cleared by the state in which the lien was created.

Self-service Storage Facility Lien

When a self-service storage facility's lien is acquired on a motor vehicle under the provisions of the Property Code, Chapter 59, Section 59.021, the lien may be disposed of in accordance with the provision of Section 59.042.

Property Code, Section 59.047, allows for the holder of a lien on a motor vehicle subject to Chapter 501, Transportation Code, to follow the notification procedures established under Section 70.006.

The following addresses foreclosure of self-service storage facility's lien when possession occurred on or after September 1, 1999. For information concerning foreclosure procedures prior to September 1, 1999, refer to the Statutory Foreclosure Procedures Chart at the end of this chapter.

Note: If unable to determine where the vehicle was last registered, this method of disposal of the vehicle cannot be used. Disposal of the vehicle must be by court order through a court of competent jurisdiction.

First Notice

If the vehicle was last registered in Texas, landlords must make notice within five days of expiration or breach of contract. If last registered outside of Texas, notice must be made within 14 days. They must send the first notice to the last known owner(s) and any lienholder(s) of record by certified mail, return receipt requested, or if applicable, notice by newspaper publication. See Notifications to the Owner(s) and Lienholder(s), if any below.

Second Notice

If charges are still unpaid 31 days after the first notice was made, landlords must send the second notice by certified mail, return receipt requested, or if applicable, notice by newspaper publication, to the last known owner(s) and any lienholder(s) of record. See Notifications to the Owner(s) and any Lienholder(s).

Public Sale

If charges are not paid before the 31st day after the second notice was made, the possessory lienholder may sell the vehicle at public sale. Landlords may apply the proceeds to the payment of charges due and pay the excess proceeds (balance) to the person entitled to it.

Application for Title

The purchaser of the vehicle at public sale must apply for title in their name.

Notifications to the Owner(s) and Lienholder(s), if any

Instead of notification by certified mail, return receipt requested, notification by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if **all** of the following apply:

1. The motor vehicle is registered in another state;
2. the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record;
3. The holder of a lien:

- is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or
- does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request.

4. The holder of the lien cannot determine the identity of the last known registered owner.
5. The registration does not contain an address for the last known registered owner; and
6. The holder of the lien cannot determine the identities and addresses of the lienholders of record.

Note: The holder of the lien is not required to publish notice in a newspaper, if a correctly addressed certified mail notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

Title Evidence Required

The landlord (lessor) must complete an *Application and Affidavit for Foreclosure of a Self-service Storage Facility Lien,* **Form VTR-265-SSF**.

A copy of the contract dated on and after 9-1-99 with the terms of the lease printed or underlined in conspicuous bold print, which addresses the sale and disposition of the property signed by both the tenant (lessee) and landlord (lessor). The lien is not enforceable unless the sale and disposition of the property is authorized in a written lease agreement.

Verification of Title and Registration

If registered in Texas – Verification of Texas title and registration is required.

If registered outside of Texas – Verification of title and registration from the state of record. If not available, the landlord may provide the following:

- If a holder of a lien sends a written request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or
- If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof consists of a copy of the request sent along with certified receipts for the notification sent to the state of record.

Proof of Notifications

Notices by Certified Mail – Proof consists of the U.S. 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.

Alternate for PS **Form 3800 -** A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a copy of a privately printed or computer generated firm mailing bill can be acceptable provided it contains a U.S. postal date stamp, the name and complete address of the person/firm to whom the certified mail was sent, and the "Article Number" corresponds on all documentation.

Alternate for PS **Form 3811 -** A print-out of the U.S. postal service's electronic track/confirm screen may be acceptable or when the post office loses the return receipt or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address, the mailer may request a return of receipt after mailing from the post office and the proof of delivery record provided by the post office may be acceptable.

Notice by Newspaper Publication (Only if applicable) – Proof consists of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication that includes the name of the publication and the date of publication.

Liability Insurance

A copy of current proof of liability insurance in the applicant's name. (Refer to Chapter 11 of the Vehicle Registration Manual.)

Serial Number

VTR may require a pencil tracing of the motor and serial numbers to establish the vehicle's correct identity.

Out-of-state Vehicles

If the vehicle was last registered out of Texas, the following documentation is also required:

- *Out-of-State Identification Certificate*, **Form VI-30**; and
- Weight certificate on a commercial vehicle as explained in Chapter 10, "Evidence of Ownership".

Storage Liens

A self-service storage facility lien takes priority over all other liens. Therefore, a release of any recorded lien is not required.

Self Service Storage Lien

Self-Service Storage liens occurring in other states should be cleared by the state in which the lien was created.

Statutory Foreclosure Procedures Charts

1. Abandoned Nuisance Vehicles Disposal Chart – vehicle storage facility act

- Procedures to obtain a Nonrepairable Vehicle Title to demolish an abandoned nuisance vehicle.
- Procedures effective **September 1, 2001**.

2. Storage Lien Chart Property Code, Chapter 70 on and after September 1, 2001

- Procedures for unpaid storage and tow charges for a consent private property tow.
- Procedures effective **on and after September 1, 1999** for vehicles stored on and after this date.

3. Storage Lien Chart Property Code, Chapter 70 Prior to September 1, 1999

- Procedures for unpaid storage and tow charges for a consent private property tow.
- Procedures effective **prior to September 1, 1999** for vehicles stored prior to this date.

4. Landlord Lien Chart Property Code, Chapter 54 Effective on September 1, 1999

- Procedures for a landlord to acquire a lien for unpaid rent.
- Procedures effective **on and after September 1, 1999**.

5. Mechanic Lien Chart Property Code, Chapter 70 Effective From September 1, 1999 to August 31, 2009

- Procedures to acquire a lien on a motor vehicle for unpaid repair charges.
- Procedures effective **on and after September 1, 1999** for vehicles repaired on and after this date.

6. Mechanic Lien Chart Property Code, Chapter 70 Effective Prior to September 1, 1999

- Procedures to acquire a lien on a motor vehicle for unpaid repair charges.
- Procedures effective **prior to September 1, 1999** for vehicles repaired prior to this date.

7. Mechanic Lien Chart Property Code, Chapter 70 Effective After September 1, 2009

8. Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective on or after September 1, 1999

- Procedures to acquire a lien on property stored in a self-service storage facility for charges due and unpaid by the tenant.
- Procedures effective **on and after September 1, 1999**.

9. Self-service Storage Chart Property Code, Chapter 59 Effective Prior to September 1, 1999

- Procedures to acquire a lien on property stored in a self-service storage facility for charges due and unpaid by the tenant.
- Procedures effective **prior to September 1, 1999**.

10. Licensed Vehicle Storage Facility Chart Vehicle Storage Facility Act Effective on or after September 1, 2005

- Procedures for a licensed vehicle storage facility to acquire a lien on a motor vehicle for unpaid storage and tow charges when the vehicle was towed without the owner or lienholder's consent.
- Procedures effective **on and after September 1, 2005** for vehicles stored on and after this date.

11. Licensed Vehicle Storage Facility Chart Vehicle Storage Facility Act Effective prior to September 1, 2005

- Procedures for a licensed vehicle storage facility to acquire a lien on a motor vehicle for unpaid storage and tow charges when the vehicle was towed without the owner or lienholder's consent.
- Procedures effective **prior to September 1, 2005** for vehicles stored prior to this date.

Abandoned Nuisance Vehicles Disposal Chart

Table 23-2 lists procedures to obtain a Nonrepairable Vehicle Title to demolish an abandoned nuisance vehicle under Occupations Code, Chapter 2303. Vehicle Storage Facilities

Table 23-2 Export-only Motor Vehicle Sales: Comparison

Type	Authorization	Storage Location	Statute	Details
Vehicle storage facility for non-consent tows only Form VTR-71-6, Application for Authority to Dispose of an Abandoned Nuisance Vehicle to a Demolisher	Law enforcement and anyone other than the owner or lienholder of record; operator of the vehicle; or person having possession, custody or control of the vehicle.	Facility	Occupations Code	**1. Definitions**
			2303.002 (1)	Abandoned Nuisance Vehicle A motor vehicle that is: at least 10 years old; and of a condition only to be demolished, wrecked, or dismantled.
			2303.002 (8)	• Vehicle Storage Facility (VSF) A garage, parking lot, or any type of facility owned by a person other than a governmental entity used to store or park at least 10 vehicles each year.
			2303.101	• License A person may not operate a VSF unless the person holds a current license to operate a vehicle storage facility issued to the person by the Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008).
			2303.003 (a)	• Non-consent Only This article does not apply to a vehicle parked or stored at a VSF with the consent of the vehicle's owner.
			Occupations Code	**2. Notification:**
			2303.151 (a)	• Vehicle registered in Texas When a vehicle that is registered in this state is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and primary lienholder. The notice must be sent not later than the fifth day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than five days storage until the notice is sent.
			2303.151 (b)	• Vehicle registered out-of-state When a vehicle that is registered outside this state or the United States is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and all recorded lienholders. The notice must be sent not later than the 14th day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than five days storage until the notice is sent.

Type	Authorization	Storage Location	Statute	Details
			Occupations Code, 2303.151 (d) 2303.153 (a)	**3 Written Notification Contents:** The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain: 1. the date the vehicle was accepted for storage; 2. the first day for which a storage fee is assessed; 3. the daily storage rate; 4. the type and amount of all other charges to be paid when the vehicle is claimed; 5. the full name, street address, and telephone number of the facility; 6. the hours during which the owner may claim the vehicle; and 7. the facility license number preceded by “Vehicle Storage Facility License Number”.
			Occupations Code, 2303.152	**4. Newspaper Publication Option:** Notice by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if: 1. does not display a license plate or a vehicle inspection certificate indicating the state of registration; 2. the identify of the registered owner cannot reasonably be determined by the operator of the storage facility; or 3. the operator of the storage facility cannot reasonably determine the identity and address of each lienholder. Notice by publication in a newspaper may include a list of more than one vehicle.
			Occupations Code, 2303.153 (d) 2303.152 (c)	Notice by publication in a newspaper is not required if all correctly addressed notices sent were returned because: 1. the notices were unclaimed or refused; or 2. the addressees moved without leaving a forwarding address.
			Occupations Code, 2303.153 (b)	**5. Newspaper Publication Contents:** The publication must contain: 1. the vehicle description; 2. the total charges; 3. the full name, street address, and telephone number of the facility; and 4. the facility license number preceded by “Vehicle Storage Facility License Number”.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, 683.031 (a)	**6. Vehicle Abandoned in Storage Facility:** A motor vehicle is abandoned if the vehicle is left in a storage facility after 10 days from date of notice (deems vehicle abandoned by statute).
			Transportation Code, 683.031 (c) 683.032 (b)	**7. Report to Law Enforcement:** • The VSF must report the abandonment of the motor vehicle to law enforcement within 7 days of the deemed abandoned date (10 days from date of notice) and pay a $10 fee to law enforcement. • If the VSF does not report the abandonment of the motor vehicle to law enforcement within 7 days after the date it is deemed abandoned, the VSF may not claim reimbursement for storage of the vehicle.
			Occupations Code, 2303.1545 2303.157 (a), (b) 2303.157 (c)	**8. Disposal of the Abandoned Nuisance Vehicle:** • VSF must allow 30 days to elapse from the date of the notification. • A second notification is not required to be mailed or published. • If not reclaimed by a person entitled to claim the vehicle; or taken into custody by a law enforcement agency, VSF may dispose of the vehicle on the 30th day after the date the notice is mailed or published without a release of lien. • The VSF must submit an application (Form VTR-71-6) to the department for disposal of the vehicle notifying the department that notices under Occupations Code, Chapter 2303, and Transportation Code, Chapter 683, have been provided; and submit a $10 fee.

Type	Authorization	Storage Location	Statute	Details
				9. Application Process: • A completed Form VTR-71-6, Application for Authority to Dispose of an Abandoned Nuisance Vehicle to a Demolisher. • Payment of $10.00 fee in the form of a cashier's check, money order, or check made payable to the Texas Department of Motor Vehicles. • A Texas or an out-of-state title and registration verification, if applicable. If no record, a verification by vehicle identification number of no record in Texas is required. • Certified mail receipts (originals). • Any unopened returned certified mail returned by the Post Office as undeliverable, unclaimed or no forwarding address, if applicable. • If the services of an electronic certified mail vendor are used for vehicles towed on or after September 1, 2003, the certified mail receipts similar to the PS Form 3800, and a copy of an electronic listing indicating when the notice was mailed, delivered and/or returned to the U.S. Postal Service is acceptable in lieu of the PS Form 3811. • Copy of newspaper publication, if applicable. The form, fee, and all applicable documentation should be submitted to the: Texas Department of Motor Vehicles Vehicle Titles and Registration Division Austin, Texas 78779-0001

Storage Lien Chart Property Code, Chapter 70 on and after September 1, 2001

Table 23-3 lists procedures for unpaid storage and tow charges for a consent private property tow under Occupations Code, Chapter 2303.

Table 23-3 Consent Private Property on and after September 1, 2001

Type	Authorization	Storage Location	Statute	Details
Consent / Private Property Storage Form VTR-265-S (Rev. on or after 9/1/99), Storage Lien for Abandoned Vehicle or Private Tow	Contract	Vehicle Storage Facility	Property Code, §70.003	**1. Lien**: A garage man with whom a motor vehicle is left for care has a lien on the motor vehicle for the amount of charges for the care, including reasonable charges for towing the motor vehicle to the garage man's place of business.
			Property Code, §70.004 (e)	**2. Fees**: A person is entitled to fees for: • towing, impoundment, preservations, and notification; • reasonable storage fees for up to five days before the day that the notice is mailed or published, as applicable; and • reasonable storage, impoundment, and preservation fees, after the day that the notice is mailed or published, until the motor vehicle is removed and accrued charges are paid.
			Property Code, §70.004 (a)	**3. Notification**: • Upon expiration of the contract, the garage man is required to notify the last known owner and each lienholder of record by certified mail. • If registered in this state, the notice shall be given to the last known owner/lienholder by certified mail within five days after the expiration of the contract. • If registered outside this state, the notice shall be given to the last known registered owner and each lienholder of record not later than the 14th day after the expiration of the contract.
			Property Code, §70.004 (b)	**4. Notice by Certified Mail**: The notice must be sent by certified mail with return receipt requested. The notice must contain: • a request to remove the motor vehicle; • a request for payment; • the location of the motor vehicle; and • the amount of accrued charges.

Type	Authorization	Storage Location	Statute	Details
			Property Code, §70.004 (c) 70.004 (d)	**5. Published Notice**: The notice may be given by publishing the notice once in a newspaper of general circulation in the county in which the motor vehicle is stored if all of the following apply: • the motor vehicle is registered in another state; • the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered, requesting information relating to the identity of the last known registered owner and any lienholder of record; • the holder of the lien: 1.is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or 2.does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request; • the identity of the last known registered owner cannot be determined; • the registration does not contain an address for the last known registered owner; and • the holder of the lien cannot determine the identities and addresses of the lienholders of record. • The published notice is not required, if a correctly addressed notice is sent by certified mail with return receipt requested, with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.
			70.006 (a) 70.006 (f) Transportation Code, §501.074 (c) Property Code, §70.006 (f)	**6. Sale of Vehicle**: • The garage man must allow 30 days from the date of the 1st notice. (See # 3.) • On the 31st day, the second notice is required to be sent (refer to # 4 and 5). • If not reclaimed by the 31st day after the date of the second notice, the vehicle may be sold at public sale. • The garage man must complete the Form VTR-265-S including dates certified mail was sent and attaching the certified mail receipts and any returned unopened letters. • The possessory lienholder shall apply the proceeds to the payment of charges and shall pay the balance to the person entitled to it.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.074 (c) 501.023 501.023 §601.051 §501.074	**7. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**: • Verification of Title and Registration **If registered in Texas** Verification of Texas title and registration is required. **If registered outside of Texas** Verification of title and registration from the state of record, if available. If not available, the following may be provided in lieu of title and registration verification from the state of record: (a) If a holder of a lien sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or (b) If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof shall consist of a copy of the request sent along with certified receipts for the notification sent to the state of record. • Application for Texas Certificate of Title, Form 130-U • Release of Lien - A release of lien is required for any lien properly recorded in Texas or out of state, if applicable. • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name. • Document Authorizing Possession - A copy of the document authorizing possession, or Item 4 or 5 of B completed on Form VTR-265-S. • Form VTR-265-S - A properly completed Form VTR-265-S, Storage Lien for Abandoned Vehicle or Private Tow, executed by the statutory lienholder. • Proof of Notifications

Type	Authorization	Storage Location	Statute	Details
			Transportation Code §501.030 (a), (e), §548.256	**Notice by Newspaper Publication** (Only if applicable) – Proof shall consist of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication. • Pencil Tracing A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles If the vehicle was last registered outside of Texas, the following documentation is also required: Identification Certificate; and Weight certificate on a commercial vehicle.

Storage Lien Chart Property Code, Chapter 70 Prior to September 1, 1999

Table 23-4 lists procedures effective prior to September 1, 1999 for unpaid storage and tow charges for a consent private property tow under Occupations Code, Chapter 2303.

Table 23-4 Consent Private Property Prior to September 1, 1999

Type	Authorization	Storage Location	Statute	Details
Consent / Private Property Storage Form VTR-265-S (Revision date prior to 9/1/99)	Contract	Vehicle Storage Facility	Property Code, §70.003	**1. Lien**: A garage man with whom a motor vehicle is left for care has a lien on the motor vehicle for the amount of charges for the care, including reasonable charges for towing the motor vehicle to the garage man's place of business.
			Transportation Code, §683.031 (a) (2) Property Code, §70.006 (a) §70.006 (b)	**2. Notification:** • Upon expiration of the contract, the garage man is required to notify the last known owner and each lienholder of record by certified mail within 10 days of such expiration. • The garage man must allow 30 more days of storage fees to accrue from the date of the 1st notice. • If storage fees remain unpaid 30 days after the 1st notice is sent, the garage man must send a second notice by certified mail. • If not reclaimed by the 31st day after the date of the second notice, the vehicle may be sold at public sale.
			Transportation Code, §501.074 (c)	**3. Upon sale of the Vehicle**: The garage man shall complete the Form VTR-265-S including dates certified mail was sent and attaching the certified mail receipts and any returned unopened letters.
			Property Code, §70.006 (f)	**4. Proceeds of Sale**: The possessory lienholder shall apply the proceeds to the payment of charges and shall pay the balance to the person entitled to it.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.023 §501.074 (c) Transportation Code, §601.051 §501.030(a), (e) §548.256	**5. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**: • Verification of title and registration. • Application for Texas Certificate of Title, Form 130-U. • Release of lien for any lien properly recorded in Texas or out of state, if applicable. • A copy of the document authorizing possession unless Item 5 of B on the Form VTR-265-S is completed. • A properly completed Form VTR-265-S, Storage Lien for Abandoned Vehicle or Private Tow, executed by the statutory lienholder. • Proof of Notifications by Certified Mail - Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the "Article Number" on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service's electronic track / confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address. • Liability Insurance – A copy of current proof of liability insurance in the title applicant's name. • Pencil Tracing – A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles – If the vehicle was last registered outside of Texas, the following documentation is also required: (1) Identification Certificate; and (2) Weight certificate on a commercial vehicle.

Landlord Lien Chart Property Code, Chapter 54 Effective on September 1, 1999

Table 23-5 lists procedures effective on and after September 1, 1999 for a landlord to acquire a lien for unpaid rent. Occupations Code, Chapter 2303. If unable to determine where the vehicle was last registered, this procedure cannot be used. Disposal of the vehicle must be through a court of competent jurisdiction.

Table 23-5 Landlord Lien Chart Property Code, Chapter 54 Effective on September 1, 1999

Type	Authorization	Storage Location	Statute	Details
Landlord Lien Form VTR-265-L (Rev. date on or after 9/99)	Landlord or the Landlord's Agent	Lease or Rental Property	Property Code, §54.041	**1. Lien**: A landlord of a single or multifamily residence has a lien for unpaid rent that is due. The lien attaches to nonexempt property that is in the residence or that the tenant has stored in a storage room.
			Property Code, §54.042. Exemptions	**2. Applicable Exemptions**: A lien under this subchapter does not attach to: • One automobile or one truck; • Goods that the landlord or the landlord's agent knows are owned by a person other than the tenant or an occupant of the residence; and • Goods that the landlord or the landlord's agent knows are subject to a recorded chattel mortgage or financing agreement.
			54.043. Enforceability of Contractual Provisions (a) §54.044. Seizure of Property (a) §54.044 (b)	**3. Requirements**: • A contractual landlord's lien is not enforceable unless it is underlined or printed in conspicuous bold print in the lease agreement. • The landlord or the landlord's agent may not seize exempt property and may seize nonexempt property only if authorized by a written lease and can be accomplished without a breach of the peace. • Immediately after seizing property, the landlord or the landlord's agent shall leave written notice of entry, in a conspicuous place within the dwelling, an itemized list of the items removed. • The notice must state the amount of delinquent rent, the name, address, and telephone number of the person the tenant may contact regarding the amount owed and that the property is promptly returned on full payment of the delinquent rent.

Type	Authorization	Storage Location	Statute	Details
			54.045. Sale of Property (a) §54.045 (b) 54.044. Seizure of Property (c) §54.044 (d) Sale of Property (a) §54.045 (c)	**4. Sale Requirements**: • Before selling seized property, the landlord or the landlord's agent must give notice to the tenant not later than the 30th day before the date of the sale. • The notice must be sent by both first class mail and certified mail, return receipt requested, to the tenant's last known address. • The notice must contain: 1.the date, time, and place of the sale; 2.an itemized account of the amount owed by the tenant to the landlord; and 3.the name, address, and telephone number of the person the tenant may contact regarding the sale, the amount owed, and the right of the tenant to redeem the property (see Number 7. Sale of Property).
			§54.045 (d)	**5. Seizure of Property**: * Unless authorized in a written lease, the landlord is not entitled to collect a charge for packing, removing, or storing property seized. * If the tenant has abandoned the premises, the landlord or the landlord's agent may remove its contents.
			54.045. Sale of Property (e)	**6. Sale of Property**: Property may not be sold or otherwise disposed of unless the sale or disposition is authorized in a written lease. • A sale under this section is subject to a recorded chattel mortgage or financing statement. • The property shall be sold to the highest cash bidder. • Proceeds from the sale shall be applied first to delinquent rents and, if authorized by the written lease, reasonable packing, moving, storage, and sale costs. • Any sale proceeds remaining after payment of the amounts authorized (above) shall be mailed to the tenant at the tenant's last known address not later than the 30th day after the date of the sale. The landlord shall provide the tenant with an accounting of all proceeds of the sale not later than the 30th day after the date on which the tenant makes a written request for the accounting.
				7. Tenant's Right to Redeem Property: The tenant may redeem the property at any time before the property is sold by paying to the landlord or the landlord's agent all delinquent rents and, if authorized in the written lease, all reasonable packing, moving, storage, and sale costs.

Type	Authorization	Storage Location	Statute	Details
			4.046. Violation by Landlord	**8. Landlord Violation**: If a landlord or the landlord's agent willfully violates this chapter, the tenant is entitled to: actual damages, return of any property seized that has not been sold, return of the proceeds of any sale of seized property, and one month's rent or $500, whichever is greater, less any amount for which the tenant is liable; and reasonable attorney's fees.
			01.023 §501.030 (a), (e) §548.256 §502.153 (c), §601.051	**9. Evidence Required to Transfer a Motor Vehicle Subject to a Landlord Lien Foreclosure**: • A copy of a contract signed by the tenant and the landlord, which addresses the sale and disposition of the property. • A copy of the written notice left for tenant when the property was removed. • An Application and Affidavit for Foreclosure on a Motor Vehicle Under Statutory Contractual Landlord's Lien, Chapter 54, State Property Code, Form VTR-265-L, executed by the landlord or landlord's agent. • Application for Texas Certificate of Title, Form 130-U. • A copy of the title record in the tenant's name. • If the vehicle was last registered outside of Texas, the following documentation is also required: 1.Identification Certificate; and 2.Weight certificate on a commercial vehicle. • A copy of current proof of liability insurance in the title applicant's name. • A release of lien, if applicable.

Mechanic Lien Chart Property Code, Chapter 70 Effective From September 1, 1999 to August 31, 2009

Table 23-6 lists procedures effective from September 1, 1999 to August 31, 2009 for a dealer to acquire a lien on a motor vehicle for unpaid repair charges.

Table 23-6 Mechanic Lien Chart Property Code, Chapter 70 Effective From September 1, 1999 to August 31, 2009

Type	Authorization	Storage Location	Statute	Details
Mechanic's Lien Form VTR-265-M (Rev. on or after 9/1/99)	Owner or lienholder of record or operator of vehicle	Repair Shop	Property Code, §70.001, Worker's Lien	**1. Lien:** A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until: * The amount due under the contract for the repairs is paid; or * If no amount is specified by contract, the reasonable and usual compensation is paid.
			Property Code, §70.006 (a)	**2. Possession**: Must have continued for thirty (30) days after the charges accrued and the charges due have not been paid.
			Property Code, §70.006 (a), (b)	**3. Foreclosure Notice:** Thirty (30) days after the day on which repair charges accrue, the person claiming the lien shall notify the owner(s) and lienholder(s) of record by certified mail, return receipt requested, of the amount of charges due and a request for payment. The notice must also be sent to the address that appears on the work order/document authorizing possession, if the addresses are different from the address on the motor vehicle record. Notice by newspaper publication may be permitted (see # 4 below).

Type	Authorization	Storage Location	Statute	Details
			Property Code, §70.006 (c) 70.006 (d)	4. Notification to the Owner(s) and any Lienholder(s): In lieu of written notification, publication of the notice(s) in a newspaper of general circulation in the county in which the vehicle is stored may be used only if ALL of the following apply: 1. the motor vehicle is registered in another state; 2. the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record; 3. the holder of a lien: (a) is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or (b) does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request under #(2) above. 4. the identity of the last known registered owner cannot be determined: 5. the registration does not contain an address for the last known registered owner; and 6. the holder of the lien cannot determine the identities and addresses of the lienholders of record. **NOTE**: The holder of the lien is not required to publish notice if a correctly addressed notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.
			Property Code, §70.006 (b)	**5. Storage Notice, if Applicable**: If any amount of the charges includes storage fees, a second notification must be made by certified mail to the registered owner(s) and lienholder(s), or see # 4 above for applicable notice by newspaper publication. If last registered outside of Texas, notice must be made within fourteen (14) days of obtaining possession. A Storage Lien for Abandoned Vehicle or Private Tow, Form VTR-265-S with a revision date of 9-1-99, or after, must also be completed. A release of lien is also required if any portion of the amount due represents charges for storage; otherwise, foreclosure must be through a court of competent jurisdiction.

Type	Authorization	Storage Location	Statute	Details
			Property Code, §70.006 (f)	**6. Public Sale**: If charges are not paid before the 31st day after the day on which notice of the amount of charges was mailed or published, and charges do not include storage fees, the possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The proceeds shall be applied to the payment of charges and the balance shall be paid to the person entitled to it.
			Transportation Code, §501.074 (c)	**7. Application for Title**: The highest bidder must apply for title.
			Transportation Code, §501.071 and §501.074 (c) Transportation Code, §501.023 501.074 (c)	**8. Evidence Required to Transfer a Motor Vehicle Subject to a Mechanic's Lien Foreclosure**: • Verification of Title and Registration I**f registered in Texas** – Verification of Texas title and registration is required. **If registered outside of Texas** – Verification of title and registration from the state of record, if available. If not available, the following may be provided in lieu of title and registration verification from the state of record: • If a holder of a lien sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or • If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof shall consist of a copy of the request sent along with certified receipts for the notification sent to the state of record. • Application for Texas Certificate of Title, Form 130-U • A properly completed Mechanic's Lien Foreclosure, Form VTR-265-M, executed by the statutory lienholder • Proof of Notifications

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.074 (c) (2)	**Notices by Certified Mail** – Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the "Article Number" on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service's electronic track/confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address.
			§502.153 (c), §601.051	**Notices by Newspaper Publication** (Only if applicable) – Proof shall consist of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication.
			§501.030 (a), (e), §548.256	• Liability Insurance - A copy of current proof of liability insurance in the title applicant's name. • Work Order - Attach a copy of the work order or complete Item 4 of B on the Form VTR-265-M. • Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required: • Identification Certificate; and Weight certificate on a commercial vehicle. A release of lien is not required for mechanic's lien foreclosure only transactions. If transaction includes storage fees, see # 5 above

Mechanic Lien Chart Property Code, Chapter 70 Effective Prior to September 1, 1999

Table 23-7 lists procedures effective prior to September 1, 1999 for a dealer to acquire a lien on a motor vehicle for unpaid repair charges.

Table 23-7 Mechanic Lien Chart Property Code, Chapter 70 Effective Prior to September 1, 1999

Type	Authorization	Storage Location	Statute	Details
Mechanic's Lien Form VTR-265-M (Rev. date prior to 9/1/99)	Owner or lienholder of record or operator of vehicle	Repair Shop	Property Code, §70.001, Worker's Lien	**1. Lien**: A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until: * The amount due under the contract for the repairs is paid; or * If no amount is specified by contract, the reasonable and usual compensation is paid.
			Property Code, §70.006 (a)	**2. Possession**: Must have continued for thirty (30) days after the charges accrued and the charges due have not been paid.
			Property Code, §70.006 (a), (b)	**3. Foreclosure Notice**: Thirty (30) days after the day on which repair charges accrue, the person claiming the lien shall notify the owner(s) and lienholder(s) of record by certified mail, return receipt requested, of the amount of charges due and a request for payment. The notice must also be sent to the address that appears on the work order/document authorizing possession, if the addresses are different from the address on the motor vehicle record.
			Property Code, §70.006 (b)	**4. Storage Notice, if Applicable**: If any amount of the charges includes storage fees, a second notification must be made by certified mail to the registered owner(s) and lienholder(s) and a Form VTR-265-S must be completed. A release of lien is also required if any portion of the amount due represents charges for storage; otherwise, foreclosure must be through a court of competent jurisdiction.
			Property Code, §70.006 (f)	**5. Public Sale**: If charges are not paid before the 31st day after the day on which notice of the amount of charges was mailed or published, and charges do not include storage fees, the possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The proceeds shall be applied to the payment of charges and the balance shall be paid to the person entitled to it.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.074 (c)	**6. Application for Title**: The highest bidder must apply for title.
			Transportation Code, §501.071 and §501.074 (c) §501.023 §501.074 (c) (1) §501.074 (c) (2) §502.153 (c), §601.051	**7. Evidence Required to Transfer a Motor Vehicle Subject to a Mechanic's Lien Foreclosure**: • A copy of the Title and Registration, if applicable. **If registered in Texas** – Verification of Texas title and registration is required. **If registered outside of Texas** – Verification of title and registration from the state of record, if available. If a holder of a lien sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable. • Application for Texas Certificate of Title, Form 130-U. • A properly completed Mechanic's Lien Foreclosure application, Form VTR-265-M, executed by the statutory lienholder. • Proof of Notifications - Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the "Article Number" on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. • A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service's electronic track/confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address. • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name. • Work Order - Attach a copy of the work order or complete Item 4 of B on the Form VTR-265-M.

Type	Authorization	Storage Location	Statute	Details
			§501.030 (a), (e), §548.256	• Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required: (1) Identification Certificate; and (2) Weight certificate on a commercial vehicle. • A release of lien is not required for mechanic's lien foreclosure transactions involving only repair charges. If transaction includes storage fees, see # 4 above.

Mechanic Lien Chart Property Code, Chapter 70 Effective After September 1, 2009

lists procedures effective after September 1, 2009 for a non franchised dealer to acquire a lien on a motor vehicle for unpaid repair charges.

Table 23-8 Mechanic Lien Chart Property Code, Chapter 70 Effective after September 1, 2009

Type	Authorization	Storage Location	Statute	Details
Mechanic's Lien Form VTR-265-M (Rev. date after 9/1/09)	Owner or lienholder of record or operator of vehicle	Repair Shop	Property Code, §70.001, Worker's Lien Property Code, §70.006 (a)	**1. Lien**: A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until: * The amount due under the contract for the repairs is paid; or * If no amount is specified by contract, the reasonable and usual compensation is paid.
			Property Code, §70.006 (a),	**2. Possession**: Must have possession and the charges due have not been paid.
			(b) Property Code, §70.006 (b)	**3. Foreclosure Notice:** Within thirty days of repairs completed, the person claiming the lien must notify the owner(s) and lienholder(s) of record by certified mail, return receipt requested, of the location of the vehicle, charges due and a request for payment. They must also send notice to the address that appears on the work order/document authorizing possession, if the address is different from the address on the motor vehicle record. Notice by newspaper publication is permissible. (see # 4 below). The notification must include: • the address where the repairs were made • the legal name of the person that holds the possessory lien • the taxpayer or employer identification number of the person that holds the possessory lien • a signed copy of the work order authorizing repairs. • amount due The person filing the lien must also submit to the local county tax assessor-collector's office: • an administrative fee of $25 • a copy of their notification • a signed copy of the work order. Not later than the 10th day after receiving notification, the county tax assessor-collector must send by certified mail with return receipt requested, copies of work order and notification to the owner(s) and lienholder(s) of record.

Type	Authorization	Storage Location	Statute	Details
				4. Work Order Attach a copy of the signed work order. If a signed work order is not available this method of disposal of the vehicle cannot be used. Disposal of the vehicle must be by court order through a county or district court.
			Property Code, §70.006 (f) Transportation Code, §501.074 (c)	**5. Public Sale**: If charges are not paid before the 31st day after the day on which notice of the amount of charges was mailed by the county tax assessor or published by the possessory lienholder, and the charges do not include storage fees, the possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The proceeds are to be applied to the payment of charges due and the excess proceeds (balance) paid to the person entitled to it. • If a person entitled to the excess proceeds is not known or has moved from this state or country, the person. holding the excess must pay it to the county treasurer of the county in which the lien originated. The treasurer should issue the person a receipt for the payment. • If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.
				6. Application for Title: The highest bidder must apply for title.

Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective on or after September 1, 1999

Table 23-9 lists procedures effective on and after to September 1, 1999 to acquire a lien on property stored in a self-service storage facility for charges due and unpaid by the tenant. Property Code, Chapter 59 and 70. If unable to determine where the vehicle was last registered, this procedure cannot be used. Disposal of the vehicle must be through a court of competent jurisdiction.

Table 23-9 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective after September 1, 1999

Type	Authorization	Storage Location	Statute	Details
Self-service Storage Facility Liens Form VTR-265-SSF (Rev. 3/2002 or later)	Owner, lessor, sub-lessor, or agent of a self-service storage facility	Self-service storage facility	Property Code, §59.021. Lien; Property Attached	**1. Lien**: A lessor has a lien on all property in a self-service storage facility for the payment of charges that are due and unpaid by the tenant.
			Property Code, §59.001. Definitions	**2. Definitions**: • "Lessor" means an owner, lessor, sub-lessor, or managing agent of a self-service storage facility. • "Rental agreement" means a written or oral agreement that establishes or modifies the terms of use of a self-service storage facility. • "Self-service storage facility" means real property that is rented to be used exclusively for storage of property and is cared for and controlled by the tenant. • "Tenant" means a person entitled under a rental agreement to the exclusive use of storage space at a self-service storage facility.
			Property Code, §59.002. Applicability	**3. Applicability**: This chapter applies to a self-service storage facility rental agreement that is entered into, extended, or renewed after September 1, 1981.
			Property Code, §59.006. Attachment and Priority of Lien	**4. Priority of Lien**: A lien under this chapter attaches on the date the tenant places the property at the self-service storage facility. The lien takes priority over all other liens on the same property.
			Property Code, §59.007. Purchase of Property	**5. Purchaser**: A good faith purchaser of property sold to satisfy a lien under this chapter takes the property free of a claim by a person against whom the lien was valid, regardless of whether the lessor has complied with this chapter.

Type	Authorization	Storage Location	Statute	Details
			Property Code, §59.008. Redemption	**6. Redemption**: A tenant may redeem property seized under a judicial order or a contractual landlord's lien prior to its sale or other disposition by paying the lessor the amount of the lien and the lessor's reasonable expenses incurred under this chapter.
			Property Code, §59.041. Enforcement of Lien	**7. Requirements**: A lessor may enforce a lien by seizing and selling the property to which the lien is attached if: • the seizure and sale are made under the terms of a contractual landlord's lien as underlined or printed in conspicuous bold print in a written rental agreement between the lessor and tenant; and • the seizure and sale are made in accordance with Chapter 59. Otherwise, a lessor may enforce a lien under this chapter only under a judgment by a court of competent jurisdiction that forecloses the lien and orders the sale of the property to which it is attached.
			Property Code, §59.047. Additional Procedures for Sale of Certain Property	**8. Additional Procedures**: A holder of a lien under this chapter on a motor vehicle subject to Chapter 501, Transportation Code, must follow the procedures prescribed by Property Code, Section 70.006, in addition to the procedures prescribed by this chapter.
			Property Code, §70.004 (a), (b)	**9. Foreclosure Notice**: The holder of the lien is required to notify the last known owner and each lienholder of record by certified mail. • If registered in this state, the notice shall be given to the last known owner/lienholder by certified mail within 5 days after the expiration or breach of the contract. • If registered outside this state, the notice shall be given to the last known registered owner and each lienholder of record not later than the 14th day after the expiration or breach of the contract. • Notice by newspaper publication may be permitted (see # 10 below). ***NOTE**: If unable to determine where the vehicle was last registered, this procedure cannot be used. Disposal of the vehicle must be through a court of competent jurisdiction.

Type	Authorization	Storage Location	Statute	Details
			Property Code, §70.004 (c) 70.004 (d)	**10. Notification to the Owner(s) and any Lienholder(s)**: In lieu of written notification, publication of the notice(s) in a newspaper of general circulation in the county in which the vehicle is stored may be used only if ALL of the following apply: • the motor vehicle is registered in another state; • the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record; • the holder of a lien: (a) is advised in writing by the governmental entity with which the motor vehicle is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or (b) does not receive a response from the governmental entity with which the motor vehicle is registered on or before the 21st day after the date the holder of the lien submits a request under (2); • the identity of the last known registered owner cannot be determined; • the registration does not contain an address for the last known registered owner; and • the holder of the lien cannot determine the identities and addresses of the lienholders of record. **NOTE**: The holder of the lien is not required to publish notice if a correctly addressed notice is sent with sufficient postage and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.
			Property Code, §70.006 (a)(b)(c)	**11. Second Notice** If charges are not paid before the 31st day after the day on which notice (# 9 above) of the amount of charges was mailed or published, a second notice must be sent by certified mail, return receipt requested, or if applicable, notice by newspaper publication to the registered owner and any lienholders of record.
			Property Code, §70.006 (f)	**12. Public Sale**: The possessory lienholder may sell the vehicle at public sale without obtaining a release of lien. The proceeds shall be applied to the payment of charges and the balance shall be paid to the person entitled to it.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.074 (c)	**13. Application for Title**: The highest bidder must apply for title.
			Transportation Code, §501.071 §501.074 (c)	**14. Evidence Required to Transfer a Motor Vehicle Title Subject to a Self-service Storage Facility Lien Foreclosure**: • A copy of the title and registration verification, if applicable. **If registered in Texas** – Verification of Texas title and registration is required. **If registered outside of Texas** – Verification of title and registration from the state of record, if available. If not available, the following may be provided in lieu of title and registration verification from the state of record: (1) If a holder of a lien sends a request for title and registration verification to the state of record (by certified mail) and is informed by letter from that state that due to the Driver's Privacy Protection Act restrictions, the state elects to forward the lienholder's notification to the owner(s) for notification purposes, the original letter(s) from the state of record, along with certified receipts for each notification sent to that state, is acceptable; or (2) If notification is made by newspaper publication, proof that a correctly addressed request for the name and address of the last known registered owner(s) and lienholder(s) was sent to the state of record by certified mail with return receipt requested. Proof shall consist of a copy of the request sent along with certified receipts for the notification sent to the state of record.

Type	Authorization	Storage Location	Statute	Details
			§501.074 (c) (1) §501.023 §502.153 (c), §601.051 Transportation Code, §501.074 (c) (2) §501.030(a), (e) §548.256	• A copy of the contract, dated on or after September 1, 1999, which addresses the sale and disposition of the property and is signed by the tenant (lessee) and the landlord (lessor). • Form VTR-265-SSF, Application and Affidavit for Foreclosure of a Self-service Storage Facility Lien, executed by the landlord. • Application for Texas Certificate of Title, Form 130-U. • A copy of current proof of liability insurance in the title applicant's name. • Proof of notifications is required. **Notices by Certified Mail** – Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the "Article Number" on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service's electronic track/confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address. **Notice by Newspaper Publication** (Only if applicable) – Proof shall consist of evidence of the certified request (same as listed above for certified mail) sent to the state of record requesting verification of owner(s) and lienholder(s), and a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication. • A pencil tracing of the motor and serial numbers may be required to establish the vehicle's • correct identity. • If the vehicle was last registered outside of Texas, the following documentation is also required: (1) Identification Certificate; and (2) Weight certificate on a commercial vehicle. • A release of lien is not required

Self-service Storage Chart Property Code, Chapter 59 Effective Prior to September 1, 1999

Table 23-10 lists procedures effective prior to September 1, 1999 to acquire a lien on property stored in a self-service storage facility for charges due and unpaid by the tenant. If unable to determine where the vehicle was last registered, this procedure cannot be used. Disposal of the vehicle must be through a court of competent jurisdiction.

Table 23-10 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 prior to September 1, 1999

Type	Authorization	Storage Location	Statute	Details
Self-service Storage Facility Liens Form VTR-265-L (Rev. 2-98 or prior to 9-99)	Owner, lessor, sub-lessor, or agent of a self-service storage facility	Self-service storage facility	Property Code, §59.021. Lien; Property Attached	**1. Lien**: A lessor has a lien on all property in a self-service storage facility for the payment of charges that are due and unpaid by the tenant.
			Property Code, §59.001. Definitions	**2. Definitions**: • "Lessor" means an owner, lessor, sub-lessor, or managing agent of a self-service storage facility. • "Rental agreement" means a written or oral agreement that establishes or modifies the terms of use of a self-service storage facility. • "Self-service storage facility" means real property that is rented to be used exclusively for storage of property and is cared for and controlled by the tenant. • "Tenant" means a person entitled under a rental agreement to the exclusive use of storage space at a self-service storage facility.
			Property Code, §59.002. Applicability	**3. Applicability**: This chapter applies to a self-service storage facility rental agreement that is entered into, extended, or renewed after September 1, 1981.
			Property Code, §59.006. Attachment and Priority of Lien	**4. Priority of Lien**: A lien under this chapter attaches on the date the tenant places the property at the self-service storage facility. The lien takes priority over all other liens on the same property.
			Property Code, §59.007. Purchase of Property	**5. Purchaser**: A good faith purchaser of property sold to satisfy a lien under this chapter takes the property free of a claim by a person against whom the lien was valid, regardless of whether the lessor has complied with this chapter.

Type	Authorization	Storage Location	Statute	Details
			Property Code, §59.008. Redemption	**6. Redemption**: A tenant may redeem property seized under a judicial order or a contractual landlord's lien prior to its sale or other disposition by paying the lessor the amount of the lien and the lessor's reasonable expenses incurred under this chapter.
			Property Code, §59.041. Enforcement of Lien	**7. Requirements**: A lessor may enforce a lien by seizing and selling the property to which the lien is attached if: • the seizure and sale are made under the terms of a contractual landlord's lien as underlined or printed in conspicuous bold print in a written rental agreement between the lessor and tenant; and • the seizure and sale are made in accordance with Chapter 59. Otherwise, a lessor may enforce a lien under this chapter only under a judgment by a court of competent jurisdiction that forecloses the lien and orders the sale of the property to which it is attached.
			59.042. Procedure for Seizure and Sale	**8. Seizure and Sale Requirements**: • To enforce a contractual landlord's lien by seizing and selling or otherwise disposing of the property, the lessor must deliver written notice of the claim to the tenant. • If the tenant fails to satisfy the claim before the 15th day after the day that the notice is delivered, the lessor must publish or post notices advertising the sale. • If notice is by publication, the lessor may not sell the property until the 15th day after the day that the first notice is published. If notice is by posting, the lessor may sell the property after the 10th day after the day that the notices are posted.

Type	Authorization	Storage Location	Statute	Details
			59.043. Contents and Delivery of Notice of Claim	**9. Notification to Tenant**: The lessor's notice to the tenant of the claim must contain: * an itemized account of the claim; * the name, address, and telephone number of the lessor or the lessor's agent; * a statement that the contents of the self-service storage facility have been seized under the contractual landlord's lien; and * a statement that if the claim is not satisfied before the 15th day after the day that the notice is delivered, the property may be sold at public action. * The lessor must deliver the notice in person or by certified mail to the tenant's last known address as stated in the rental agreement or in a written notice from the tenant to the lessor furnished after the execution of the rental agreement. Notice by mail is considered delivered when the notice, properly addressed with postage prepaid, is deposited with the United States Postal Service.
			§59.044. Notice of Sale	**10. Notice of Sale**: The notice advertising the sale must contain: • a general description of the property; • a statement that the property is being sold to satisfy a landlord's lien; • the tenant's name; • the address of the self-service storage facility; and • the time, place, and terms of the sale. **Published Notice** The lessor must publish the notice once in each of two consecutive weeks in a newspaper of general circulation in the county in which the self-service storage facility is located. **Posted Notice** If there is not a newspaper of general circulation in the county, the lessor may instead post a copy of the notice at the self-service storage facility and at least five other conspicuous locations near the facility.
			59.045. Conduct of Sale	**11. Sale**: A sale must be: • a public sale at the self-service storage facility or a reasonably near public place; • conducted by the lessor according to the terms specified in the notice advertising the sale; and • sold to the highest bidder.

Type	Authorization	Storage Location	Statute	Details
			59.046. Excess Proceeds of Sale	**12. Proceeds of Sale**: If the proceeds of a sale are greater than the amount of the lien and the reasonable expenses of the sale, the lessor: • shall deliver written notice of the excess to the tenant's last known address as stated in the rental agreement or in a written notice from the tenant to the lessor furnished after the execution of the rental agreement. • shall retain the excess and deliver it to the tenant if the tenant requests it before two years after the date of the sale. • owns the excess, if the tenant does not request the excess before two years after the date of the sale.
				13. Evidence Required to Transfer a Motor Vehicle Title Subject to a Self-service Storage Facility Lien Foreclosure: • A copy of the contract, which addresses the sale and disposition of the property and is signed by the tenant (lessee) and landlord (lessor). • Copy of the written notice of the claim delivered to the tenant. • Copy of publication or posting of notice advertising sale. • An Application and Affidavit for Foreclosure of a Self-service Storage Facility Lien, • Form VTR-265-SSF, executed by the landlord. • A copy of the title and registration verification, if applicable. • Application for Texas Certificate of Title, Form 130-U. • A copy of current proof of liability insurance in the title applicant's name. • A release of lien is not required.

Licensed Vehicle Storage Facility Chart Vehicle Storage Facility Act Effective on or after September 1, 2005

Table 23-11 lists procedures for a licensed vehicle storage facility to acquire a lien on a motor vehicle for unpaid storage and tow charges when the vehicle was towed without the owner or lienholder's consent effective after September 1, 2005.

Table 23-11 Disposal of Vehicles Towed on and after September 1, 2005

Type	Authorization	Storage Location	Statute	Details
Lien Type authorization storage Location law/statute requirements Vehicle Storage Facility Lien For Non-consent Tows Only Form VTR-265-VSF (Revision date on and after 9/1/05)	Law enforcement and anyone other than the owner or lienholder of record; operator of the vehicle; or person having possession, custody or control of the vehicle.	Vehicle Storage Facility Where Vehicle is Stored	Occupations Code, §2303.002 (8) §2303.101 §2303.003 (a)	**1. Definitions**: • Vehicle Storage Facility (VSF) A garage, parking lot, or any type of facility owned by a person other than a governmental entity, and is used to store or park at least 10 vehicles each year. • License A person may not operate a VSF unless the person holds a current license to operate a vehicle storage facility issued to the person by the Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008). • Non-consent Only This article does not apply to a vehicle parked or stored at a VSF with the consent of the vehicle's owner.
			Occupations Code, §2303.151 (a) §2303.151 (b)	**2. 1st Notification**: **Vehicle registered in Texas** When a vehicle that is registered in this state is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and primary lienholder. The notice must be sent not later than the fifth day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than 5 days storage until the notice is sent. **Vehicle registered out-of-state** When a vehicle that is registered outside this state or the United States is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and all recorded lienholders, or if applicable, notice by newspaper publication. The notice must be sent not later than the 14th day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than five days storage until the notice is sent.

Type	Authorization	Storage Location	Statute	Details
			Occupations Code, §2303.151 (d) §2303.153 (a)	**3. 1st Notification Contents**: The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain: (1) the date the vehicle was accepted for storage; (2) the first day for which a storage fee is assessed; (3) the daily storage rate; (4) the type and amount of all other charges to be paid when the vehicle is claimed; (5) the full name, street address, and telephone number of the facility; (6) the hours during which the owner may claim the vehicle; and (7) the facility license number preceded by “Vehicle Storage Facility License Number”.
			Occupations Code, §2303.152	**4. Newspaper Publication Option**: **NOTE**: Newspaper publication option is not available if a motor vehicle record is found in Texas. Notice by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if: **any** of the following apply: • the vehicle is registered in another state; • the operator of the storage facility submits a written request that is correctly addressed, with sufficient postage and is sent by certified mail, return receipt requested to the governmental entity in which the vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record; • the identify of the last known registered owner cannot be determined; • the registration does not contain an address for the last known registered owner; • the operator of the storage facility cannot reasonably determine the identity and address of each lienholder; or • the vehicle does not display a license plate or a vehicle inspection certificate indicating the state of registration and no record of title or registration is found in Texas (verification by VIN required).

Type	Authorization	Storage Location	Statute	Details
			§2303.153 (b) §2303.153 (d) §2303.152 (c)	The publication must contain: • the vehicle description; • the total charges, • the full name, street address, and telephone number of the facility; and • the facility license number preceded by "Vehicle Storage Facility License Number". The publication may include a list of more than one vehicle. Notice by publication in a newspaper is not required if all correctly addressed notices sent were returned because: 1. the notices were unclaimed or refused; or 2. the addressee(s) moved without leaving a forwarding address.
			Transportation Code, §683.031 (a)	**5. Vehicle Abandoned in Storage Facility:** A motor vehicle is abandoned if the vehicle is left in a storage facility after 10 days from date of first notice (deems vehicle abandoned by statute.)
			Transportation Code, §683.031 (a)	**6. Report to Law Enforcement**: • The VSF must report the abandonment of the motor vehicle to law enforcement within 7 days of the deemed abandoned date (10 days from date of first notice) and pay a $10 fee to law enforcement. • If the VSF does not report the abandonment of the motor vehicle to law enforcement within 7 days after the date it is deemed abandoned, the VSF may not claim reimbursement for storage of the vehicle.
			Transportation Code, §683.012	**7. Notification by Law Enforcement**: After receiving the report from the VSF, law enforcement has 10 days to send notice to the last known registered owner and each lienholder informing owner/lienholder of right to claim the vehicle within 20 days on payment of fees.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §683.034 (a) §683.034 (e)	**8. Custody by Law Enforcement**: • Law enforcement agency shall take custody of an abandoned motor vehicle left in a storage facility that has not been claimed in the period provided by the notice sent under Section 683.012 (# 7 above). • If law enforcement does not take the vehicle into custody before the 31st day after the vehicle was reported abandoned to law enforcement (# 6 above), the storage facility may dispose of the vehicle under Chapter 70, Property Code procedures (Form VTR-265-S) or Chapter 2303, Occupations Code procedures (Form VTR-265-VSF). **NOTE**: See VSF Storage Lien: After September 1, 2005.
			Occupations Code, §2303.154 (a)	**9. second Notification:** If law enforcement does not take custody of the vehicle or a person permitted to claim the vehicle before the 41st day from the date of notice mailed (#2 above) or published (#4 above), the VSF must send a second notice to registered owner/lienholder.
			Occupations Code, §2303.154 (b) (1), (2), (3) 2303.154 (c) (1), (2)	**10. second Notice Contents**: **Written** The notice must contain: (1) the information required in the 1st notification (#3 above); (2) a statement of the right of the facility to dispose of the vehicle; (3) a statement that the failure of the owner or lienholder to claim the vehicle before the 30th day after the date the second notice was mailed is: • a waiver by that person of all right, title, and interest in the vehicle; and • a consent to the sale of the vehicle at a public sale. **Publication** If publication is required for the second notice, the published notice must contain: (1) the vehicle description; (2) the total charges; (3) the full name, street address, and telephone number of the facility; (4) the facility license number preceded by “Vehicle Storage Facility License Number”; and (5) a statement that the failure of the owner or lienholder to claim the vehicle before the 30th day after the date the second notice was mailed is: • a waiver by that person of all right, title, and interest in the vehicle; and • a consent to the sale of the vehicle at a public sale.

Type	Authorization	Storage Location	Statute	Details
			Occupations Code, §2303.157 (a), (b)	**11. Disposal by the VSF**: • VSF must allow 30 days to elapse from the date of the second notification. • If not reclaimed by a person entitled to claim the vehicle, or taken into custody by a law enforcement agency, VSF may sell the vehicle at public sale without a release of lien. • The proceeds shall be applied to the charges incurred for the vehicle, and excess proceeds, if any, shall be paid to the person entitled to them.
			Transportation Code, §501.023 Transportation Code, §501.074	**12. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**: • Verification of Title and Registration If registered in Texas – Verification of Texas title and registration is required. If registered outside of Texas – Verification of title and registration from the state of record, if available. If no title and registration verification record is available from Texas or out-of-state, verification by VIN of no record in Texas is required • A properly completed Application for Texas Certificate of Title, Form 130-U. • A properly completed Form VTR-265-VSF, Storage Lien for Licensed Vehicle Storage Facility, executed by the statutory lienholder. • Proof of Notifications **Notices by Certified Mail** – Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the “Article Number” on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service’s electronic track/confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address.

Type	Authorization	Storage Location	Statute	Details
			§601.051 §501.030 (a), (e) §548.256	If the services of an electronic certified mail vendor are used for vehicles towed on or after September 1, 2003, the certified mail receipts similar to the PS Form 3800, and a copy of an electronic listing indicating when the notice was mailed, delivered and/or returned to the U.S. Postal Service is acceptable in lieu of the PS Form 3811. **Notice by Newspaper Publication** (Only if applicable) – Proof shall consist of evidence of a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication. • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name. • City Ordinance - If foreclosure is in accordance with a city ordinance, the bill of sale shall refer to the ordinance number under which removal and sale was authorized and a copy of the city ordinance must be attached. • Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required: (1) Vehicle Identification Certificate; and (2) Weight certificate on a commercial vehicle. • A release of lien is not required.

Licensed Vehicle Storage Facility Chart Vehicle Storage Facility Act Effective prior to September 1, 2005

Table 23-12 lists procedures for a licensed vehicle storage facility to acquire a lien on a motor vehicle for unpaid storage and tow charges when the vehicle was towed without the owner or lienholder's consent effective prior to September 1, 2005.

Table 23-12 Procedures for Disposal of Vehicles Towed Prior to September 1, 2005

Type	Authorization	Storage Location	Statute	Details
Lien Type authorization storage Location law/statute requirements Vehicle Storage Facility Lien For Non-consent Tows Only Form VTR-265-VSF (Revision date prior to 9/1/05)	Law enforcement and anyone other than the owner or lienholder of record; operator of the vehicle; or person having possession, custody or control of the vehicle.	Vehicle Storage Facility Where Vehicle is Stored	Occupations Code, §2303.002 (8) §2303.101 §2303.003 (a)	**1. Definitions**: • Vehicle Storage Facility (VSF) A garage, parking lot, or any type of facility owned by a person other than a governmental entity, and is used to store or park at least 10 vehicles each year. • License A person may not operate a VSF unless the person holds a current license to operate a vehicle storage facility issued to the person by the Texas Department of Licensing and Regulation or the Motor Carrier Division (if prior to January 1, 2008). • Non-consent Only This article does not apply to a vehicle parked or stored at a VSF with the consent of the vehicle's owner.
			Occupations Code, §2303.151 (a) §2303.151 (b)	**2. 1st Notification**: **Vehicle registered in Texas** When a vehicle that is registered in this state is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and primary lienholder. The notice must be sent not later than the fifth day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than five days storage until the notice is sent. **Vehicle registered out-of-state** When a vehicle that is registered outside this state or the United States is towed to a facility for storage, the operator of the VSF is required to send a written notice to the last registered owner and all recorded lienholders, or if applicable, notice by newspaper publication. The notice must be sent not later than the 14th day but not before 24 hours after the operator receives the vehicle. The VSF may not charge for more than five days storage until the notice is sent.

Type	Authorization	Storage Location	Statute	Details
			Occupations Code, §2303.151 (d) §2303.153 (a)	**3. 1st Notification Contents**: The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain: (1) the date the vehicle was accepted for storage; (2) the first day for which a storage fee is assessed; (3) the daily storage rate; (4) the type and amount of all other charges to be paid when the vehicle is claimed; (5) the full name, street address, and telephone number of the facility; (6) the hours during which the owner may claim the vehicle; and (7) the facility license number preceded by “Vehicle Storage Facility License Number”.
			Occupations Code, §2303.152	**4. Newspaper Publication Option**: Notice by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if **all apply.** • the vehicle is registered in another state; • the operator of the storage facility submits a written request that is correctly addressed, with sufficient postage and is sent by certified mail, return receipt requested to the governmental entity in which the vehicle is registered requesting information relating to the identity of the last known registered owner and any lienholder of record; • the identify of the last known registered owner cannot be determined; • the registration does not contain an address for the last known registered owner; • the operator of the storage facility cannot reasonably determine the identity and address of each lienholder; or • the vehicle does not display a license plate or a vehicle inspection certificate indicating the state of registration and no record of title or registration is found in Texas (verification by VIN required).

Type	Authorization	Storage Location	Statute	Details
			§2303.153 (b) 2303.153 (d) §2303.152 (c)	The publication must contain: • the vehicle description; • the total charges, • the full name, street address, and telephone number of the facility; and • the facility license number preceded by "Vehicle Storage Facility License Number". The publication may include a list of more than one vehicle. Notice by publication in a newspaper is not required if all correctly addressed notices sent were returned because: 1. the notices were unclaimed or refused; or 2. the addressee(s) moved without leaving a forwarding address.
			Transportation Code, §683.031 (a)	**5. Vehicle Abandoned in Storage Facility:** A motor vehicle is abandoned if the vehicle is left in a storage facility after 10 days from date of first notice (deems vehicle abandoned by statute.)
			Transportation Code, §683.031 (c) 683.032 (b)	**6. Report to Law Enforcement**: • The VSF must report the abandonment of the motor vehicle to law enforcement within 7 days of the deemed abandoned date (10 days from date of first notice) and pay a $10 fee to law enforcement. • If the VSF does not report the abandonment of the motor vehicle to law enforcement within 7 days after the date it is deemed abandoned, the VSF may not claim reimbursement for storage of the vehicle.
			Transportation Code, §683.012	**7. Notification by Law Enforcement**: After receiving the report from the VSF, law enforcement has 10 days to send notice to the last known registered owner and each lienholder informing owner/lienholder of right to claim the vehicle within 20 days on payment of fees.

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §683.034 (a) §683.034 (e)	**8. Custody by Law Enforcement**: • Law enforcement agency shall take custody of an abandoned motor vehicle left in a storage facility that has not been claimed in the period provided by the notice sent under Section 683.012 (# 7 above). • If law enforcement does not take the vehicle into custody before the 31st day after the vehicle was reported abandoned to law enforcement (# 6 above), the storage facility may dispose of the vehicle under Chapter 70, Property Code procedures (Form VTR-265-S) or Chapter 2303, Occupations Code procedures (Form VTR-265-VSF). **NOTE**: See VSF Storage Lien: After September 1, 2005.
			Occupations Code, §2303.154 (a)	**9. second Notification:** If law enforcement does not take custody of the vehicle or a person permitted to claim the vehicle before the 41st day from the date of notice mailed (#2 above) or published (#4 above), the VSF must send a second notice to registered owner/lienholder.
			Occupations Code, §2303.154 (b) (1), (2), (3)	**10. second Notice Contents**: **Written** The notice must contain: (1) the information required in the 1st notification (#3 above); (2) a statement of the right of the facility to dispose of the vehicle; (3) a statement that the failure of the owner or lienholder to claim the vehicle before the 30th day after the date the second notice was mailed is: • a waiver by that person of all right, title, and interest in the vehicle; and • a consent to the sale of the vehicle at a public sale.

Type	Authorization	Storage Location	Statute	Details
			2303.154 (c) (1), (2)	**11. Publication** If publication is required for the second notice, the published notice must contain: • the vehicle description; • the total charges; • the full name, street address, and telephone number of the facility; • the facility license number preceded by "Vehicle Storage Facility License Number"; and • a statement that the failure of the owner or lienholder to claim the vehicle before the 30th day after the date the second notice was mailed is: 1. a waiver by that person of all right, title, and interest in the vehicle; and 2. a consent to the sale of the vehicle at a public sale.
			Occupations Code, §2303.157 (a), (b)	**12. Disposal by the VSF**: • VSF must allow 30 days to elapse from the date of the second notification. • If not reclaimed by a person entitled to claim the vehicle, or taken into custody by a law enforcement agency, VSF may sell the vehicle at public sale without a release of lien. • The proceeds shall be applied to the charges incurred for the vehicle, and excess proceeds, if any, shall be paid to the person entitled to them.
			Transportation Code, §501.023	**13. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**: • Verification of Title and Registration **If registered in Texas** – Verification of Texas title and registration is required. **If registered outside of Texas** – Verification of title and registration from the state of record, if available. If no title and registration verification record is available from Texas or out-of-state, verification by VIN of no record in Texas is required • A properly completed Application for Texas Certificate of Title, Form 130-U. • A properly completed Form VTR-265-VSF, Storage Lien for Licensed Vehicle Storage Facility, executed by the statutory lienholder. • Proof of Notifications

Type	Authorization	Storage Location	Statute	Details
			Transportation Code, §501.074 §601.051 501.030 (a), (e) §548.256	**Notices by Certified Mail** – Proof shall consist of the U.S. 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. A copy of the PS Form 3877 can be accepted in lieu of a PS Form 3800, provided the form contains a U.S. postal date stamp and the "Article Number" on all documentation (PS Form 3811, PS Form 3877, unopened envelope) corresponds. A copy of the page from the Firm Mailing Book for Accountable Mail (PS Form 3877) or a print-out of the U.S. Postal Service's electronic track/confirm screen may be accepted in lieu of the PS Form 3811 when the post office loses the return receipt (PS Form 3811), or the unopened certified letters that should have been returned as undeliverable, unclaimed or no forwarding address. If the services of an electronic certified mail vendor are used for vehicles towed on or after September 1, 2003, the certified mail receipts similar to the PS Form 3800, and a copy of an electronic listing indicating when the notice was mailed, delivered and/or returned to the U.S. Postal Service is acceptable in lieu of the PS Form 3811. **Notice by Newspaper Publication** (Only if applicable) – Proof shall consist of evidence of a legible photocopy of the newspaper publication which includes the name of the publication and the date of publication. • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name. • City Ordinance - If foreclosure is in accordance with a city ordinance, the bill of sale shall refer to the ordinance number under which removal and sale was authorized and a copy of the city ordinance must be attached. • Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity. • Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required: (1) Vehicle Identification Certificate; and (2) Weight certificate on a commercial vehicle. • A release of lien is not required.

Chapter 24

Certified Copies

This chapter contains the following sections:

- Lost or Destroyed Certificate of Title
- Certified Copy of Title
- Certified Copy of Duplicate Original Title (CCDO)
- Safety Responsibility Act
- Owner Verification Procedures
- Title Records Recording a Lien
- Verifiable Proof for Lienholders Applying for Certified Copies of Titles
- Vehicles Titled in the Name of a Trust
- Business Owner(s) of Record/Verified Agent of Business
- Power of Attorney
- Retention of Documentation Returned
- Certified Copy of Title Denial Alternatives
- Title Transfers Involving Fraudulent/Questionable Certified Copies of Title

Lost or Destroyed Certificate of Title

Transportation Code Section 501.134

(a) If a certificate of title is lost or destroyed, the owner or lienholder disclosed on the certificate may obtain, in the manner provided by this section and department rule, a certified copy of the lost or destroyed certificate of title directly from the department by applying on a form prescribed by the department and paying a fee of $2.00. A fee collected under this subsection shall be deposited to the credit of the state highway fund and may be spent only as provided by Section 501.138.

(b) If a lien is disclosed on a certificate of title, the department may issue a certified copy of the original certificate of title only to the first lienholder.

(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section, and each subsequent certificate issued for the motor vehicle until the vehicle is transferred. A subsequent purchaser or lienholder of the vehicle only acquires the rights, title, or interest in the vehicle held by the holder of the certified copy.

(d) A purchaser or lienholder of a motor vehicle having a certified copy issued under this section may at the time of the purchase or establishment of the lien require that the seller or owner indemnify the purchaser or lienholder and all subsequent purchasers of the vehicle against any loss the person may suffer because of a claim presented on the original certificate of title.

(e) If the certificate of title is recovered, the owner of the vehicle shall promptly surrender the certificate of title to the department for cancellation, and the department shall eliminate the words "certified copy" from any certificate of title issued for that vehicle after that date.

(f) Except as provided by Subsection (g), the department may not issue a certified copy of a certificate of title before the fourth business day after the date application is made.

(g) The department may issue a certified copy of a certificate of title before the fourth business day after the date application is made only if the applicant:

(1) is the registered owner of the vehicle, the holder of a recorded lien against the vehicle, or a verified agent of the owner or lienholder; and

(2) submits personal identification, including a photograph, issued by an agency of this state or the United States.

(h) If the applicant is the agent of the owner or lienholder of the vehicle and is applying on behalf of the owner or lienholder, the applicant must submit verifiable proof that the person is the agent of the owner or lienholder.

(i) If an applicant for a certified copy of a certificate of title is a person other than a person described by Subsection (g) (1), the department may issue a certified copy of the certificate of title only by mail.

Certified Copy of Title

A certified copy of title, as provided for in this section, should be issued upon presentation of a properly completed *Application for a Certified Copy of a Texas Certificate of Title for a Motor Vehicle*, **Form VTR-34**, if the negotiable Texas Certificate of Title is lost or destroyed**.** No person should, without lawful authority attached to the application, complete an application for certified copy for any person other than the owner.

CCO

The former abbreviation "CCO," generally used to refer to a certified copy of original title should no longer be used officially. This manual terms a CCO as a "certified copy of title" in this manual.

Submission

All applications for a certified copy of title, **Form VTR-34**, together with the required documentation and the required fee, should be submitted directly to a VTR regional office.

The fee should be in the form of a check, cashier's check, or money order made payable to the Texas Department of Motor Vehicles. Do not mail cash.

If mailing by overnight or express mail**,** through a mail service, which requires a physical address, mail to your VTR regional office using the appropriate street address found on the **Form VTR-34**. Note the following:

- The certified copy of title is a negotiable title; and only the owner or lienholder**,** or verified agent of either should sign **Form VTR-34**, for a certified copy of a title.
- Original signatures are required on **Form VTR-34**. The department does not accept applications by fax.
- An application for a certified copy cannot be assigned**.** The certified copy of title should be issued before ownership of the motor vehicle concerned may be transferred.
- Other documentation (i.e.: Release of Lien, Power of Attorney, or court documents) submitted with a **Form VTR-34** should be original documents, except for the Secure Power of Attorney, **Form VTR-271-A**. A copy of this form is acceptable. VTR returns the original documents along with the certified copy of title.

Verification of Ownership

In the event the department receives a **Form VTR-34** and every resource has been checked with no record of title or registration, the department cannot issue a certified copy of title. If the owner has satisfactory evidence of ownership, the owner may complete a *Verification of Ownership*, **Form VTR-268,** and submit it to the department with legible photocopies of evidence of ownership and the $2 fee.

Satisfactory evidence of ownership includes:

- A photocopy of an original or certified copy of the Certificate of Title in the applicants name with release of lien, if applicable.
- A Duplicate Original or a photocopy of a Duplicate Original (non-negotiable title issued prior to September 1, 2001) title in the applicants name, with a release of lien, if applicable.

The Title Control Systems Branch processes applications without a recorded lien. County tax offices process applications with a recorded lien.

Table 24-1 Evidence of Ownership

Evidence Of Ownership Indicates No Lien	Evidence Of Ownership Indicates A Lien
Submit a completed Form VTR-268	Submit a completed Form VTR-268
Attach legible photocopy of evidence of ownership indicating no lien	Attach legible photocopy of evidence of ownership indicating a lien and release of lien
Attach completed Form VTR-34, Application for Certified Copy of a Texas Certificate of Title for a Motor Vehicle with a legible copy of the owner's government-issued photo ID	Attach completed Form 130-U, Application for Texas Certificate of Title
Submit a $2.00 fee in the form of a check, cashier's check, or money order payable to the Texas Department of Motor Vehicles.	Submit the title application fee ($28 or $33) fee in the form of a check, cashier's check, or money order payable to your local county tax assessor-collector
Mail to: Texas Department of Motor Vehicles Vehicle Titles and Registration Division Attn: Title Control Systems Branch Austin, Texas 78779-0001	Mail or submit to your local county tax assessor-collector

- A certified copy of title issues in the owner's name as shown on the evidence of ownership and mailed to the delivery address provided (Refer to Chapter 7, "Corrections").
- If an application for a corrected title is filed, to remove a lien (no transfer of ownership involved) and the application is supported by a certified copy of title, the registered owner receives a certified copy of title.

Duplicate CCOs

As of November 2010 there is a 30 day waiting period for persons requesting a duplicate CCO. You should inform customers of this waiting period and when to return in order to apply for the duplicate CCO.

In some emergency situations the department may waive this waiting period. Examples of these situations include:

- Immediate military deployments.
- A previous CCO issued based on fraudulent release of lien or similar circumstances.

The applicant must surrender the outstanding CCO or title for the vehicle in order to receive the duplicate CCO in under 30 days.

Certified Copy of Duplicate Original Title (CCDO)

Effective September 1, 2001, the requirement to issue a non-negotiable Duplicate Original Certificate of Title to the owner when a lien is recorded was eliminated and replaced with the Tax Collector's Receipt, Form VTR-500-RTS. When a CCDO is listed, the reference is to a Certified Copy of Duplicate Original Non-negotiable Texas Title issued prior to September 1, 2001.

If a CCDO (issued prior to September 1, 2001) is lost or destroyed, a Duplicate Registration Receipt or Vehicle Inquiry may be requested from the county tax office or VTR regional office.

Safety Responsibility Act

For information about the issuance of a certified copy of title or a registration receipt for Registration Purposes Only on vehicles suspended under the provisions of the Safety Responsibility Act, refer to Chapter 601 of the Texas Transportation Code, or Chapter 8, "Refusal/Denial of Title" of this manual.

Owner Verification Procedures

Effective September 1, 2001, the department implemented owner verification procedures for issuance of a certified copy of title.

The required proof for an individual owner of record, if no lien is recorded, is a U.S. government-issued photo ID. Required proof for an agent of the owner or lienholder is a U.S. government-issued photo ID, along with a letter of signature authority on original letterhead, business card, or a photocopy of the agent's employee ID. A photocopy of the proof of identity presented should be attached to the *Application for a Certified Copy of a Texas Certificate of Title for a Motor Vehicle*, **Form VTR-34** to be included in the title history record.

If the applicant is the individual owner of record and there is not a lien on the record, the required documentation for the individual owner of record is:

Applicants Without Liens

If the applicant is the individual owner of record and there is not a lien on the record, the required documentation for the individual owner of record is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A photocopy of the owner of record's U.S. government-issued photo ID.

   With joint owners when there is not a lien on the record, the required documentation for the issuance of a certified copy of title is:

   - A completed **Form VTR-34** signed by each owner along with the applicable fees.
   - Photocopies of each individual owner of record's U.S. government-issued photo ID.

Applicants With Liens

If the applicant is the individual owner of record and the record indicates a lien, which has been paid, the required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A photocopy of the individual owner of record's U.S. government-issued photo ID.

3. A release of lien on the lienholder's original letterhead. If the release of lien is on a department form, the lienholder should attach verifiable proof, such as a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID.

Joint Owners

If the applicants are joint owners of record, and the record indicates a lien, which has been paid, required documentation is:

1. A completed **Form VTR-34** signed by each individual owner along with applicable fees.
2. A photocopy of each individual owner of record's U.S. government-issued photo ID.
3. A release of lien on the lienholder's original letterhead. If the release of lien is on our prescribed form, the lienholder should attach verifiable proof, such as a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID.

Power of Attorney

If the applicant has Power of Attorney (POA) for the individual owner of record, the individual or agent of the business-appointed POA is required to provide the following documentation:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A POA signed by the individual owner of record.
3. A photocopy of the individual owner of record U.S. government-issued photo ID.
4. If the POA is an individual, a photocopy of the U.S. government-issued photo ID of the individual signing the **Form VTR-34**.
5. If the POA is a business, a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID, and a photocopy of the U.S. government-issued photo ID of the business agent who signed **Form VTR-34**.
6. Any additional documentation required for the specific scenario if applicable.

Note: In the case of joint ownership, each owner should sign the POA and provide a photocopy of each individual owner of record's U.S. government-issued photo ID.

Title Records Recording a Lien

If the department's motor vehicle record reflects a lienholder or lienholders (encumbered status), the first lienholder must complete **Form VTR-34** for a certified copy of title; otherwise, the owner(s), complete **Form VTR-34** for certified copy of title. A second lienholder has no authority to apply for a certified copy of title. (Refer to Chapter 12, "Liens" for encumbered and unencumbered vehicles).

A lien recorded on a motor vehicle Texas title remains on the record until a new application for title is filed and supported by a release of lien. The certified copy of title is processed through a county tax assessor-collector's office, and a new title is issued showing no lien. If the title recording the lien is lost or destroyed, the recorded lienholder should complete **Form VTR-34** for a certified copy of title. This is true even if the lien has been paid off, since the lien is still recorded against the vehicle in the files of the department.

Missing Lienholders

If a lien has been recorded on a Texas title for six years or more and the lienholder is no longer in business or cannot be located (in order to obtain completed **Form VTR-34** and release of lien), a certified copy of title may not be issued (refer to Chapter 10, "Evidence of Ownership" for Verification of Ownership).

Certified Copies

A certified copy of title issues from an application for corrected title if supported by a surrendered certificate of title. Subsequent certificates of title bear the words "Certified Copy" until the motor vehicle is transferred to a new owner, who receives a negotiable title or a registration receipt if the application shows a lien.

If the outstanding title record of a vehicle reveals that a certified copy of title has been issued, either the certified copy or the negotiable title is acceptable as evidence to support an application for a new title.

In the event a certified copy of title is lost or destroyed, another certified copy of title issues from a properly completed **Form VTR-34**.

Deceased Owners

If the original owner of record is deceased, it is generally not necessary for a certified copy of title to be issued. However, a certified copy of title can be issued if the executor or heirs of the estate request a certified copy of title in order to sell the vehicle. In these instances, the executor should complete **Form VTR-34** and attach Letters of Testamentary. If the estate has not been probated, all heirs should complete an Heirship Affidavit and state on the affidavit that the original title has

been lost; and a title is needed to dispose of the vehicle. The Heirship Affidavit should accompany **Form VTR-34**. The individual named as the purchaser on the Heirship Affidavit should sign the Form VTR-34. If the vehicle has not been sold, all heirs must designate on the separate affidavit who may obtain a CCO.

If the lienholder is deceased, the *Application for a Certified Copy of a Texas Certificate of Title for a Motor Vehicle*, **Form VTR-34**, should be completed by the administrator or executor of the deceased lienholders estate (or by all heirs if no administration) and evidence of lawful authority (Letters of Administration, Letters Testamentary, Heirship Affidavit, etc.) should be attached to the **Form VTR-34**. (Refer to the *Affidavit of Heirship for a Motor Vehicle*, **Form VTR-262**, to be used in these cases. (Refer to Chapter 16, “Operation of Law”.).

Verifiable Proof for Lienholders Applying for Certified Copies of Titles

Effective September 1, 2001, along with properly completed **Form VTR-34**, lienholders filing applications for certified copies of titles should provide the following required verifiable proof (see below).

Lost Titles

If the applicant is the lienholder (individual) and the lien has not been satisfied and the lienholder has lost the title, the required documentation for the individual lienholder is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A photocopy of the U.S. government-issued photo ID of the individual recorded as lienholder signing the **Form VTR-34**.

Agents of the Recorded Lienholders

If the applicant is a verifiable agent of the recorded lienholder, the required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A photocopy of the U.S. government-issued photo ID of the verified agent of the recorded lienholder signing the **Form VTR-34**.
3. A letter of signature authority on original letterhead authorizing the recorded lienholder agent to sign the **Form VTR-34**, a business card of the recorded lienholder agent, or a photocopy of the recorded lienholder agent’s employee ID.

Agents Letter of Signature

If the applicant is a verified agent of the recorded lienholder, who has filed with the department a copy of the business contract and a blanket letter of signature authority on original letterhead stating that specific employees of the named service provider are authorized to act on behalf of the lienholder, the additional required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A copy of the recorded lienholder's letter of signature authority stating that specific employees of the service provider are authorized to act on behalf of the lienholder.
3. A photocopy of the U.S. government-issued photo ID of the verified agent of the recorded lienholder signing the **Form VTR-34**.

Note: Lienholders who contract with a service provider to process title work on their behalf are required to provide a Letter of Signature Authority authorizing specific employees of the service provider to act on behalf of the lienholder, and a copy of the business agreement between them, to be kept on file with the department. Copies of the business contract and letter of signature authority forward to each VTR regional office.

Transfers of Equity

Due to transfer of equity (purchase of security agreement), the purchasing lienholder did not file for corrected title to record their lien. Title has been lost and recorded lienholder is either out of business or not cooperating and the applicant is a verified agent of the purchasing lienholder, the required verifiable proof documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A copy of the Transfer of Equity Agreement signed and dated by both the recorded lienholder and purchasing lienholder.
3. A letter of signature authority from the purchasing lienholder on original letterhead authorizing the purchasing lienholder agent to sign the
4. **Form VTR-34**, a business card of the purchasing lienholder agent, or a photocopy of the purchasing lienholder agent's employee ID.
5. A photocopy of the U.S. government-issued photo ID of the verified agent of the purchasing lienholder signing the **Form VTR-34**.

Power of Attorney Applicants

If the applicant is POA for the individual or verified agent of the business appointed POA, the required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. The POA signed by the individual recorded lienholder or verified agent of the business recorded lienholder and the purchasing lienholder.
3. A photocopy of the U.S. government-issued photo ID for the individual signing the POA for the individual, business-recorded lienholder, or purchasing lienholder.
4. If the POA is an individual, a photocopy of the U.S. government-issued photo ID of the individual signing the **Form VTR-34**.
5. If the POA is a business, a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID, and a copy of the U.S. government-issued photo ID of the business agent signing the **Form VTR-34**.
6. Any additional documentation required for the specific scenario if applicable.

Vehicles Titled in the Name of a Trust

If a vehicle is titled in the name of a trust, only the person named as trustee in the Trust Agreement may sign an *Application for a Certified Copy of a Texas Certificate of Title for a Motor Vehicle*, **Form VTR-34**. In these cases, the **Form VTR-34** should be supported by one of the following:

- An Affidavit of Trust, or
- A Statement of Fact for a Trust.

Business Owner(s) of Record/Verified Agent of Business

No Liens

If the applicant for a certified copy of title is a verified agent of a business owner of record and there is no lien recorded on the record, the required documentation is:

1. A completed and signed **Form VTR-34**, along with applicable fees.
2. A photocopy of the U.S. government-issued photo ID of the verified agent of the business owner of record signing the **Form VTR-34**.
3. A letter of signature authority from the business owner of record on original letterhead authorizing the recorded lienholder agent to sign the **Form VTR-34** on behalf of the business, a business card of the agent, or a photocopy of the agent's employee ID.

Liens Paid

If the applicant is a business owner of record and the record indicated a lien which has been paid, and the verified agent of the business owner of record is signing the **Form VTR-34**, the required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A release of lien on original letterhead from the recorded lienholder.
3. A photocopy of the U.S. government-issued photo ID of the verified agent of the business owner of record signing the **Form VTR-34**.
4. A letter of signature authority from the business owner of record on original letterhead authorizing the agent to sign the
5. **Form VTR-34** on behalf of the business, a business card of the agent, or a photocopy of the agent's employee ID.

Power of Attorney

If the applicant is POA for the business owner of record and the person signing the **Form VTR-34** is an individual or verified agent of the business appointed POA, the required documentation is:

1. A completed and signed **Form VTR-34** along with applicable fees.
2. The POA signed by the verified agent of the business owner of record.
3. A photocopy of the U.S. government-issued photo ID for the verified agent of the business owner of record signing the **Form VTR-34**.
4. If the POA is an individual, a photocopy of the U.S. government-issued photo ID of the individual signing the **Form VTR-34**.
5. If the POA is a business, a letter of signature authority on original letterhead, a business card, or a copy of the employee's ID, or a photocopy of the U.S. government-issued photo ID of the business agent signing the **Form VTR-34**.
6. Any additional documentation required for the specific scenario, if applicable.

Individual Trustees

The applicant is an individual trustee for an individual trust (Example: Joe Smith, Trustee, for John Noah Trust) or business trust (Example: Joe Smith, Trustee, for Workers Lease). The required documentation is:

1. A completed and signed **Form VTR-34**, along with the applicable fees.
2. One of the following:
   - An Affidavit of Trust, or
   - A Statement of Fact for a Trust.

Business Trustees for Individual Trusts

The person signing the **Form VTR-34** is a business trustee for an individual trust (Example: STL Savings, Trustee for John Noah Trust) or business trust (Example: STL Savings, Trustee, for Workers Lease). The required documentation is:

1. A completed and signed **Form VTR-34**, along with applicable fees.
2. Either an Affidavit of Trust or a Statement of Fact for a Trust as referenced in Individual Trustees.
3. A letter of signature authority from the business trustee for the individual or business trust of owner of record on original letterhead authorizing the agent to sign the **Form VTR-34**, a business card of the agent, or a copy of the agent's employee ID.
4. A photocopy of the U.S. government-issued photo ID of the verified agent of the business trustee for the individual or business trust owner of record signing the **Form VTR-34**.

Retention of Documentation Returned

The department destroys certified copies of title issued by a VTR regional office returned as undeliverable by the U.S. Post Office.

Certified Copy of Title Denial Alternatives

If issuance of certified copy is denied, the applicant may resubmit the request with the required verifiable proof.

The applicant may pursue the appeal privileges available in Section 501.052, Hearing on Refusal to Issue or Revocation or Suspension of Certificate of Title; Appeal.

As an alternative to an appeal at a tax collector's hearing, an applicant may pursue the bonding privileges available in Section 501.053, Filing of Bond as Alternative to Hearing.

Title Transfers Involving Fraudulent/Questionable Certified Copies of Title

According to the Texas Department of Public Safety (DPS), Motor Vehicle Theft Service (MVTS), there has been an increase in the amount of titles that are transferred with certified copies of titles that were obtained by fraudulent means without the owner's consent.

VIN Inspections

These situations are normally discovered when the actual owner attempts to renew the registration and the actual owner's record has been superseded due to a later title transfer. In these cases, an inspection of the vehicle identification number (VIN) is necessary.

The county tax office, regional office, or a law enforcement agency perform the VIN inspection.

1. If the inspection is performed at the county, the county completes a statement of fact showing the VIN, year, make, owner, and date of inspection with a sentence indicating that the VIN matches the VIN of the vehicle. Upon completion of the VIN inspection, instruct the customer that the regional office now orders a title history for the vehicle and contacts them later regarding further action if required.

2. Vehicle inspection can also be performed by some law enforcement agencies. If inspection is done by law enforcement, the agency representative performing the inspection should sign the bottom portion of **Form VTR-68-A**. The customer submits the **Form VTR-68-A** to the regional office. If a title history has not previously been ordered on the vehicle in question, the regional office orders a title history.

3. If a VIN inspection has not been performed at either the county or by a law enforcement agency, the regional office conducts an inspection of the VIN.

4. If a customer visits a regional office about a vehicle that is no longer registered or titled in their name or documentation is received from the county documenting the lack of proper registration or title, the regional office immediately orders a title history on the vehicle in question. Upon receipt of the title history, the regional office determines if the vehicle was transferred to a new owner using a certified copy of title as evidence of ownership supposedly signed by the true owner of the vehicle.

Questionable Certified Copies of Title

The title history may reveal that a fraudulent or questionable certified copy of title was surrendered to transfer the title for the current record in the system. The certified copy of title is questionable because it was supposedly signed by the owner of the vehicle who is the customer that has possession of the vehicle. If the VIN on the vehicle matches the VIN on the title and on the VIN inspection form (affidavit or **Form VTR-68-A**), the regional office notifies VDM to reinstate the true owner's title record and record the notation "VIN IN ERROR" on the later title record. The regional office contacts the owner if the inspection was performed at the county or law enforcement agency to instruct them that registration can be obtained when the record has been reinstated. The regional office notifies the county of the results of the investigation.

DPS MVTS Investigation

The regional office also notifies DPS MVTS about this title problem/situation. Notifications can be sent to the following address: Texas Department of Public Safety, Motor Vehicle Theft Service, 5806 N. Lamar Blvd., Austin, TX 78773-0440,; Attention: Commander. Notification should include a printout of the vehicle in question, a copy of the title history for the vehicle, a copy of the customer's title reflecting their ownership, and a statement that the inspection is due to the issuance of a possible fraudulent/questionable certified copy of title used as evidence for a title transfer.

DPS MVTS conducts an investigation regarding the fraudulent/questionable certified copy of title used to complete the title transaction. The regional office retains the file containing the paperwork on the questionable certified copy of title until contacted by DPS MVTS regarding the results of their investigation. If the regional office is instructed to revoke the title issued due to the title transfer supported by the fraudulent certified copy of title, the regional office mails the file to the Correspondence Services Section (CSS) for revocation of title.

Errors

If the title history reveals that the title was transferred due to a human error such as the incorrect VIN or license plate number being accessed during the transfer, the customer must then bring their vehicle and ownership documents (title, receipt for application of title, and/or registration receipt) to the regional office for inspection if an inspection has not been performed at the county or by a law enforcement agency.

If the VIN on the vehicle matches the VIN on the owner's title, the regional office notifies Austin Headquarters to reinstate the title record and place a "VIN IN ERROR" on the subsequent title record. After the record is reinstated, the owner can renew vehicle registration through their county tax assessor-collector's office. If

the vehicle inspection was performed at the county or law enforcement agency, the regional office notifies them that once the vehicle record is reinstated, vehicle registration can be obtained at the county. The regional office also notifies the county regarding the reinstatement of the title record.

Stolen Notices

A certified copy of title to a vehicle on which a “Stolen Notice” appears in RTS issues when an affidavit from the recorded owner states the title is lost, and outlines the circumstances involved, such as the title being necessary for settlement of the claim by the insurance company.

- The department rejects all applications for certified copy of titles. They then advise the applicant of the stolen notice and the necessity of its removal before titling.
- If, however, the application is resubmitted and accompanied by the above mentioned affidavit, the certified copy of title issues.

Chapter 25

Reconstructed or Assembled Vehicles

This chapter contains the following sections:

- Rebuilder to Possess Title or Other Documentation
- Basic Component Parts
- Recognized VINs and Acceptable Evidence of Ownership
- Title Correction
- Motor Homes
- Glider Kits
- Cab Changes on Pickups and Trucks
- Vehicles (Other Than Motor Homes) Manufactured by First and Second-Stage Manufacturers
- Motor Change
- Frame Change
- Body Change
- Stripdown Vehicle
- Rebuilt Vehicle
- Assembled Vehicle
- Replica
- Motorcycles
- Trailers and Semitrailers

Rebuilder to Possess Title or Other Documentation

Transportation Code Section 501.104

(a) This section applies only to:

(1) a rebuilder licensed as a salvage vehicle dealer;

(2) a person engaged in the business of a rebuilder, regardless of whether the person is licensed to engage in that business; or

(3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) A person described by Subsection (a) must possess:

(1) a regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for any motor vehicle that is:

(A) owned by the person;

(B) in the person's inventory; and

(C) being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:

(A) owned by another person;

(B) on the person's business or casual premises; and

(C) being repaired, rebuilt, or reconstructed for the other person.

Any motor vehicle that is salvaged, scrapped, destroyed, or dismantled in such a manner that it loses its character as a motor vehicle is termed a “junked vehicle,” and the certificate of title must be surrendered to the department for cancellation. This section applies to individuals and businesses who are engaged in the business of salvaging or junking motor vehicles.

If an individual or business surrenders a title to the department, the department's record is marked to indicate that the evidence of ownership has been surrendered to the department. If a component part of a vehicle requires a certificate of title to transfer ownership, a *Bill of Sale***, Form VTR-63**, is acceptable as evidence of ownership. The bill of sale must provide the title number and a description of the vehicle as recorded on the surrendered title. However, if a bill of sale is used to transfer ownership of a component part and the department's vehicle record does not contain a remark that indicates the title was surrendered to the department by a license salvage dealer; a negotiable title must be surrendered to support the title application.

Basic Component Parts

The three basic component parts of a motor vehicle are the motor, the frame, and the body. Evidence of ownership is required on each component part used in the rebuilding of a vehicle. Although, one or more of these component parts may contain a manufacturer's VIN, the department recognizes only one VIN for title and registration purposes.

Recognized VINs and Acceptable Evidence of Ownership

Body

Except for commercial vehicles, the serial number of the body is recognized as the VIN on all 1956 and later year model motor vehicles and all 1949 and later year model Ford products. The certificate of title should be used to transfer ownership when the body is sold or disposed of, with the exception of certain Volkswagens as explained below.

Frame

The serial number of the frame is recognized as the VIN on all commercial vehicles. The certificate of title should be used to transfer ownership of a frame from a commercial vehicle.

The serial number of the frame is recognized as the VIN on all Ford products manufactured from March 31, 1932 through the 1948-year models and on all 1955 through 1967-year model Cadillacs. However, it is not necessary that the certificate of title be used to transfer ownership when these frames are sold or disposed of, unless the vehicle, from which the frame was removed, has been salvaged or destroyed by the owner. The frame of a non-commercial vehicle should be sold on a bill of sale.

1956 through 1969 year model Volkswagen Beetles have a number located on the floorpan (frame), and is recognized as the VIN. 1970 and later year model Volkswagen Beetles have the number on the body. The certificate of title on 1969 and prior year models must remain with the floorpan and be used to transfer ownership. The body of such Volkswagens may be transferred on a bill of sale. Other Volkswagens (and 1970 and later year model Beetles) have a body serial number, which is recognized as the VIN and the certificate of title should be used to transfer ownership of the body.

If the certificate of title, covering a vehicle body or Volkswagen Beetle floorpan has been surrendered to the department, a bill of sale may be used to transfer ownership. The bill of sale must contain a statement to that effect, and include the description of the vehicle, title number under which the vehicle was titled, the salvage dealer or the salvage yard inventory number, and date on which the title was surrendered.

Motor

The motor number is recognized as the identifying number on all 1955 and prior year model vehicles, except Ford products manufactured since March 31, 1932. However, the motor should always be sold on a bill of sale.

If a motor without an identifying number, such as a Ford motor or a motor from some 1956 and later year model vehicle without a number is installed in a vehicle which requires a motor number, an assigned number must be obtained from this department. (Refer to Chapter 13, “Vehicle Identification Numbers”).

Title Correction

Change to Any of Three Basic Component Parts

An application for corrected title supported by proper evidence must be filed to correct the VIN, make, year model, weight, or body style of a vehicle. An application for corrected title is also required when a change has occurred in any of the three basic component parts of a motor vehicle (motor, frame, and body) which alters the appearance of the motor vehicle or removes that component part with the identifying number of the motor vehicle.

To change or correct the description of a vehicle, the applicant must have the basic ownership evidence in their name, or the ownership evidence must be assigned to the applicant. Whenever there is a correction to be made in the description of vehicle, the correction blocks on the application must be marked. If not, the same description automatically carries forward to the new title when issued.

When a vehicle is changed from a classification requiring a certificate of title to a classification, which does not require a certificate of title, the title should not be surrendered to this department for cancellation. (Example: A titled trailer licensed with regular trailer registration is subsequently changed to the farm trailer registration classification). The owner should retain the certificate of title as valid evidence of ownership.

Adjusting Weights

To lower the weight on a passenger vehicle, an application for corrected title must be filed. The following documentation is required:

1. If the department records reveal the original evidence of ownership is a manufacturer's certificate of origin (MCO), the weight cannot be lowered below the weight recorded without a corrected MCO; or if rebuilt or altered a weight certificate verifying the gross weight, and a Rebuilt Vehicle Statement, Form VTR-61, explaining the alteration.

2. If the original evidence is from out of state, a weight certificate or reference to the Branham Automobile Reference Book should be used to determine the correct weight.

Note: The Branham Guide lists the weight of standard models (no optional equipment). If this reference is used, consideration must be given to include all optional equipment in the weight (such as air conditioners, automatic transmissions, etc.).

To lower the weight on a commercial vehicle, a weight certificate must be attached to an application for corrected title.

Note: If the gross weight of a commercial vehicle is lowered during a registration year a refund will not be issued.

Motor Homes

Motor vehicles adapted to or designed for human habitation.

Camper Units

If a camper unit is designed so that it is mounted directly and permanently on the chassis of a vehicle (verified by a photograph of the exterior of the vehicle), it should be registered with passenger plates. The vehicle should be weighed including the weight of the cab, chassis, and camping unit; and the vehicle should be titled and registered with that weight. The body style should be indicated as "Motor Home" (abbreviated as "MH") on the title and registration receipt.

Trucks, Truck Tractors and Buses

Used trucks, truck tractors and buses, which have been reconstructed or converted to contain living quarters, should be titled as a Motor Home, and registered with passenger plates. Title applications on these vehicles should be supported by a photograph of the interior and exterior, a weight certificate verifying the gross weight, and a *Rebuilt Vehicle Statement*, **Form VTR-61** explaining the alteration. The make, year model, and VIN must be the same as that shown on the title covering the truck, truck-tractor or bus.

A "Reconstructed" brand will be added to the motor vehicle record and printed on the certificate of title and all subsequent titles.

New Vans

New vans, which have been purchased by the recreational vehicle industry and converted for living or camping purposes by adding items such as beds, tables, iceboxes, carpet, etc., should be titled as a "Motor Home" and registered with passenger plates. Title applications on these vehicles should be supported by a photograph of the interior, a weight certificate verifying the weight, and a *Rebuilt Vehicle Statement*, **Form VTR-61,** explaining the alterations is required to support the transaction. The make, year model, and VIN must be the same as that shown on the MCO.

Note: If the transaction includes a second-stage MCO from the company making the conversion and the second-stage MCO indicates the weight of the completed vehicle, a photograph and weight certificate may be waived. The weight must be greater than the weight shown on the first-stage MCO.

Chopped, Cutaway, or Incomplete Vans

Chopped, cutaway, or incomplete vans, which are purchased as component parts by the recreational vehicle industry and used in the construction of Motor Homes, should be titled as a “Motor Home” and registered with passenger plates. MCOs from both the first- and second-stage manufacturers are required on these vehicles. The title application should record the make and year model as shown on the second-stage MCO (issued by the manufacturer of the body), and the VIN should be the number as designated by the first-stage manufacturer. The transaction must be supported by a photograph or pictorial literature describing the vehicle. In addition, a weight certificate must support the transaction, unless the weight of the completed vehicle is shown on the second-stage manufacturer's certificate and that weight is greater than the weight shown on the first-stage manufacturer's certificate.

Note: The first-stage MCO does not require a year model.

Motor Homes

Motor Homes are self propelled vehicles constructed with built in kitchens, sleeping facilities, etc. The body is designed so that when attached to the chassis, completely envelops or covers the chassis and engine of the motor home vehicle. These vehicles must be registered with passenger license plates. Only one MCO is required, and it must be furnished by the manufacturer of the motor home. The MCO records the make and year model of the body and also the VIN of the chassis. The title application must record the description of vehicle as it appears on the MCO, and the body style must be shown as “Motor Home” (abbreviated as “MH”). A photograph or pictorial literature describing the vehicle is required if the body style is not indicated as “Motor Home” on the “final-stage” MCO. A weight certificate verifying the gross weight is required only if the weight is not shown on the MCO.

Glider Kits

An application for title must be filed when a truck or truck tractor is reconstructed by utilizing a glider kit and the power train of an existing titled truck or truck tractor. A “glider kit” is a complete new cab, frame, front axle, and accessories. A “power train” is an engine, transmission, differential, and accessories.

The complete description of the vehicle is obtained from the MCO of the glider kit. However, if the year model is not designated on the glider kit's MCO, the year model must be the year the vehicle is reconstructed.

The following evidence must support the application for title:

- Manufacturer's Certificate of Origin (MCO) covering the glider kit assigned to the applicant.
- Certificate of title covering the vehicle from which the power train is removed marked "power train only" or a *Rebuilt Vehicle Statement*, **Form VTR-61** verifying that the applicant is the recorded owner of the vehicle from which the power train was removed and including the title number, VIN, make, etc. If the power train was obtained from a vehicle not titled in the applicant's name, the title properly assigned or a bill of sale covering the power train must be included.
- In the case of a destroyed vehicle, a *Statement of Surrender of License Plates and Title for Destroyed Vehicle*, **Form VTR-50-B**, (Refer to Vehicle Registration Manual), may be attached to the transaction instead of a certificate of title or bill of sale covering the power train if the title was surrendered to obtain a registration fee credit on a destroyed vehicle.
- Completed *Rebuilt Vehicle Statement*, **Form VTR-61**.
- Certified weight certificate.
- *Inspection of a Vehicle which was Reconstructed Utilizing a Glider Kit*, **Form VTR-110,** verifying that a glider kit (including frame) was used in the reconstruction of the vehicle and recording the respective identification numbers of the glider kit and power train. Such inspection must be executed by a member of the Texas Department of Public Safety's Motor Vehicle Theft Service, member of NICB, or member of an established vehicle theft unit of a Texas law enforcement agency.
- Copy of current registration receipt, if applicable.
- Valid proof of financial responsibility.

If the vehicle, from which the power train was removed, is currently registered and the cab has been destroyed, the current registration may be retained and used on the vehicle reconstructed with a glider kit if the certificate of title of the destroyed vehicle is surrendered with the glider kit transaction. Otherwise, a vehicle reconstructed with a glider kit should be registered as of the date application for title is filed; and a copy of the registration receipt must be attached to the transaction, unless the transaction is for a "title only."

A "Reconstructed" brand will be added to the motor vehicle record and printed on the certificate of title and all subsequent titles.

Cab Changes on Pickups and Trucks

When a cab change occurs on a new or used pickup or truck (exclusive of transactions involving glider kits), it does not matter whether the cab is new or used or has a valid VIN or no VIN, the certificate of title covering the vehicle that the cab was installed on remains as the valid evidence of ownership and controls the description as to year, make, and VIN.

Before an application for corrected title may be accepted, for a pickup or truck upon which a cab change has occurred, the applicant must contact the local VTR regional office and obtain a reassigned VIN to be placed on the door post of the replacement cab.

Upon obtaining a reassigned VIN covering a cab change on a pickup or truck, an application for corrected certificate of title must be filed as follows:

1. The make, year model, and VIN must be recorded on the application as shown on the title covering the chassis**.** (The original VIN, when verified, is reassigned and placed on the new cab).

2. The following evidence must support the application:

   - Certificate of title covering the chassis.
   - Bill of sale, invoice, or title marked “cab only” covering the cab.
   - Completed *Rebuilt Vehicle Statement,* **Form VTR-61**.
   - *Application for Assigned or Reassigned Number,* **Form VTR-68-A**.
   - *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number,* **Form VTR-68-N**.
   - Certified weight certificate.
   - Copy of current registration receipt. (The current registration covering the chassis may continue to be displayed on the vehicle after a cab change occurs. However, if the weight certificate reflects a greater weight, an additional fee must be collected. (Refer to the Vehicle Registration Manual).
   - Valid proof of financial responsibility, covering the described vehicle, in the applicant's name. Refer to the Vehicle Registration Manual Chapter 11.

3. A “Reconstructed” brand will be added to the motor vehicle record and printed on the certificate of title and all subsequent titles.

Note: If the replacement cab is a used cab that has had the manufacturer's VIN removed, changed, or obliterated, then ownership of the cab must be determined in court. In addition, if the chassis VIN cannot be verified or if it has been removed, changed, or obliterated, then ownership of the vehicle must be determined in court.

The title procedures outlined above apply whether the title transaction involves a change of cab only or whether it also includes other sheet metal parts as fenders, hood, and grill.

The above procedure establishes that the title covering a truck follows the chassis instead of the cab, these vehicles differ from the established policy covering passenger vehicles that require the title follows the body.

Vehicles (Other Than Motor Homes) Manufactured by First and Second-Stage Manufacturers

When a truck, bus, commuter van, pickup, passenger vehicle, etc., is constructed by a second-stage manufacturer utilizing a chopped, cutaway, or incomplete vehicle obtained as a component part from a first-stage manufacturer, the application for title must be supported by a MCO issued by each manufacturer if the vehicle is to be registered and titled under the make, name, and year model designation of the second-stage manufacturer. In this situation, the application for title should indicate the make, year model, and body style as determined by the second-stage manufacturer's certificate; and the VIN as determined by the first-stage manufacturer's certificate. The application must be supported by a copy of the registration receipt, a weight certificate verifying the empty weight, and a photograph or pictorial literature describing the vehicle.

Note: If the vehicle is to be titled and registered under the make designated by the first-stage manufacturer, then only the first-stage manufacturer's certificate is required to support the application for title. In this situation, the application for title should indicate the complete description of the vehicle as determined by the first-stage manufacturer's certificate. If, however, a year model is not designated on the first-stage manufacturer's certificate, the year model must be determined by referencing the year model designator in the VIN. (The year model cannot vary from the manufacturer's VIN specifications covering the chopped or cutaway van.) The application for title must also be supported by a copy of the registration receipt, a weight certificate verifying the empty weight, and a photograph or pictorial literature describing the vehicle.

Motor Change

If a new or different motor has been installed in a motor vehicle which records the motor number as the identifying number (all 1955 and prior year model motor vehicles, except Ford products manufactured since March 31, 1932), a corrected title application must be filed. The method of filing an application to correct a certificate of title resulting from a vehicle being reconstructed is the same as discussed under Title Correction of this Chapter. Other requirements are as follows:

The application for corrected title must be supported by evidence of ownership (title) to the vehicle, a bill of sale to the applicant for the motor installed, and a pencil tracing of the motor number.

1. Bill of sale (for the motor) is not required to be notarized.
2. If the remainder of a vehicle, from which the motor has been removed, is to be repaired or sold for salvage, the title should be marked “body only” and used as a bill of sale for the body. However, the title for 1956 through 1969 year model Volkswagen Beetles must be used to transfer the floorpan or floorpan and chassis.
3. Fleet owners - Some companies (trucking, bus lines, etc.), install rebuilt motors in their equipment periodically. These companies may attach a statement that the rebuilt motor was taken from stock which serves as evidence of ownership for “motor only”. If the motor was not taken from their stock, evidence of ownership for “motor only” must support the application for corrected title.
4. Pencil tracing of the motor number.

1956 or Subsequent Year Model Vehicles

It is not necessary to apply for a corrected title if a new or different motor has been installed in a 1956 or subsequent year model vehicle of any make because the VIN stamped on the frame or body is the identifying number.

Ford Vehicles Prior to March 31, 1932

Ford vehicles of a model manufactured prior to March 31, 1932, have a motor number die stamped on the block. This motor number must be shown on the application for title; and if a motor change occurs, the title must be corrected. If a motor number is not intact, an assigned number must be obtained from the department. (Refer to Chapter 13, “Vehicle Identification Numbers”).

The department recognizes the frame number as the identifying number on Ford and Ford line vehicles such as Mercury, and Lincoln manufactured from March 31, 1932, through the 1948 year models; and the body number on 1949 and later models. Therefore, a corrected title is not necessary when a motor change is made on these vehicles.

- Most Ford vehicles manufactured in a foreign country have a motor number stamped on the block, which should be used on the title application for models prior to 1956.
- “Jeeps” manufactured by Ford have a motor number stamped on the block different from the number on the frame. This motor number should be shown on the application for title. Since these vehicles were manufactured prior to 1946, the prefix “GP” or “GPA” is not required unless there is a duplication of motor numbers.
- A “Reconstructed” brand is added to the motor vehicle record and prints on the certificate of title and all subsequent titles.

Example 1

A 1954 Chevrolet motor has been installed in a 1950 Chevrolet two door sedan. The make, year model, and body style remains the same; but the 1954 Chevrolet motor number must be shown as the identifying number.

Example 2

A 1953 Mercury motor has been installed in a 1952 Oldsmobile two door sedan. It is necessary for an assigned motor number to be stamped on the block of any Ford Motor Company motor manufactured in the United States since March 31,1932, (except Ford Jeeps) when such motor blocks are installed in 1955 and prior year model motor vehicles manufactured by other companies. (If an Oldsmobile motor is installed in Mercury, for example, correction of title is not necessary since the identifying number of the Mercury is stamped on the body).

Frame Change

Frame changes on vehicles, which have the identifying number on the frame, require a corrected title to record the frame change. The method of filing for a corrected title when a new or different “frame” has been installed is the same as discussed under Title Correction of this Chapter. Other requirements are as follows:

The application for corrected title should show the same make, year model, and body style as shown on the certificate of title covering the vehicle under which the new frame was installed for a truck or commercial vehicle. The VIN should be shown as follows:

Ford Products

Ford products manufactured in the United States (except Ford Jeeps) from March 31, 1932, through the 1948-year models have the VIN on the frame; and a change of frame requires a corrected title. Beginning with the 1949 model Ford products, the VIN is on the body and the frame; and the number on the body should be used as the identifying number. If a frame change occurs on a 1949 or later model Ford product,

a corrected title is also required even though the identifying number on the body remains the same and is recorded on the application as the identifying number. In such instances, correction of title is necessary so that the department's record reflects the frame change in case it is ever necessary to use the frame number to establish the identity of the vehicle.

Cadillacs

All 1956 through 1967 year model Cadillacs have the VIN on the frame, and any frame change requires a corrected title. The 1968 and later year model Cadillacs have the VIN on the body.

Volkswagen Beetles

If a frame change occurs on a 1956 through 1969 year model Volkswagen Beetle, the change must be processed as a body change; and the VIN on the Volkswagen frame or floorpan must be shown on the application for corrected title recording the body change.

Application for Corrected Title

When a frame change occurs, the application for corrected title must be supported by evidence of ownership (title) to the vehicle, a bill of sale for the “frame only”, a pencil tracing of the new frame number, and a completed *Rebuilt Vehicle Statement*, **Form VTR-61**.

1. A bill of sale is not required to be notarized.
2. If the remainder of a vehicle from which the frame has been removed has not been disposed of and is to be repaired or sold for salvage, the title should be marked “body only” and used as a bill of sale for the body. However, the title for 1956 through 1969 year model Volkswagen Beetles must be used to transfer the floorpan or floorpan and chassis.
3. A “Reconstructed” brand is added to the motor vehicle record and prints on the Certificate of Title and all subsequent titles.

Example 1

A 1947 Ford frame has been installed in a 1946 Ford four door sedan. The VIN is on the frame and must be recorded on the application. The make, year model, and body style are determined by the body.

Example 2

A 1952 Ford frame has been installed in a 1952 Mercury Sport Coupe. If the number on the body is intact, it should be recorded on the application; however, if the number is lost or defaced, an assigned number must be obtained from this department. (Refer to Chapter 13, “Vehicle Identification Numbers”).

Note: The description of vehicle, including the VIN, remains the same as that recorded on the certificate of title covering the body; however, by filing an application for corrected title, the vehicle record is corrected to reflect the frame change. Such a notation in the department's records is beneficial in case the body number ever becomes lost or defaced and it is necessary to use the frame number as a means of establishing the true identity of the vehicle

Body Change

Body changes involving 1955 and older model vehicles (except 1949 and later model Ford products) are handled as follows:

Application for Corrected Title

An application for corrected title must be filed to record a “Body Change.” The method of filing the application is the same as Title Correction.

The application for corrected title should show the same make, year model, and body style as on the evidence of ownership covering the 1955 or older body installed. The motor number, as shown on the applicant's certificate of title covering the vehicle upon which the new body was installed, should be shown as the identifying number.

The following must support the application for corrected title:

1. A properly assigned certificate of title marked “body only” or other negotiable evidence of ownership to the 1955 or older body installed. If sold on a bill of sale, the title number and description of the vehicle from which the “body only” was removed should be shown on the bill of sale and the vehicle title should be surrendered to this department for cancellation.
2. A properly assigned certificate of title or title in the applicant's name covering the 1955 or older model vehicle upon which the 1955 or older model body was installed.
3. Photograph of vehicle.
4. Pencil tracing of the number on the body, which was installed.
5. Certified weight certificate.

6. Copy of the current registration receipt covering the vehicle upon which the new body was installed.
7. A *Rebuilt Vehicle Statement*, **Form VTR-61**.
8. Valid proof of financial responsibility, covering the described vehicle, in the applicant's name. Refer to Section 601.023.
9. A “Reconstructed” brand is added to the motor vehicle record and prints on the Certificate of Title and all subsequent titles.

Body Changes

A body change involving the installation of a body from a 1956 or later model vehicle or a 1949 or later model Ford product may not be handled as a “body change” (all 1956 through 1969 Volkswagen Beetles excluded.). A certificate of title is required to transfer the body of such a vehicle; and the description on the title represents the complete and legal description of the vehicle, as it appears when such body is installed on another chassis. Consequently, no descriptive change occurs when such a body is installed on another chassis; therefore, the transaction processes as a chassis change.

Application for Title Recording a Chassis Change

An application for title should be filed to record a “chassis change”. The application must show the same make, year model, body style, and VIN as shown on the certificate of title covering the body or unitized body and frame combination. The following evidence must support the application:

- A properly assigned certificate of title covering the body.
- *Rebuilt Vehicle Statement*, **Form VTR-61**.
- A statement of fact substantiating the fact that the applicant owned the chassis on which the new body was installed and the description of the vehicle from which the chassis was retained and the title number under which the vehicle was titled. If the body from which the chassis was retained has been junked or destroyed by the applicant, the title covering such vehicle should be marked “body junked - retained chassis only” and attached to the title transaction for cancellation.
- Pencil tracing of the frame number and new body number.
- Certified weight certificate.
- Copy of the current registration receipt covering the body for which the applicant is applying for certificate of title.
- Valid proof of financial responsibility, covering the described vehicle, in the applicant's name. Refer to Section 601.051.
- A “Reconstructed” brand appears in the motor vehicle record and prints on the Certificate of Title and all subsequent titles

Note: If the certificate of title covering a body only has been surrendered to the department and the body only is transferred on a bill of sale, the above procedure may not be used and the rebuilt procedure must be followed.

Body Changes Volkswagen Beetle

When a body change occurs on a 1956 through 1969 model Volkswagen Beetle and the certificate of title covering the Volkswagen floorpan and chassis, including motor, is in the applicant's name or assigned to him, the following procedure may be used:

Application for Corrected Title

An application for corrected title must be filed showing the make, year model, and body style of the body which was installed and the VIN, which appears on the Volkswagen floorpan must be shown on the application.

If the make is not designated on the evidence of ownership covering the body, such as occurs with some prefabricated bodies, the make must be shown on the application as Assembled; and the body style as 2D (2D Sedan), 4D (4D Sedan), RD (Roadster), etc. If the make is shown as Assembled or if the year model is not designated on the evidence covering the body, the year model must be shown as the year in which the body was installed.

The following evidence must support the application:

- A properly assigned certificate of title or a title in the applicant's name covering the Volkswagen floorpan and chassis, including motor.
- Bill of sale, title, invoice, or other negotiable evidence marked “body only” covering the installed body; and such evidence must include the body number from the body.
- Pencil tracing of the new body number and the Volkswagen floorpan number.
- Photograph of vehicle.
- A completed *Rebuilt Vehicle Statement*, **Form VTR-61**.
- Copy of current registration.
- Certified weight certificate.
- Valid proof of financial responsibility, covering the described vehicle, in the applicant's name. Refer to Section 601.051.
- A “Reconstructed” brand is added to the motor vehicle record and prints on the Certificate of Title and all subsequent titles.

Example 1

A 1954 Chevrolet two door sedan body was installed on a 1953 Chevrolet frame and motor. The make, year model, and body style are obtained from the evidence of ownership covering the 1954 body; and the motor number is the same as shown on the title covering the 1953 Chevrolet frame and motor.

Example 2

A 1957 Chevrolet four door body was installed on a 1956 Chevrolet chassis frame and motor. The make, year model, body style, and VIN are the same as shown on the certificate of title covering the body.

Example 3

A 1970 Meyers Manx prefabricated body was installed on a 1965 Volkswagen floorpan, chassis, and motor. The make, year model, and body style are obtained from the evidence of ownership covering the body and the VIN is the same as shown on the Volkswagen floorpan. In the event a make designation is not shown on the evidence of ownership covering the body, the “Make” must be “Assembled”, and the “Year Model” must be the year in which the body was installed.

Stripdown Vehicle

A corrected title is required when a vehicle has been stripped of a portion of its body to an extent that it loses its original identity resulting in the creation of a dune buggy or beach buggy. The requirements are as follows:

Application for Corrected Title

An application for corrected title must be filed showing the make as “Assembled,” the year model as the year in which the vehicle was stripped, and the body style as 2D (2D Sedan), 4D (4D Sedan), etc. If the VIN is intact on the vehicle, which was stripped, then that number must be shown on the application; otherwise, an assigned number must be obtained from the department. A motor number may not be used as the identifying number of the stripdown vehicle. (Refer to Chapter 13, “Vehicle Identification Numbers”.)

The following evidence must support the application:

1. Properly assigned certificate of title or title in applicant's name covering the vehicle that was stripped.
2. Photograph of stripped vehicle.
3. Rebuilt Vehicle St*atement*, **Form VTR-61**.
4. An Out-of-state Vehicle Identification Certificate issued by a State appointed Safety Inspection Station.

5. Certified weight certificate.
6. A pencil tracing of the VIN, if the stripped vehicle is a 1956, later model, or a Ford product manufactured after March 31, 1932.
7. A pencil tracing of the die-stamped motor number, if the stripped vehicle is a 1955 or prior year model (Ford products manufactured after March 31, 1932, excluded).
8. If an assigned number is obtained, the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**.
9. If an assigned number is obtained, a photocopy of the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.
10. Valid proof of financial responsibility, covering the described vehicle, in the applicant's name, if applicable. (Required only if the vehicle is to be operated on public roads and therefore required to be registered.)

Rebuilt Vehicle

A rebuilt vehicle is one that is assembled from the three basic component parts (motor, frame, and body), and the body installed as one of the three component parts represents an established “Make” of vehicle. A certificate of title must be obtained for a rebuilt vehicle. (For information regarding rebuilt salvage motor vehicles, refer to **Chapter 27, “Rebuilt Salvage”**).

The make, year model, and body style to be shown on the application for title consists of the make, year model, and body style of the body installed as one of the three component parts. If the rebuilt vehicle is a 1956 or later year model or if the body was manufactured by the Ford Motor Company after March 31, 1932, the manufacturer's VIN serves as the identifying number. If the rebuilt vehicle is a 1955 or prior year model or if the body was manufactured by the Ford Motor Company prior to March 31, 1932, the motor number (die-stamped on the motor block) serves as the identifying number. In the event the VIN or motor number is not intact on the rebuilt vehicle, a Texas assigned VIN or motor number must be obtained from the department (Refer to Chapter 13, “Vehicle Identification Numbers”).

Application for Title

The following evidence must support the application for title:

Bills of sale covering each component part - motor, frame, and body - showing on each respective bill of sale the motor number, frame number, and body number. (Refer to the *Bill of Sale for Component Part*, **Form VTR-63**) A certificate of title properly assigned and liens released or a title in the applicant's name must be surrendered as the bill of sale or evidence of ownership for the body installed,

except for a body from a 1956 through 1969 model Volkswagen Beetle. A body from a 1956 through 1969 year model Volkswagen Beetle should be transferred on a bill of sale, and the certificate of title should be used to transfer the floorpan (frame) or floorpan and chassis. In the event a Texas or out-of-state certificate of title covering the body or Volkswagen Beetle floorpan or floorpan and chassis is not attached to the transaction, the following evidence is acceptable:

1. Registration receipt if from a non title state. Such receipt must be properly assigned or a bill of sale must be attached.
2. If the certificate of title has already been surrendered to the department for cancellation, a bill of sale is acceptable, provided certain information is shown.
3. Pencil tracings of the frame number, body number, and (die-stamped) motor number.
4. If an assigned number is obtained, the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**.
5. If an assigned number is obtained, a photocopy of the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.
6. Photograph of vehicle.
7. Certified weight certificate.
8. A copy of the registration receipt showing that such vehicle was registered at the time of application for title.
9. Instead of a VIN inspection by a law enforcement officer, a pencil tracing of the VIN may be submitted. If a pencil tracing cannot be made, a *Statement of Physical Inspection*, **Form VTR-270** must be submitted. In whichever case, an Out-of-state Vehicle Identification Certificate issued by a State appointed Safety Inspection Station must be submitted showing that the vehicle has passed the safety inspection after the date the vehicle was rebuilt.
10. Valid proof of financial responsibility, covering the described vehicle, in the applicant's name.

Note: The vehicle must pass a safety inspection after being rebuilt. The motor vehicle inspection sticker number and month and year of expiration should also be indicated in the explanation area of the Form VTR-61.

Unitized Body and Frame

Generally, a vehicle with a unitized body and frame is not involved in the "Rebuilt" procedure, unless the title covering such vehicle has previously been surrendered to the department for cancellation. In this instance, the "Rebuilt" procedure applies and a bill of sale covering the unitized body and frame along with a bill of sale covering the engine must support the title transaction.

Reconstructed Brand

A "Reconstructed" brand should be added to the motor vehicle record and printed on the Certificate of Title and all subsequent titles of rebuilt vehicles.

Example 1

A 1950 Chevrolet two-door sedan body is installed on a 1949 Chevrolet frame. The Chevrolet body determines the make of the rebuilt as Chevrolet, and the year model and style of the body are determined by the body. Since a Ford motor was installed, a motor number was assigned because 1955 and older Chevrolets have the identifying number of the vehicle die stamped on the body; and Ford products do not have a number die stamped on the motor. The space for previous owner on the application should show the word "Rebuilt."

Example 2

A 1956 Chevrolet two-door body is installed on a 1955 Chevrolet frame and a 1955 Oldsmobile motor. This "rebuilt" vehicle is shown as a 1956 model because the year model of the body determines the year model of the vehicle; and since it is a 1956 model, the identification number of the body is recorded as the identifying number.

Assembled Vehicle

An assembled vehicle is one that is assembled from the three basic component parts (motor, frame, and body); and the body installed as one of the three component parts does not resemble or represent an established "make" of vehicle. A certificate of title must be obtained for an "assembled" vehicle, and the vehicle must be registered at the time of filing the application for title, if applicable.

Note: If the vehicle is a salvage motor vehicle, the certificate of title issued by the department records a "Rebuilt Salvage" remark. (Refer to Chapter 27, "Rebuilt Salvage" for information).

The application for certificate of title covering an assembled vehicle must show the “make” as “assembled”. The year model shown on the application must be the year in which the vehicle was assembled; and the body style shown as “2D” (2D Sedan), “4D” (4D Sedan), “RD” (Roadster), etc. The valid manufacturer's VIN on the assembled vehicle must be shown on the application. If there is no manufacturer's VIN, then an assigned VIN must be obtained from the department. A motor number may **not** be used as the identifying number on an assembled vehicle.

The evidence required to support the application for an assembled vehicle is basically the same as for a “rebuilt” vehicle with some additional requirements as listed below:

1. An Out-of-state Vehicle Identification Certificate, **VI-30** issued by a State appointed Safety Inspection Station.
2. A statement of fact is required if a homemade body or frame is used and must explain how the body or frame was constructed and where the materials or various parts were obtained.

The space for previous owner on the application should show the word “assembled”.

Assembled Vehicle Using a Manufactured Prefabricated Body

A certificate of title must be obtained for a vehicle assembled with a manufactured prefabricated body, such as Meyers Manx, Aztec, or Lone Star Classics Roadster, as one of the three basic component parts (motor, frame, and body).

The description of vehicle should be indicated on the application for title as follows:

1. Make of Vehicle - The make is the same as shown on the evidence of ownership covering the prefabricated body. If a make is not shown on the evidence, the make should be shown as “assembled.”
2. Year Model - The year model is the same as shown on the evidence of ownership covering the prefabricated body. If a year model is not shown or if the make is “assembled”, the year model is the year the vehicle was assembled.
3. Body Style - The body style should be shown as “2D” (2D Sedan), “4D” (4D Sedan), “RD” (Roadster), etc.
4. If a 1956 through 1969 year model Volkswagen Beetle floorpan or floorpan and chassis is used, the VIN appearing on the floorpan must be shown on the application as the VIN; or if the frame or frame and chassis is other than a 1956 through 1969 year model Volkswagen Beetle floorpan or floorpan and chassis,

the manufacturer's VIN affixed to the prefabricated body must be shown on the application. If no manufacturer's VIN is affixed to the body or Volkswagen floorpan, an assigned VIN must be obtained from the department. (Refer to Chapter 13, "Vehicle Identification Numbers").

The space for previous owner should show the word "assembled."

The following evidence must support an application for title covering an assembled vehicle using a manufactured prefabricated body:

1. Manufacturer's certificate of origin, invoice, or bill of sale covering the installed prefabricated body.
2. Bills of sale covering other component parts assembled (frame and motor). If a 1956 through 1969 year model Volkswagen Beetle floorpan or floorpan and chassis is used, any outstanding title (or registration receipt, if non title state) covering the vehicle from which such floorpan, or floorpan and chassis, was removed must be used as a bill of sale or evidence of ownership; or if the certificate of title has already been surrendered to the department for cancellation, a bill of sale may be used.
3. A completed *Rebuilt Vehicle Statement*, **Form VTR-61**.
4. Pencil tracing of the frame number, body number, and die-stamped motor number; and if an assigned number has been obtained, a completed *Notice of Assigned Number or Installation or Reassigned Vehicle Identification Number*, **Form VTR-68-N** must be attached.
5. Photograph of vehicle.
6. An Out-of-state Vehicle Identification Certificate, **VI-30** issued by a State appointed Safety Inspection Station.
7. A copy of the registration receipt showing that the vehicle was registered at the time the application for title was filed.
8. Certified weight certificate.
9. Valid proof of financial responsibility, covering the described vehicle in the applicant's name.

Note: If the certificate of title covering a 1956 through 1969 year model Volkswagen Beetle floorpan and chassis, including motor, is in the applicant's name or assigned to him and a "reconstructed only" is involved, the procedure under "Body Change" of this Chapter may be used. When using the "body change" procedure, if a new body is installed on a currently registered vehicle, the registration may be retained.

Replica

A replica is an assembled vehicle using a manufactured prefabricated body representing an established make of a previous year model vehicle.

A certificate of title is required when the body utilized on an assembled vehicle is a replica of an established make of a previous year model vehicle. The description of vehicle should be indicated on the application for title as follows:

- Make of Vehicle. Assembled.
- Year Model. Year in which assembled.
- Body Style. 2dr, 4dr, etc.
- Enter “Replica” in the remarks field.

10. VIN. If a 1956 through 1969 year model Volkswagen Beetle floorpan or floorpan and chassis is used, the VIN appearing on the floorpan must be shown on the application as the; VIN or if the frame or frame and chassis used is other than a 1956 through 1969 year model Volkswagen Beetle floorpan or floorpan and chassis, the manufacturer's VIN, if any, affixed to the prefabricated body must be shown on the application. If no manufacturer's VIN is affixed to the body or Volkswagen floorpan, a Texas assigned VIN must be obtained.

11. Previous Owner. The space for previous owner should show the word “assembled.”

The evidence required is the same as outlined under Body Change, of this chapter pertaining to assembled vehicles using prefabricated body.

Note: If only a body change is involved on a currently registered 1956 through 1969 year model Volkswagen Beetle and the title covering the floorpan and chassis, including motor, is in the applicant's name or assigned to him, the current registration may be retained.

New Replica

New Vehicle built by a Motor Vehicle Manufacturer as a Replica of a previous year, make, and model of vehicle.

When a replica of a previous year, make, and model of vehicle is built as a new vehicle by a motor vehicle manufacturer, the vehicle must be titled as follows:

The application for title should record the make, year model, body style, and VIN as shown on the manufacturer's Certificate of Origin (MCO). The word “Replica” should be shown in conjunction with the body style.

Note: Enter “*Replica*” in the remarks field.

An MCO is required as evidence of ownership.

Motorcycles

1971 and Subsequent Year Model Motorcycles

Beginning with 1971 year models, the frame number is the identifying number for titling purposes. Therefore, the certificate of title is required to transfer the ownership of all 1971 and subsequent year model motorcycle frames; and a bill of sale used to transfer the ownership of all 1971 and subsequent year model motorcycle motors.

1970 and Prior Year Model Motorcycles

1970 and prior year models were titled using either the motor or frame number as the identifying number; therefore, when the component parts of a motorcycle (motor and frame) are disassembled and sold separately, the certificate of title must be surrendered as the bill of sale for the component part with the number.

A bill of sale may be used to sell the remaining component part and must show the description of the vehicle that the component part was removed from and the title number from that vehicle. The bill of sale must also contain a statement, such as "This motor was removed from a vehicle which was titled under the frame number" indicating that the title is not required.

If the frame number and motor number are identical, the certificate of title must be used to transfer ownership of the frame.

Note: If an applicant must assign the certificate of title to transfer the component part with the VIN number that is recorded on the vehicle title but the remaining component part is retained, the applicant may submit a separate statement of fact or complete a statement of fact on a *Rebuilt Vehicle Statement, Form VTR-61*, substantiating that they owned, for example, the motor and that their certificate of title recorded the frame number and was used to transfer the ownership of the frame. The statement must show the title number and description of the vehicle that the motor was removed from.

A Rebuilt or Assembled Motorcycle

A rebuilt or assembled motorcycle is one that is assembled from the two component parts - motor and frame. The frame number is required to be shown as the VIN on all motorcycles rebuilt or assembled in 1971 and subsequent years. If an identifying number was not placed on the frame by the manufacturer or if the manufacturer's identification number has been removed, changed, or obliterated, an assigned VIN must be obtained from the department. Refer to Chapter 13, "Vehicle Identification Numbers".

Certificate of Title

As previously explained, the certificate of title for a 1971 or subsequent year model motorcycle must cover the frame; and the certificate of title for a 1970 or prior year model motorcycle may cover either the motor or the frame, depending on whether the vehicle was titled under the motor number or the frame number. Therefore, the following situations occur when a component part is changed or when a motorcycle is assembled:

1. A title, in the name of the applicant is presented to the county tax assessor-collector, recording the frame number, and a bill of sale or an assigned certificate of title recording the motor number is presented as evidence for the motor. In this situation, an application for corrected title should be filed to record “reconstructed”. The application should show the same vehicle description as recorded on the title covering the frame. Although the description of vehicle remains unchanged on the subsequent title, the department's record reflects the new installed motor number. When the assigned certificate of title is used as a bill of sale for a motor, the title should be marked “motor only” and attached to the title transaction. The department then cancels that title. Refer to Certificate of Title Evidence for required supporting evidence.

2. A title in the name of the applicant is submitted for the motor, and a bill of sale is surrendered for the frame. In this situation the department handles the transaction as a frame change; and an application for corrected title must be filed to correct the description of vehicle. The application must show the make, year model, and identifying number of the frame. Refer to Certificate of Title Evidence for required supporting evidence.

3. A title in the name of the applicant is submitted for the motor, and an assigned certificate of title is surrendered for the frame. In this situation, the title for the frame should be transferred into the applicant's name. The transaction should be handled as a “reconstructed” transaction and title for the motor should be marked “retained motor only” and attached to the transaction for cancellation. The department then cancels that title. Refer to Certificate of Title Evidence for required supporting evidence.

4. If the evidence of ownership covering each component (motor and frame) is assigned to the applicant, the department handles the transaction as a “Rebuilt” or “Assembled”. A photograph of the vehicle must be attached to the title transaction; and if the photograph reveals the vehicle represents an established “make” of motorcycle, the application for title processes as a “Rebuilt” showing the make, year model, and VIN of the frame. If the photograph reveals the

vehicle does not represent an established “make” of motorcycle or if the frame was not manufactured by an established motorcycle manufacturer, the make should be shown on the application as “Assembled” and the year model as the year in which the vehicle was assembled.

Certificate of Title Evidence

The following evidence must support any application for title covering a motorcycle when the transaction involves a change of either the motor or frame or the assembling of both.

1. Evidence of ownership covering the motor and frame. The evidence may be a certificate of title, bill of sale, or a *Rebuilt Vehicle Statement*, **Form VTR-61** establishing ownership in the applicant's name. Any bill of sale or statement must show the identification number of the component part being transferred and the title number and description of the vehicle that the component part was removed from.
2. A pencil tracing of both the motor number and the frame number of the vehicle, regardless if the change involves one or the other, or the assembling of both. The motor number or frame number should be indicated on each pencil tracing.
3. A completed *Rebuilt Vehicle Statement*, **Form VTR-61**.
4. Copy of current registration receipt.
5. A photograph of the vehicle if the evidence covering the motor and the evidence covering the frame is assigned to the applicant.
6. If an assigned number is required, a copy of the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR 68-N**, if an assigned number is required.

Trailers and Semitrailers

If a trailer or semitrailer is wrecked or destroyed, the only part that is reusable may be the axle assembly. A new title is required when a trailer or semitrailer is built using a newly constructed body (bed and frame) and the axle assembly from a wrecked or destroyed trailer or semitrailer.

An application for title must include the following:

1. Manufacturer's certificate, invoice, or bill of sale covering body (bed and frame) used.
2. Title covering trailer or semitrailer from which the axle assembly was retained or other valid evidence of ownership covering the axle assembly.
3. A completed Rebuilt Vehicle Statement, Form VTR-61.

4. Weight certificate, if transaction covers a full trailer.
5. Photograph.
6. A copy of the registration receipt showing that the vehicle was registered at the time the application for title was filed.

Make and Year Model of the Body

The make and year model of the body (bed and frame) must be the same as shown on the manufacturer's certificate, invoice, or bill of sale covering the body. If a make designation does not appear on both the trailer body and the evidence the make shall be “Assembled.” If the year model is not shown on the evidence issued for the body or if the make of the trailer is “Assembled”, the year in which the vehicle is assembled determines the year model. The VIN stamped on the body and recorded on the evidence of ownership issued must be used if the manufacturer has a designated make and a valid VIN. If no valid VIN is affixed to the body or if the make of vehicle is “Assembled”, then an assigned number must be obtained from the department. The body style must be shown as “FB” (Flatbed), “LB” (Lowboy), etc.

If the make of vehicle shown is that designated by the manufacturer of the body, the word “Reconstructed” appears on the certificate of title.

If the body (bed and frame) is homemade or shop made, then the procedure outlined in Chapter 14, “Vehicle Types” may be used, provided evidence of ownership for the axle assembly is also attached to the transaction for the “trailer or semitrailer.

Note: If a trailer or semitrailer, currently registered with regular trailer plates, is destroyed to such an extent that it cannot be operated, the owner may, under certain conditions, qualify for a license fee credit by submitting to the department an *Application for License Fee Credit* with the license plate, license receipt, and the certificate of title of the destroyed trailer. (Refer to Motor Vehicle Registration Manual for information regarding license fee credit.

Chapter 26

Salvage and Non Repairable Vehicles

This chapter contains the following sections:

- History of Salvage Ownership Document Issuance
- General
- Texas Salvage Certificates
- Determination of the Condition of a Damaged Motor Vehicle
- Requirement for Salvage or Nonrepairable Vehicle Title
- Required Reporting by Insurance Companies
- Department Processing of Owner Retained Reports
- Requirements of Owners Who Retain Salvage or Nonrepairable Motor Vehicles
- Registration of Owner Retained Motor Vehicles
- Innocent Purchaser of an Owner Retained Motor Vehicle
- Owner Retained Report Incorrect or Submitted in Error
- Certified Copy of Certificate of Title for Owner Retained Motor Vehicles
- Self-Insured Motor Vehicles
- Requirements of Governmental Entities
- Application for Salvage or Nonrepairable Vehicle Title
- Recording Liens on Nonrepairable and Salvage Vehicle Titles
- Insurance Company Application Without Properly Assigned Evidence of Ownership
- Salvage or Nonrepairable Vehicle Title Issuance
- Texas Salvage and Nonrepairable Vehicle Titles
- Registration and Operation Prohibited
- Rights of Holder of Salvage or Nonrepairable Motor Vehicle Documents
- Assignment and Reassignment of Salvage Ownership Documents
- Sale, Transfer or Release of Ownership
- Casual Sales
- Export-Only Salvage and Nonrepairable Motor Vehicles
- Sale of Export-only Motor Vehicles
- Records of Export-Only Sales
- Reporting of Export-only Sales
- Legal Restraint-Contact TxDMV (#Export)
- Innocent Purchaser of an Export-Only Vehicle

- Export-only Sale Reported in Error
- Salvage or Nonrepairable Vehicle Titles Stamped “For Export-Only” in Error
- Lost Salvage or Nonrepairable Vehicle Title Stamped For Export-Only
- Surrender of “For Export-only” Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard
- Out-of-State Buyers
- Certified Copy of Salvage or Nonrepairable Vehicle Title
- Metal Recyclers
- Surrender of Ownership Documents to the Department by Metal Recycler
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- Authority Document Issuance Nonrepairable Vehicle Title Document Issuance
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- Definitions
- Insurance Company to Surrender Certificates of Title to Certain Salvage Motor Vehicles or Nonrepairable Motor Vehicles
- Sale, Transfer, or Release of Nonrepairable Motor Vehicle or Salvage Motor Vehicle
- Nonrepairable Motor Vehicle or Salvage Motor Vehicle Dismantled, Scrapped, or Destroyed
- Application for Nonrepairable Vehicle Title or Salvage Vehicle Title
- Rights of Holder of Nonrepairable Vehicle Title or Salvage Vehicle Title
- Sale of Export-Only Motor Vehicles
- Application for Regular Certificate of Title for Salvage Vehicle
- Issuance of Title to Motor Vehicle Brought Into State
- Offenses
- Color of Nonrepairable Vehicle Title or Salvage Vehicle Title
- Rebuilder to Possess Title or Other Documentation
- Retention of Records Relating to Certain Casual Sales
- Enforcement of Subchapter
- Applicability of Subchapter to Recycler

History of Salvage Ownership Document Issuance

For many years the State of Texas has had salvage vehicle laws that required certain actions be taken when a motor vehicle was damaged. The following is a chronology of the documents issued for salvage motor vehicles. Examples of these documents follow.

Before 1996

Until March 1996, an insurance company doing business in this state that paid a total loss claim on a motor vehicle was required to surrender the negotiable evidence of ownership to the department. A *Texas Salvage Certificate*, **Form VTR-222**, was issued as a receipt for the surrendered ownership document.

Between March 1996 and December 1997, when a vehicle that was less than seven (7) years old was damaged, an insurance company was required to determine the pre-damaged actual cash value of the vehicle and to estimate the cost of repairs. If the percentage of loss (estimated costs of repair versus the pre damaged actual cash value) was:

- 75% to 94% of the pre damaged actual cash value of the vehicle, the insurance company was required to apply for a Salvage Certificate of Title. However, until programming modifications were made, the department issued a Texas Salvage Certificate, which was stamped in the lower right-hand corner with “TEXAS SALVAGE CERTIFICATE OF TITLE 75%-94% OF VEHICLE’S ACTUAL CASH VALUE.”
- 94% or more of the pre damaged actual cash value, the insurance company was required to apply for a Nonrepairable Certificate of Title. However, until programming modifications were made, the department issued a Texas Salvage Certificate, which was stamped in the lower right-hand corner with “TEXAS SALVAGE CERTIFICATE OF TITLE 95% OR MORE OF VEHICLE’S ACTUAL CASH VALUE.”

1997 to 2003

Between December 1997 and September 2003, programming requirements were completed to allow for issuance of the new salvage documents. The requirements for obtaining a salvage ownership document remained the same; however, different salvage ownership documents were issued. If the vehicle was less than seven years old and the loss percentage range was:

- **75% to 94%,** a *Texas Salvage Certificate of Title*, **Form VTR-222-S** was issued.
- **95% or more**, a *Texas Nonrepairable Certificate of Title*, **Form VTR-222-NR**, was issued.

Note: Between March 1996 and September 2003, Texas Salvage Certificates were issued for vehicles that were not damaged to the extent that they were classified as salvage or nonrepairable vehicles.

Note: Nonrepairable motor vehicles issued Nonrepairable Certificates of Title prior to September 1, 2003 can be repaired, rebuilt, or reconstructed.

2003 to 2005

Beginning September 2003, the laws were amended by changing the definitions for salvage and nonrepairable motor vehicle, and the name of the documents that were to be issued.

The new requirements apply to all year model vehicles. If the vehicle is a:

- Salvage Motor Vehicle - damaged to the extent that the cost of repairs exceeds the pre damaged actual cash value of the vehicle (over 100%), an insurance company or the owner of the vehicle is required to apply for a *Texas Salvage Vehicle Title*, **Form VTR-222-S**.
- Nonrepairable Motor Vehicle - damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal, an insurance company or the owner of the vehicle is required to apply for a *Texas Nonrepairable Vehicle Title*, **Form VTR-222-NR.**

The department was prohibited from issuing Texas Salvage Certificates on September 1, 2003.

Since 2005

In September 2005, the definition for salvage motor vehicle was amended to a motor vehicle that has damage to or is missing a major component part to the extent that the cost of repairs exceeds the pre damaged actual cash value of the vehicle (over 100%).

General

Transportation Code, Chapter 501, Subchapter E, requires the department to issue a *Texas Salvage Vehicle Title* (SVT) **Form VTR-222-S** or *Nonrepairable Vehicle Title* (NRVT) **Form VTR-222-NR** for certain damaged vehicles.

Required Application

The issuance of these documents is required for all model year vehicles that have been damaged and the extent of the damage meets or exceeds the requirements provided in the definition of a salvage motor vehicle or nonrepairable motor vehicle.

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.

Texas Salvage Certificates

Effective September 1, 2003, Texas Salvage Certificates (green) are no longer issued. Treat Salvage Certificates issued prior to September 1, 2003 as Salvage Vehicle Titles.

Determination of the Condition of a Damaged Motor Vehicle

When a motor vehicle is damaged, the following information is used to determine whether the motor vehicle is a salvage or nonrepairable motor vehicle.

Salvage Motor Vehicle

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

- is damaged 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 that 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.

The term “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; or
  - theft unless the motor vehicle was damaged during the theft and before recovery to the extent that the vehicle is a salvage or nonrepairable motor vehicle;
- the cost of materials or labor for repainting the motor vehicle; or
- the sales tax on the total cost of repairs.

Nonrepairable Motor Vehicle

A nonrepairable motor vehicle is a motor vehicle 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.

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.

Note: Flood damaged motor vehicles- If a motor vehicle is damaged solely by water, or is "flood damaged," to the extent that the vehicle is classified as a salvage or nonrepairable motor vehicle, all requirements for Salvage and Nonrepairable Vehicle Title and sale restrictions apply.

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 is 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;
- by 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; or
- by an alternate method commonly used by the insurance industry.

The cost of repairs does not include:

- cost of repairs related to:
  - gradual damage to a motor vehicle;
  - hail damage;
  - materials and labor for repainting; or

  - when the damage is solely to the exterior paint of the motor vehicle.
- sales tax on the total cost of repairs.

Requirement for Salvage or Nonrepairable Vehicle Title

If the motor vehicle is damaged to the extent that it is a salvage motor vehicle or nonrepairable motor vehicle, the appropriate salvage ownership document must be applied for.

If the motor vehicle is traded in or retired under a program designed to encourage the use of low-emission vehicles, such as the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), Health and Safety Code Section 382.209, the vehicle must be given a Nonrepairable Title, and must be dismantled, crushed or recycled. If a county participates in this type of program, under Local Government Code Section 263.152, the vehicle must be given a Nonrepairable Title, the county does not have to run a competitive bid or auction to have the vehicle dismantled, crushed or recycled.

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. (See Salvage Disposal for exceptions.)

Note: The department under no circumstances issues a Salvage or Nonrepairable Vehicle Title for an unrecovered stolen vehicle.

- If the vehicle is unrecovered, the insurance company must apply for a negotiable certificate of title in the insurance company name in order that they may be notified once the vehicle is recovered.
- If the vehicle is recovered and the vehicle has been damaged to the extent that the vehicle is classified as a salvage or nonrepairable motor vehicle, the insurance company is required to obtain a Salvage or Nonrepairable Vehicle Title prior to sale or transfer of the vehicle.

Salvage Vehicle Dealers

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 or salvage motor vehicles, 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 five salvage motor vehicles in the same calendar year. (See Salvage Disposal for exceptions.)

Persons Other Than an Insurance Company or Salvage Vehicle Dealer

A person, other than an insurance company or salvage vehicle dealer, that 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 ownership of the motor vehicle, unless the motor vehicle will be scrapped, or destroyed.

Owner Retained Motor Vehicles

The owner, who retained a salvage or nonrepairable motor vehicle, must obtain a Salvage or Nonrepairable Vehicle Title, before selling or otherwise transferring ownership of the salvage or nonrepairable motor vehicle.

Self-insured Motor Vehicles

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 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.

Prior to casual sale

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 export-only sale

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.

Salvage Disposal

A licensed salvage vehicle dealer, insurance company, or governmental entity who acquires a salvage or nonrepairable motor vehicle and a salvage ownership document (Texas or out-of-state) has not been issued for the vehicle, and the vehicle will not be dismantled, scrapped, or destroyed, may:

- apply for the appropriate salvage ownership document; or
- sell, or otherwise transfer ownership of the motor vehicle, but only to:

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

Damaged but Not Salvaged Vehicles

If a vehicle is damaged, but not to the extent that the vehicle becomes a salvage or nonrepairable motor vehicle, the owner, including an insurance company, may:

- transfer the vehicle by assignment of the existing negotiable ownership document.

Note: Upon transfer of ownership (assignment) to other than a licensed motor vehicle dealer or insurance company, the purchaser is required to file an Application for Texas Certificate of Title with the county tax office. Insurance companies are exempt from motor vehicle dealer licensing requirements and may reassign ownership evidence that has been assigned to the insurance company; or voluntarily apply for a Salvage or Nonrepairable Vehicle Title.

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

Required Reporting by Insurance Companies

Refer to Transportation Code Section 501.093

Form: *Owner Retained Report*, **Form VTR-436** (Rev. 9/2003 or later).

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

Reporting Period: Within 31 days of the date of claim payment.

Mail Form VTR-436 to:

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

Owner Retained Claims

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle, but does not acquire ownership of the vehicle, and the owner retains the motor vehicle as part of the claim settlement, the insurance company is required to submit a report to the department stating that the insurance company has paid a claim on the motor vehicle and has not acquired ownership of the motor vehicle.

Owner retained provisions apply only to motor vehicles that are damaged and the amount of damage is sufficient to classify the motor vehicle as a salvage (i.e., cost of repairs is in excess of the pre damaged actual cash value or over 100%) or nonrepairable (i.e. only as a source of parts or scrap metal) motor vehicle.

Insurance companies may not voluntarily submit a report for motor vehicles that have sustained a lesser amount of damage (100% or less). The costs for repairing hail damage or repairing damage solely to the exterior paint of the vehicle should not be included when calculating the cost of repairs.

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.

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 vehicle is retitled as a rebuilt salvage motor vehicle and properly registered.

Department Processing of Owner Retained Reports

Upon receipt of an Owner Retained Report, the department will:

1. Mark the motor vehicle record with the following remarks in order to prevent registration or transfer of ownership of the motor vehicle until the owner applies for the appropriate salvage ownership document:

- LEGAL RESTRAINT-CONTACT TXDMV (OR #); and
- REG INVALID (to advise that the registration indicated on the vehicle record is no longer valid).

2. Send a notification letter to the recorded owner and lienholder, if any, to advise that:

- an Owner Retained Report was received from the insurance company;

- they are required to obtain the appropriate salvage ownership document before selling or transferring ownership of the motor vehicle, and
- the vehicle may not be operated on the public roads until it has been retitled as a rebuilt salvage motor vehicle and has been properly registered, if applicable.

Requirements of Owners Who Retain Salvage or Nonrepairable Motor Vehicles

An owner who retains a salvage or nonrepairable motor vehicle as part of their claim settlement:

- must apply for the appropriate salvage ownership document as indicated on the **Form VTR-436** (Owner Retained Report) prior to selling or otherwise transferring ownership of the motor vehicle; and
- may not operate or permit the operation of the motor vehicle on the public roads until it has been repaired/rebuilt, retitled and properly registered as a rebuilt salvage motor vehicle.

If a motor vehicle is issued a Nonrepairable Vehicle Title on or after September 1, 2003, the vehicle may only be used as a source for used parts or scrap metal and the vehicle may not be:

- repaired, rebuilt, or reconstructed;
- issued a regular certificate of title, or
- registered or operated in Texas.

Once the owner retained motor vehicle has been issued a Salvage or Nonrepairable Vehicle Title and rebuilt (if applicable), the owner must apply for a Texas Certificate of Title branded “Rebuilt Salvage” through the appropriate county tax assessor-collector’s office and will be required to submit:

1. properly assigned evidence of ownership;
2. *Application for Texas Certificate of Title*, **Form 130-U;**
3. The *Rebuilt Affidavit*, **Form VTR-61** that includes a current (after being rebuilt) safety inspection number and expiration date, if the vehicle is being registered at the time of application (refer to **Chapter 27, “Rebuilt Salvage”** for further instructions on completing the *Rebuilt Affidavit*);
4. proof of insurance, if applicable;
5. $28/$33 title application fee;
6. $65 Rebuilt Salvage Fee;
7. a full year (12 months) registration;
8. any other applicable fees;

9. and any other documents required to accompany the transaction.

Registration of Owner Retained Motor Vehicles

Owner retained salvage or nonrepairable motor vehicles may not be issued any form of registration (initial, renewal, or temporary) until the motor vehicle has been rebuilt (if applicable) and retitled.

Innocent Purchaser of an Owner Retained Motor Vehicle

Although an owner who retains a nonrepairable or salvage motor vehicle is required to obtain the appropriate Nonrepairable or Salvage Vehicle Title before transferring ownership of the motor vehicle, there are instances when this does not occur. Examples include situations where the owner is unaware of the requirement to obtain a salvage ownership document prior to sale, or the owner is aware of the requirements and is attempting to circumvent the requirement.

Regardless of the situation and to accommodate an “innocent purchaser” of such a vehicle, the following process has been established:

The innocent purchaser of an owner retained salvage motor vehicle or a nonrepairable motor vehicle (see Note below) may apply for a Texas Certificate of Title branded “Rebuilt Salvage” without first obtaining the appropriate salvage ownership document.

- LEGAL RESTRAINT-CONTACT TxDMV (OR #); and
- REG INVALID (to advise that the registration indicated on the vehicle record is no longer valid).

The innocent purchaser (applicant) will be required to apply for a Texas Certificate of Title branded “Rebuilt Salvage” through the appropriate county tax assessor-collector’s office.

The applicant must submit:

1. properly assigned evidence of ownership;
2. *Application for Texas Certificate of Title*, **Form 130-U**
3. *Rebuilt Affidavit*, **Form VTR-61** that includes a current (after being rebuilt) safety inspection number and expiration date, if the vehicle is being registered at the time of application;
4. proof of insurance, if applicable;
5. $28/$33 title application fee;
6. $65 Rebuilt Salvage Fee;
7. a full year (12 months) registration;

8. any other applicable fees; and
9. any other documents required to accompany the transaction.

The county tax assessor-collector's office should contact their respective VTR regional office in order to:

- determine whether the motor vehicle is a salvage or nonrepairable motor vehicle;
- if a nonrepairable motor vehicle, determine whether the vehicle may be retitled and registered (if a Nonrepairable Certificate of Title was issued prior to September 1, 2003); and
- obtain a Registration and Title System Authorization Code to allow processing of the transaction (only if the vehicle may be retitled and registered).

When processing the transaction, the county tax assessor-collector's office must ensure that the appropriate Rebuilt Salvage remark is noted on the record (i.e. Rebuilt Salvage - Damaged, Rebuilt Salvage – Loss Unknown, etc.).

Owner Retained Report Incorrect or Submitted in Error

Form: *Owner Retained Report Correction Request*, Form VTR-436-E

An insurance company may submit an *Owner Retained Report Correction Request* **Form VTR-436-E** when an incorrect Owner Retained Report is submitted. Examples include when the **Form VTR-436** is submitted:

- for a motor vehicle with 100% or less damage (not a salvage or nonrepairable vehicle), or
- when the level of damage is incorrectly noted (i.e. when salvage is marked, but the vehicle is a nonrepairable vehicle, or vice versa)

Upon receipt and processing, the department will return the **Form VTR-436-E** to the insurance company to acknowledge that the requested correction has been made. A letter will be sent to the owner to advise of the correction and of any changes in the requirements.

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 an owner retained motor vehicle if the vehicle record reflects a "LEGAL RESTRAINT-CONTACT TxDMV (#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:

1. an *Application for Certified Copy of a Texas Certificate of Title,* **Form VTR-34** accompanied by the required verifiable proof;
2. an *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title* **Form VTR-441** signed by the recorded owner(s);
3. 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; and
4. 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 company letterhead.

Note: If the lien has not been satisfied, the lien may be carried forward to the new salvage ownership document, but must be shown on the Form VTR-441.

Self-Insured Motor Vehicles

Refer to Transportation Code Section 501.094

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 motor vehicle (i.e. cost of repairs is in excess of the pre damaged actual cash value or over 100%) or nonrepairable motor vehicle (i.e., only as a source of parts or scrap metal) that has been damaged and removed from normal operation must apply to the department for a Salvage or Nonrepairable Vehicle Title.

The owner must apply 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.

Requirements of Governmental Entities

A governmental entity includes a state, county, city or political subdivision of this state.

Acquisition of Salvage or Nonrepairable Motor Vehicle

A governmental entity that acquires 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.

Governmental entities are exempt from salvage vehicle dealer licensing requirements.

Self-insured Vehicles

Before the 31st day after a vehicle is damaged, a governmental entity must apply for 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.

Salvage and Nonrepairable Motor Vehicles Sold for Export-only

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;
2. before delivery, 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. Valid identification documents 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;

3. obtain the buyer's certification on a *Buyer's Certification of Export-only Sale,* **Form VTR-901** 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;

4. Stamp the words "FOR EXPORT ONLY" and print 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;

5. provide the buyer with a properly assigned Salvage or Nonrepairable Vehicle Title;

6. 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 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 an electronic form; and
- that include a:
  - 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**;
  - 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.

Application for Salvage or Nonrepairable Vehicle Title

Refer to Transportation Code Section 501.097

Form: *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title,* F**orm VTR-441.**

Note: Forms VTR-441 with the revision date of 9/2003 and later must be used. All other Forms VTR-441 with a revision date prior to 9/2003 will not be accepted.

Fee: $8 Place of Application

Applications for Salvage or Nonrepairable Vehicle Titles, accompanied by proper evidence of ownership, and the applicable fee must be submitted to**:**

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Attn: Salvage Vehicle Title Issuance
P.O. Box 26450
Austin, TX 78755-0450

or if using express mail submit this form to:

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

Supporting Evidence

The properly executed *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title*, **Form VTR-441** must be supported by:

1. Evidence of motor vehicle ownership properly assigned to the applicant or issued in the applicant's name.

Note: An insurance company 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 this chapter.)

2. Evidence sufficient to show ownership to the salvage or nonrepairable motor vehicle, includes:

- 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;
- a comparable salvage ownership document issued by another jurisdiction; or

- 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, but is a resident of another state (i.e. the owner is a resident of another state, but is active duty military stationed in Texas or 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.

3. 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 (where the vehicle was damaged, stolen or recovered).

4. If applicable, a photocopy of the inventory receipt (**Form VTR-340**) or a title and registration verification evidencing the negotiable evidence of ownership for a motor vehicle was surrender to the department by a licensed salvage vehicle dealer; and if the evidence of ownership surrendered was from another state, a photocopy of the front and back of the surrendered evidence of ownership.

5. Odometer disclosure statement as follows:

- Salvage Vehicle Title - An odometer disclosure statement completed 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 will no longer be required on applications for Nonrepairable Vehicle Titles.

6. A release of any liens, unless there is no change in ownership or the lien is to be carried forward to the Salvage or Nonrepairable Vehicle Title.

7. All other information or documentation required to support the title transaction, such as an original Power of Attorney.

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." Court documents must be certified by the county clerk or by a tax collector deputy or regional employee. POA would have to be certified by the county clerk, if filed with them or by the county tax collector deputy or regional employee.

Proof of Sales Tax Payment Required - Title Not in Insured Owner's Name:

Situations may occur when a vehicle is involved in an accident and the insured has not filed an application for title in the owner's name. In these situations, the department will not require the insured to file an application for title through a county tax assessor-collector's office; but motor vehicle sales tax MUST be paid.

- If the assignment of title indicates a purchaser (other than the insurance company requesting a Salvage or Nonrepairable Vehicle Title), proof of payment of sales tax must be included.
- This proof must be issued in the insured's name (purchaser in the first assignment of title) in the form of a *Tax Assessor-Collector's Receipt* **Form VTR-500-RTS** marked "For Tax Purposes Only".
- Provided the proof of sales tax payment accompanies the application for a Salvage or Nonrepairable Vehicle Title, the insured may assign the title to the insurance company paying the claim.

Recording Liens on Nonrepairable and Salvage Vehicle Titles

Refer to Transportation Code, Section 501.097

Salvage Vehicle Title

Note: A new lien may be recorded or an existing recorded lien may be carried forward to a Salvage Vehicle Title.

Nonrepairable 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 Vehicle Title or to carry a lien forward to a Nonrepairable Vehicle Title, all of the lien information must be reflected on the *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title* **Form VTR-441**.

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

Proof of Ownership

For proof of ownership purposes, the owner will be mailed a title and registration verification, or printout, of the motor vehicle record indicating a lien has been recorded.

Insurance Company Application Without Properly Assigned Evidence of Ownership

Refer to Transportation Code Section 501.092

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 on the evidence of ownership 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 by registered or certified mail with a return receipt requested.

Note: 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.

Title Evidence

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

- 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; or
  - 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 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.

- Notice by Newspaper Publication (only if applicable) – Proof is required to consist of evidence of the certified mail (same as above for certified mail) and a legible photocopy of the newspaper publication which includes the name and date of the publication.
- Release of any liens.
- All other information or documentation required to support the title transaction.
- $8 application fee.

Salvage or Nonrepairable Vehicle Title Issuance

Upon receipt of a completed **Form VTR-441**, accompanied by the $8 application fee and the 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 title documents issued for nonrepairable and salvage motor vehicles on or after September 1, 2003, are:

- *Salvage Vehicle Title*, **VTR-222-S**; and
- *Nonrepairable Vehicle Title*, **VTR-222-NR**.

Registration and Operation Prohibited

Registration Invalidated

All registration issued to a motor vehicle prior to it being damaged is invalidated upon:

- Issuance of a Salvage Vehicle Title or Nonrepairable Vehicle Title; or

- Receipt of an *Owner Retained Report*, **Form VTR-436**, advising that the insurance company has not acquired ownership of the motor vehicle and that the owner of a motor vehicle has retained the salvage or nonrepairable motor vehicle.

Registration

A motor vehicle may not be issued any form of registration (initial, renewal, or temporary) if the motor vehicle record indicates any the following:

- issuance of a:
  - Salvage Certificate;
  - Salvage Certificate of Title (issued prior to 9/1/2003);
  - Salvage Vehicle Title (issued on or after 9/1/2003);
  - Nonrepairable Certificate of Title (issued prior to 9/1/2003); or
  - Nonrepairable Vehicle Title (issued on or after 9/1/2003); or
- the following remarks
  - LEGAL RESTRAINT-CONTACT TxDMV (OR#) remark;
  - LEGAL RESTRAINT-CONTACT TxDMV (OR#) remark and REG INVALID remarks or
  - LEGAL RESTRAINT-CONTACT TxDMV (EXPORT ONLY) remark

Operation

The owner of a vehicle that has been issued a Salvage or Nonrepairable Vehicle Title or an owner retained motor vehicle may not operate or permit operation of the vehicle on a public highway until the vehicle is rebuilt, retitled, and properly registered.

Rights of Holder of Salvage or Nonrepairable Motor Vehicle Documents

Refer to Transportation Code, Section 501.098

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, but only after the vehicle has been rebuilt and placed in an operable condition, and 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.

may not:

- repair, rebuild, or reconstruct the motor vehicle;
- operate or permit operation of the motor vehicle on a public highway;
- register or title 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, except for insurance companies.
- If the vehicle has been rebuilt, the owner of the rebuilt salvage vehicle (licensed salvage vehicle dealers excluded) must apply for a Certificate of Title branded "Rebuilt Salvage," 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, a motor vehicle dealer that repairs or rebuilds a salvage or nonrepairable vehicle will be required to obtain a Certificate of Title branded "Rebuilt Salvage" in the dealer's 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.**

Sale, Transfer or Release of Ownership

Refer to Transportation Code Section 501.095

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 as follows:

Insurance Companies:

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.

An insurance company may not sell a salvage or nonrepairable motor vehicle unless the department has issued a Texas Salvage or Nonrepairable Vehicle Title, or a comparable out-of-state ownership document has been issued for the motor vehicle.

Sale Without Salvage or Nonrepairable Vehicle Title

Only a salvage vehicle dealer, metal recycler, or governmental entity may sell, transfer, or otherwise release ownership of a salvage or nonrepairable motor vehicle when a Salvage or Nonrepairable Vehicle Title or comparable out-of-state ownership document has **not** been issued.

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.

Self-insured Salvage or Nonrepairable Motor Vehicles:

The owner of a self-insured salvage or nonrepairable motor vehicle may not sell or otherwise transfer ownership of a salvage or nonrepairable motor vehicle, unless the department has issued a Texas Salvage or Nonrepairable Vehicle Title, or a comparable out-of-state ownership document has been issued for the motor vehicle.

Casual Sales

Salvage and nonrepairable motor vehicles may only be sold in a casual sale by a:

- licensed salvage vehicle dealer;
- insurance company at auction; or
- salvage pool operator at auction.

The seller may sell no more than five salvage or nonrepairable motor vehicles to the same person in a calendar year.

Export-only Sales

Only a salvage vehicle dealer or governmental entity may sell a salvage or nonrepairable motor vehicle to a non-United States resident (for export-only).

Flood Damaged Vehicles

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

Off-site Sales

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

Purchases by Unlicensed Buyers

A person who does not hold a Salvage Vehicle Dealer License may not purchase more than five salvage or nonrepairable motor vehicles in a calendar year. A Salvage Vehicle Dealer License is required if more than five salvage or nonrepairable vehicles are purchased in a calendar year.

Casual Sales

Refer to Transportation Code, Sections 501.091(2) and 501.105 and Occupations Code, Section 2302.204

A casual sale is the sale of five or less nonrepairable or salvage motor vehicles to the same unlicensed 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.

Note: The sale of a salvage or nonrepairable motor vehicle to a motor vehicle dealer is also considered a casual sale.

Salvage and nonrepairable motor vehicles may only be sold in a casual sale by a:

- licensed salvage vehicle dealer;
- insurance company at auction; or
- salvage pool operator at auction.

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

Vehicles sold in a casual sale must 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 (a buyer that does not hold a salvage vehicle dealer license) must be licensed as a salvage vehicle dealer, if the person:

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

Casual Sale Records

Form: *Casual Sale Record*, Form VTR-903 or electronic format Records of all casual sales must:

- be maintained by the seller for 36-months from the date of sale;
- be maintained on the business premises of the seller;
- be made available for law enforcement inspection upon request; and
- include:
  - 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).

Export-Only Salvage and Nonrepairable Motor Vehicles

Different procedures apply for regular vehicles or salvage and nonrepairable sold for export only. Refer to the comparison chart at the end of this chapter and **Chapter 29, "Motor Vehicle Dealers"** for detailed information on export-only sales for regular vehicles.

Sale of Export-only Motor Vehicles

Refer to Transportation Code, Section 501.099

An export-only motor vehicle is a nonrepairable or salvage 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 completed 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.

For Export Only Notation

The seller of an export-only motor vehicle will 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 or governmental entity's name. The words will be at least two inches wide and clearly legible.

Records of Export-Only Sales

Records of each export only sale are required to:

- be maintained by the seller for at least three years from the date of sale;
- be maintained on the business premises of the seller; and
- be made available for law enforcement inspection upon request.

Records must include for each sale:

- 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.

Maintenance of Records

The export-only sale records must be maintained either:

- on a *For Export-Only Sales Record*, **Form VTR-902** or
- in an electronic format approved by the department.

Reporting of Export-only Sales

Only Texas-titled nonrepairable or salvage motor vehicles sold for export-only are required to be reported to the department; however, salvage vehicle dealers and governmental entities are required to maintain records of **all** salvage or nonrepairable motor vehicles sold for export-only.

Note: The Form VTR-902 may be used to maintain one list of all vehicles sold for export-only (including non-salvage or nonrepairable motor vehicles), regardless of whether they are Texas-titled or out-of-state; however, the seller must identify on the form the state of title issuance and the type of ownership evidence given to the buyer. VTR requests the following abbreviations be used:

- R = regular (non-salvage title) motor vehicle ownership evidence
- S = Salvage motor vehicle ownership evidence
- NR = Nonrepairable motor vehicle ownership evidence

A legible copy of the **Form VTR-902** must be submitted to the department within 30 days after the dates of sale of the motor vehicles listed on the form.

Mail to:

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Attn.: Vehicle Data Management Branch
Austin, Texas 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 remark reads:

Legal Restraint-Contact TxDMV (#Export)

A vehicle for which the motor vehicle record indicates the above remark may not be registered, including issuance of temporary registration, or titled in Texas.

Innocent Purchaser of an Export-Only Vehicle

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

Examples of when a court order is required 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 TxDMV (#EXPORT)” remark; or
- the Texas motor vehicle record indicates a “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark.

Note: A court order will also be required if a motor vehicle indicates a “LEGAL RESTRAINT-CONTACT TxDMV (#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 *United States Government Certificate to Obtain Title to a Vehicle*, Form 97.

A tax collector’s hearing or bonded titles are not available options in this instance.

Upon receipt of an appropriate court order, the “EXPORT-ONLY” remark will be removed to allow processing of a Texas Certificate of Title branded “Rebuilt Salvage”.

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.

Export-only Sale Reported in Error

If a salvage vehicle dealer or governmental entity reports an export only sale to the department in error, the seller must submit a written statement to the department advising of the error and requesting removal of the “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark.

If the salvage ownership document was issued in the salvage vehicle dealer or governmental entity's name, the salvage vehicle dealer or governmental entity must submit:

1. a statement of fact describing the vehicle, explaining the error, and requesting the “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark be removed from the record;
2. a copy of the current Certificate of Salvage Vehicle Dealer License issued by the VTR Special Plates Branch, if applicable; and
3. if the Salvage or Nonrepairable Vehicle Title was also stamped in error, the items listed under *Salvage or Nonrepairable Vehicle Titles Stamped “For Export-only” in Error* (below).

Note: A court order will also be required if a motor vehicle indicates a LEGAL RESTRAINT - Contact TxDMV (#EXPORT)

Salvage or Nonrepairable Vehicle 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 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:

1. an *Application for a Certified Copy of a Nonrepairable or Salvage Vehicle Title* (**Form VTR-34-S**);
2. the appropriate verifiable proof documentation, such as a copy of the government-issued photo ID of the person signing the **Form 34-S** or a letter of signature authority from a lienholder (see Chapter 24, “Certified Copies” for more information);
3. the incorrectly stamped Salvage or Nonrepairable Vehicle Title that shows the salvage vehicle dealer or governmental entity as the owner on the face of the title (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);
4. a statement of fact from the salvage vehicle dealer or governmental entity explaining the error;
5. a copy of the current *Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License*, **Form VTR-100** issued by the VTR Special Plates Branch; and the $2 application fee.

If the salvage vehicle dealer was the seller in the last completed salvage ownership reassignment, the salvage vehicle dealer must apply for an original salvage ownership document (not a certified copy) by submitting:

1. an *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title* (**Form VTR-441**);
2. the incorrectly stamped salvage ownership document that indicates assignment to the salvage vehicle dealer on the back of the title (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);
3. a statement of fact from the salvage vehicle dealer or governmental entity explaining the error;

4. a copy of the current *Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License,* **Form VTR-100** issued by the VTR Special Plates Branch, if applicable;
5. any other documentation required to accompany the transaction, such as an original power of attorney;
6. an $8 application fee.

Lost Salvage or Nonrepairable Vehicle Title 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 TxDMV (#EXPORT)” remark, a certified copy of a Salvage or Nonrepairable Vehicle Title may not be issued.

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

Upon receipt of an appropriate court order, the export-only remark will be removed to allow issuance of a certified copy of the lost salvage ownership document or, if applicable, a Texas Certificate of Title branded “Rebuilt Salvage”.

Surrender of “For Export-only” Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard

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** the department will:

- accept the surrendered Salvage or Nonrepairable Vehicle Title;
- process the transaction as usual, by adding a remark to the motor vehicle record to indicate the evidence of ownership has been surrendered to the department; and
- mark the motor vehicle record with an export only remark, if not already marked, to prevent processing of any subsequent titles or issuance of registration (LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT).

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”) may be issued for the motor vehicle.

Out-of-State Buyers

Refer to Transportation Code, Section 501.091(11)

An out-of-state buyer is defined as 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
- based on the stipulation that Texas licensed salvage vehicle dealers are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction.

The "out-of-state buyer" is required to hold a license similar to the Texas salvage vehicle dealer license. The issuing state or country must allow the purchase of salvage and nonrepairable motor vehicles by Texas licensed salvage vehicle dealers.

Certified Copy of Salvage or Nonrepairable Vehicle Title

Form

Application for Certified Copy of Texas Nonrepairable or Salvage Vehicle Title
Form VTR-34-S

Fee: $2

Mail to:

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

Replacement Forms

If a Salvage or Nonrepairable Vehicle Title is lost, mutilated or destroyed, the owner, or lienholder, (if applicable), or a verified agent of either, may apply to the department for a certified copy or replacement of the document, except as provided below for owner-retained salvage and nonrepairable motor vehicles, or salvage or nonrepairable motor vehicles sold for export-only.

The **Form VTR-34-S** must be completed by the owner, or lienholder (if applicable), and submitted to the department with the:

- appropriate verifiable proof documentation (refer to Chapter 24, "Certified Copies" for information regarding verifiable proof documents required to accompany the application); and
- $2 fee.

The issued certified copy may not be the same type document that is being replaced. Table 26-1 shows what type document will be issued upon application for a certified copy on or after September 1, 2003:

Table 26-1 Replacement Forms

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 (COA) Issued Prior to October 1, 2007	Nonrepairable Vehicle Title
Export-only Nonrepairable or Salvage Vehicle Title	Certified Copy will NOT be issued (unless stamped in error)

Exceptions

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

- “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark indicating that the salvage or nonrepairable motor vehicle was sold to a non-United States resident; or
- “LEGAL RESTRAINT-CONTACT TxDMV (#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 motor vehicle has been retained by the owner.

Lost Salvage or Nonrepairable Vehicle Title that was Stamped “For Export Only”

If a Salvage or Nonrepairable Vehicle Title that was stamped “For Export Only” is lost, and/or the motor vehicle record indicates the “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark, a certified copy may not be issued. A valid court order will be required to remove the “LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)” remark.

Salvage or Nonrepairable Vehicle Title Stamped “For Export Only” in Error

If a Salvage or Nonrepairable Vehicle Title is stamped “FOR EXPORT ONLY” in error, a certified copy may only be issued if the incorrectly stamped title was issued in the salvage vehicle dealer or governmental entity’s name (as owner on face of title).

A certified copy of the Salvage or Nonrepairable Vehicle Title may be requested by submitting:

- an *Application for a Certified Copy of a Nonrepairable or Salvage Vehicle Title*, **Form VTR-34-S**;
- the appropriate verifiable proof documentation;
- the incorrectly stamped Salvage or Nonrepairable Vehicle Title that shows the salvage vehicle dealer or governmental entity as the owner on the face of the 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 from the salvage vehicle dealer or governmental entity explaining the error
- a copy of the current *Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License*, **Form VTR-100** issued by the VTR Special Plates Branch; and
- the $2 application fee.

Dealers as Sellers in the Last Completed Salvage Ownership Reassignment.

A certified copy of the Salvage or Nonrepairable Vehicle Title may not be issued if the salvage vehicle dealer was the seller in the last completed salvage ownership reassignment. In this case, the salvage vehicle dealer must apply for an original salvage ownership document (not a certified copy) by submitting:

- an *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title*, **Form VTR-441**;
- the incorrectly stamped salvage ownership document that indicates assignment to the salvage vehicle dealer on the back of the 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 from the salvage vehicle dealer or governmental entity explaining the error
- a copy of the current *Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License*, **Form VTR-100** issued by the VTR Special Plates Branch, if applicable;
- any other documentation required to accompany the transaction, such as an original power of attorney;
- an $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 TxDMV (#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:

- an *Application for Certified Copy of a Texas Certificate of Title*, **Form VTR-34** accompanied by the required verifiable proof;
- an *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title*, **Form VTR-441** signed by the recorded owner(s);
- 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; and
- 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.

Note: If the lien has not been satisfied, the lien may be carried forward to the new salvage ownership document, but must be shown on the Form VTR-441.

Metal Recyclers

Transportation Code, Section 501.091(7)

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 Required

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

An *Application for Metal Recycler Certification and Inventory Number Application,* **Form VTR-217** must be completed and submitted to the nearest VTR regional office.

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

Salvage Vehicle Dealer License Required

A metal recycler is exempt from the requirement to obtain a salvage vehicle dealer license, 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
- used for that purpose.

Surrender of Ownership Documents to the Department by Metal Recycler

Refer to Transportation Code, Section 501.107 & Occupations Code, Section 2302.205

Form

Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership, **Form VTR-340**

Not later than the 60th day after the holder of a metal recycler inventory number acquires ownership of a motor vehicle for the purpose of dismantling, scrapping, or destroying, the metal recycler must:

- remove all unexpired license plates and registration stickers from the motor vehicle; and

- surrender to the department: an *Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership,* **Form VTR-340** certifying that all unexpired license plates and registration stickers have been removed from the motor vehicle; and
- the properly assigned certificate of title or other evidence of ownership for each motor vehicle listed on the **Form VTR-340**.

The above requirement applies to all motor vehicles acquired by a metal recycler.

Upon receipt of the report, the department will note the motor vehicle record with a remark indicating 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 stickers removed from the vehicles listed on the **Form VTR-340** must 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.

Removal of License Plates and Surrender of Certain Documents

Refer to Transportation Code Sec. 501.096 & Occupations Code Section 2302.257

Form

Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership, **Form VTR-340**

Not later than the 30th day after a motor vehicle is acquired by a salvage vehicle dealer, the salvage vehicle dealer must:

1. remove all unexpired license plates and registration stickers; and
2. surrender to the department:
    - an *Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership,* **Form VTR-340** certifying that all unexpired license plates and registration 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.

The above requirement applies to the following vehicles acquired by a salvage vehicle dealer:

- salvage or nonrepairable motor vehicle for the purpose of dismantling, scrapping, or destruction;

- salvage or nonrepairable motor vehicle that is not titled by salvage or nonrepairable evidence of ownership; or
- NON-salvage or nonrepairable motor vehicle for the purpose of dismantling, scrapping, or destruction.

Upon receipt of the report, the department will note the motor vehicle record with a remark indicating the evidence of ownership has been surrendered to the department.

A person or business concern (corporation, partnership, association, etc.), that is not customarily engaged in the business of salvaging or junking motor vehicles, must surrender the evidence of ownership to the department for cancellation for any vehicle acquired that is not classified as a salvage or nonrepairable motor vehicle, but the vehicle has been scrapped, destroyed, or dismantled in such a manner that it loses its character as a motor vehicle.

An owner may also surrender a Texas title to the department for cancellation in situations when it is advisable to take the title out of circulation.

- Upon receipt of the surrendered title, the department will note the motor vehicle record with a remark indicating the evidence of ownership has been surrendered to the department by the owner.
- If at a later date the vehicle owner needs a title to the vehicle, the procedure given under Application for Salvage Ownership Document after Surrender of Ownership Evidence, may be followed. In lieu of the **Form VTR-340**, the owner may submit a title and registration verification evidencing the negotiable evidence of ownership for a motor vehicle was surrendered to the department.
- Upon proper application, the department will issue an original Salvage Vehicle Title to the owner.

Application for Salvage Ownership Document after Surrender of Ownership Evidence

Form: *Application for Salvage or Nonrepairable Vehicle Title*, **Form VTR-441**

Fee: $8 application fee

Place of Application: VTR Headquarters Office in Austin

If at a later date a salvage or nonrepairable motor vehicle is sold and the evidence of ownership has been surrendered to the department, the owner, who surrendered the evidence of ownership, must apply to the department for the appropriate salvage ownership document (Salvage or Nonrepairable Vehicle Title) for the motor vehicle.

Note: If the evidence of ownership has been surrendered to the department and the vehicle is sold to a metal recycler, a *Salvage Bill of Sale*, Form VTR-203, may be provided to the metal recycler in lieu of a title or other evidence of ownership.

These requests are processed only at the VTR Headquarters Office in Austin upon proper application and payment of the $8 application fee. The application must be supported by the following, if:

- Texas evidence of ownership was 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 or a title and registration verification evidencing the negotiable evidence of ownership for a motor vehicle was surrendered to the department.
- Out-of-state evidence of ownership was 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.

Note: If a copy of the front and back of the surrendered out-of-state evidence of ownership, indicating proper assignment to the applicant, is not available (either from the applicant's records or from VTR regional office records), the only options available to the applicant are to apply for a Nonrepairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking or dismantling only; or obtain a valid court order.

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.

If the evidence of ownership has been surrendered to the department (the vehicle record indicates the evidence of ownership has been surrendered to the department) and a component part of the vehicle which requires a certificate of title to transfer ownership of the component part is sold (i.e. body, Volkswagen floor pan, or commercial vehicle frame), a *Component Parts Bill of Sale*, **Form VTR-63** will be acceptable as evidence of ownership.

- The bill of sale must record the title/document number and description of the vehicle as recorded on the surrendered title.
- If a **Form VTR-63** is used to transfer ownership of such a component part and the department’s records do not contain a remark indicating that the evidence of ownership has been surrendered to the department, the title will be required to support the application.

Surrender of “For Export-only” Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard

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** the department will:

1. accept the surrendered Salvage or Nonrepairable Vehicle Title;
2. process the transaction as usual, by adding a remark to the motor vehicle record to indicate the evidence of ownership has been surrendered to the department; and
3. If the record does not indicate the “Legal Restraint –Contact TxDMV (#Export) remark, the remark should be added. A copy of the VTR-340 and a copy of the surrendered ownership evidence indicating the “For Export- Only” stamp should be sent to the divisions’ Vehicle Data Management Branch.

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.

Application for Authorization to Dispose of Certain Motor Vehicles

Refer to Transportation Code, Section 683.051

Form: *Application for Authority to Dispose of Vehicle at a Foreclosure Sale*, **Form VTR-70**

Fee: $10

Application for Authority to Dispose of a Motor Vehicle to a Demolisher, **Form VTR-71-2**

Fee: $2

Application for Authority to Dispose of a Motor Vehicle to a Demolisher, **Form VTR-71-2X** (Law enforcement)

Fee: $2

Transportation Code, Section 683.051 provides a procedure for disposal of a vehicle to a demolisher for demolition, wrecking, or dismantling only.

A person, firm, corporation, or unit of government on whose property or in whose possession is found any abandoned motor vehicle or any person being the owner of a motor vehicle whose title is faulty, lost, or destroyed may apply to the department for authority to sell, give away, or dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only.

Upon approval of the application, the department will issue to the applicant a

Nonrepairable Vehicle Title, **Form VTR-222-NR** as authorization to dispose of a motor vehicle to a demolisher for demolition, wrecking, or dismantling only.

A vehicle that was issued a Nonrepairable Vehicle Title and has been disposed of in this manner may not be reconstructed, made operable or retitled and the component part of such vehicle upon which the recognized vehicle identification number appears may not be used in the construction of another vehicle, such as an assembled vehicle, rebuilt vehicle, body change, etc. A salvage ownership document may not be issued for these vehicles.

Also, under the provisions of this section, any person, firm, corporation, or unit of government in possession of an abandoned vehicle which was

authorized to be towed in by a police department and which is over eight years old and has no engine or is otherwise totally inoperable, may, upon affidavit of such facts and approval of the police department, apply to the department for a Nonrepairable Vehicle Title to dispose of such vehicle to a demolisher for demolition, wrecking or dismantling only. If the application is approved, a Nonrepairable Vehicle Title will be issued.

Out-of-state Motor Vehicles

The department will only accept requests for Nonrepairable Vehicle Titles for motor vehicles for which there is a direct connection to Texas. Examples include vehicles that are titled out-of-state, but were:

- Issued a Texas Registration Purposes Only (RPO) receipt (registration only);
- 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 direct connection to Texas must be submitted with a Nonrepairable Vehicle Title application. If the vehicle is an out-of-state vehicle the 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 or an insurance company generated loss or claim report that includes the name of 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).

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.

Authority Document Issuance Nonrepairable Vehicle Title Document Issuance

House Bill 3588, enacted by the 78th Texas Legislature, 2001, requires the department to issue a Nonrepairable Vehicle Title instead of COA under the provisions of Transportation Code, Chapter 683. Beginning October 1, 2007, the department began issuing a *Nonrepairable Vehicle Title***, Form VTR-222-NR,** instead of a *Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking, or Dismantling Only,* **Form VTR-71-3**. The requirements and procedures for obtaining authority to dispose of a motor vehicle to a demolisher remain the same.

Salvage Document or Certificate Of Authority to Dispose of A Motor Vehicle (COA) Issued In Error

If a Texas Salvage or Nonrepairable Vehicle Title, or a COA issued prior to October 1, 2007, is issued in error the following procedure may be used to reinstate the prior Texas Certificate of Title record.

Note: This procedure also applies to vehicles for which the title was surrendered to the department by a licensed salvage vehicle dealer, but only if the vehicle is not a salvage or nonrepairable vehicle, and the vehicle is not to be dismantled, scrapped or destroyed.

A written request must be submitted by the person/entity to which the document was issued. The following items must be submitted to support title issuance;

- 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).

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

The above items should be mailed to:

Texas Department of Motor Vehicles
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.

Definitions

Transportation Code Section 501.091

In this subchapter:

(1) "Actual cash value" means the market value of a motor vehicle.

(2) "Casual sale" means the sale by a salvage vehicle dealer or an insurance company of not more than five nonrepairable motor vehicles or salvage motor vehicles to the same person during a calendar year. The term does not include:

(A) a sale at auction to a salvage vehicle dealer; or

(B) the sale of an export-only motor vehicle to a person who is not a resident of the United States.

(3) "Damage" means 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.

(4) "Export-only motor vehicle" means a motor vehicle described by Section 501.099.

(5) "Insurance company" means:

(A) a person authorized to write automobile insurance in this state; or

(B) an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

(6) "Major component part" means one of the following parts of a motor vehicle:

(A) the engine;

(B) the transmission;

(C) the frame;

(D) a fender;

(E) the hood;

(F) a door allowing entrance to or egress from the passenger compartment of the motor vehicle;

(G) a bumper;

(H) a quarter panel;

(I) a deck lid, tailgate, or hatchback;

(J) the cargo box of a one-ton or smaller truck, including a pickup truck;

(K) the cab of a truck;

(L) the body of a passenger motor vehicle;

(M) the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

(7) "Metal recycler" means a person who:

(A) 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;

(B) 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

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(8) "Motor vehicle" has the meaning assigned by Section 501.002(14).

(9) "Nonrepairable motor vehicle" means a motor vehicle that:

(A) 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

(B) 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.

(10) "Nonrepairable vehicle title" means a document issued by the department that evidences ownership of a nonrepairable motor vehicle.

(11) "Out-of-state buyer" means 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.

(12) "Out-of-state ownership document" means a negotiable document issued by another state or jurisdiction that the department considers sufficient to prove ownership of a nonrepairable motor vehicle or salvage motor vehicle and to support the issuance of a comparable Texas certificate of title for the motor vehicle. The term does not include a title issued by the department, including a regular certificate of title, a nonrepairable vehicle title, a salvage vehicle title, a Texas Salvage Certificate, Certificate of Authority to Demolish a Motor Vehicle, or another ownership document issued by the department.

(13) "Public highway" has the meaning assigned by Section 502.001.

(14) "Rebuilder" means 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.

(15) "Salvage motor vehicle":

(A) means a motor vehicle that:

(i) 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

(ii) is damaged and that 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

(B) does not include an out-of-state motor vehicle with a "rebuilt," "prior salvage," "salvaged," or similar notation, a nonrepairable motor vehicle, or a motor vehicle for which an insurance company has paid a claim for:

(i) the cost of repairing hail damage; or

(ii) theft, unless the motor vehicle was damaged during the theft and before recovery to the extent described by Paragraph (A)(i).

(16) "Salvage vehicle title" means a document issued by the department that evidences ownership of a salvage motor vehicle.

(17) "Salvage vehicle dealer" means a person engaged in this state in the business of acquiring, selling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or, if incidental to a salvage motor vehicle dealer's primary business, used automotive parts. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than five salvage motor vehicles in the same calendar year or, except as provided by Paragraph (C), a used automotive parts recycler. The term includes a person engaged in the business of:

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

(B) dealing in nonrepairable motor vehicles or salvage motor vehicles; or

(C) a used automotive parts recycler if the sale of repaired, rebuilt, or reconstructed nonrepairable motor vehicles or salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.

(18) "Self-insured motor vehicle" means 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.

(19) "Used part" means 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.

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

Insurance Company to Surrender Certificates of Title to Certain Salvage Motor Vehicles or Nonrepairable Motor Vehicles

Transportation Code Section 501.092

(a) An insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall surrender a properly assigned title or manufacturer's certificate of origin to the department, on a form prescribed by the department, except that not earlier than the 46th day after the date of payment of the claim the insurance company may surrender a certificate of title, on a form prescribed by the department, and receive a salvage certificate of title or a nonrepairable certificate of title without obtaining a properly assigned certificate of title if the insurance company:

(1) has obtained the release of all liens on the motor vehicle;

(2) is unable to locate one or more owners of the motor vehicle; and

(3) has provided notice to the last known address in the department's records to each owner that has not been located:

(A) by registered or certified mail, return receipt requested; or

(B) if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent.

(b) For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title.

(c) An insurance company may not sell a motor vehicle to which this section applies unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

(d) An insurance company may sell a motor vehicle to which this section applies, or assign a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle, only to a salvage vehicle dealer, an out-of-state buyer, a buyer in a casual sale at auction, a metal recycler, or a used automotive parts recycler. If the motor vehicle is not a salvage motor vehicle or a nonrepairable motor vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle.

(e) An insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title or a nonrepairable vehicle title for the vehicle.

Insurance Company Report on Certain Vehicles

Transportation Code Section 501.093

(a) If an insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, the insurance company shall submit to the department, before the 31st day after the date of the payment of the claim, on the form prescribed by the department, a report stating that the insurance company:

(1) has paid a claim on the motor vehicle; and

(2) has not acquired ownership of the motor vehicle.

(b) The owner of a motor vehicle to which this section applies may not operate or permit operation of the motor vehicle on a public highway or transfer ownership of the motor vehicle by sale or otherwise unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

(c) Subsection (b) does not apply if:

(1) the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle; or

(2) another state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle.

Self-insured Motor Vehicle

Transportation Code Section 501.094

(a) This section applies only to a motor vehicle in this state that is:

(1) a self-insured motor vehicle;

(2) damaged to the extent it becomes a nonrepairable or salvage motor vehicle; and

(3) removed from normal operation by the owner.

(b) The owner of a motor vehicle to which this section applies shall submit to the department before the 31st day after the date of the damage, on the form prescribed by the department, a report stating that the motor vehicle was self-insured, damaged, and was removed from normal operation.

(c) When the owner submits a report under Subsection (b), the owner shall:

(1) surrender the regular certificate of title or manufacturer's certificate of origin for the motor vehicle; and

(2) apply for a nonrepairable vehicle title or salvage vehicle title under this subchapter.

Sale, Transfer, or Release of Nonrepairable Motor Vehicle or Salvage Motor Vehicle

Transportation Code Section 501.095

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

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

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

(3) a governmental entity; or

(4) an out-of-state buyer.

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

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

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

(c) If the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle or another state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle, a person may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle to any person.

Nonrepairable Motor Vehicle or Salvage Motor Vehicle Dismantled, Scrapped, or Destroyed

Transportation Code Section 501.096

(a) If a salvage vehicle dealer acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, the dealer shall, before the 31st day after the date the dealer acquires the motor vehicle, submit to the department a report stating that the motor vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

(1) make the report on a form prescribed by the department; and

(2) submit with the report a properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for the motor vehicle.

(b) After receiving the report and title or document, the department shall issue the salvage vehicle dealer a receipt for the manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document.

(c) The salvage vehicle dealer shall:

(1) keep on the business premises of the dealer, until the third anniversary of the date the report on the motor vehicle is submitted to the department, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed; and

(2) present to the department, on the form prescribed by the department, evidence that the motor vehicle was dismantled, scrapped, or destroyed before the 61st day after the date the dealer completed the dismantling, scrapping, or destruction of the motor vehicle.

Application for Nonrepairable Vehicle Title or Salvage Vehicle Title

Transportation Code Section 501.097

(a) An application for a nonrepairable vehicle title or salvage vehicle title must:

(1) be made on a form prescribed by the department and accompanied by a $8 application fee;

(1) include, in addition to any other information required by the department:

(A) the name and current address of the owner;

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number; and

(C) a statement describing whether the motor vehicle:

(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;

(ii) is a self-insured motor vehicle under Section 501.094;

(iii) is an export-only motor vehicle under Section 501.099; or

(iv) was sold, transferred, or released to the owner or former owner of the motor vehicle or a buyer at a casual sale; and

(2) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

(b) On receipt of a complete application, the properly assigned title or manufacturer's certificate of origin and the application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate title for the motor vehicle.

(c) A nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a regular certificate of title or registered in this state;

(C) be operated on a public highway, in addition to any other requirement of law; and

(2) only be used as a source for used parts or scrap metal.

(d) The fee collected under Subsection (a) (1) shall be credited to the state highway fund to defray the costs of administering this subchapter and the costs to the department for issuing the title.

Rights of Holder of Nonrepairable Vehicle Title or Salvage Vehicle Title

Transportation Code Section 501.098

(a) A person who holds a nonrepairable vehicle title for a motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, record a lien as provided for in Section 501.097(a)(3)(A), and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle;

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law;

(B) repair, rebuild, or reconstruct the motor vehicle; or

(C) register the motor vehicle.

(b) A person who holds a nonrepairable certificate of title issued prior to September 1, 2003:

(1) is entitled to:

(A) repair, rebuild, or reconstruct the motor vehicle;

(B) possess, transport, dismantle, scrap, or destroy the motor vehicle; and

(C) sell, transfer, or release ownership of the vehicle or a used part from the motor vehicle; and

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law; or

(B) register the motor vehicle.

(c) A person who holds a salvage vehicle title for a motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, repair, rebuild, reconstruct, record a lien on, and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law.

Sale of Export-Only Motor Vehicles

Transportation Code Section 501.099

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

(b) A person may purchase a nonrepairable motor vehicle or a salvage motor vehicle only if:

(1) the person purchases the motor vehicle from a licensed salvage vehicle dealer or a governmental entity;

(2) the motor vehicle has been issued a nonrepairable vehicle title or a salvage vehicle title; and

(3) the purchaser certifies to the seller on a form provided by the department that the purchaser will:

(A) remove the motor vehicle from the United States; and

(B) 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.

(c) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall, before the sale of the motor vehicle, obtain a copy, photocopy, or other accurate reproduction of a valid identification card, identification certificate, or an equivalent document issued to the purchaser by the appropriate authority of the jurisdiction in which the purchaser resides that bears a photograph of the purchaser and is capable of being verified using identification standards adopted by the United States or the international community.

(d) The department by rule shall establish a list of identification documents that are valid under Subsection (c) and provide a copy of the list to each holder of a salvage vehicle dealer license and to each appropriate governmental entity.

(e) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall:

(1) stamp on the face of the title so as not to obscure any name, date, or mileage statement on the title the words "FOR EXPORT ONLY" in capital letters that are black; and

(2) stamp in each unused reassignment space on the back of the title the words "FOR EXPORT ONLY" and print the number of the dealer's salvage vehicle license or the name of the governmental entity, as applicable.

(f) The words "FOR EXPORT ONLY" required by Subsection (e) must be at least two inches wide and clearly legible.

(g) A salvage vehicle dealer or governmental entity who sells a nonrepairable motor vehicle or a salvage motor vehicle under this section to a person who is not a resident of the United States shall keep on the business premises of the dealer or entity until the third anniversary of the date of the sale:

(1) a copy of each document related to the sale of the vehicle; and

(2) a list of all vehicles sold under this section that contains:

(A) the date of the sale;

(B) the name of the purchaser;

(C) the name of the country that issued the identification document provided by the purchaser, as shown on the document; and

(D) the vehicle identification number.

(h) This section does not prevent a person from exporting or importing a used part obtained from an export-only motor vehicle.

Application for Regular Certificate of Title for Salvage Vehicle

Transportation Code Section 501.100

(a) A vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003 or a salvage vehicle title has been issued may be issued a regular certificate of title after the motor vehicle has been repaired, rebuilt, or reconstructed by a person described by Section 501.104(a) and, in addition to any other requirement of law, only if the application is accompanied by a separate form that:

(1) describes each major component part used to repair the motor vehicle; and

(2) shows the identification number required by federal law to be affixed to or inscribed on the part.

(b) On receipt of a complete application under this section accompanied by the $13 fee for the certificate of title, the department shall issue the applicant a regular certificate of title for the motor vehicle.

Note: The application fee for a certificate of title was increased to $28 and $33 by the 78th Texas Legislature, 2003.

(c) A regular certificate of title issued under this section must:

(1) describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle; and

(2) bear on its face the words "REBUILT SALVAGE" in capital letters that:

(A) are red;

(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(C) do not prevent any other words on the title from being read or copied.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a $65 rebuilder fee.

(e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit $50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and $15 to the credit of the general revenue fund.

(f) The department may not issue a regular certificate of title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.096(b); or

(3) certificate of authority.

Issuance of Title to Motor Vehicle Brought Into State

Transportation Code Section 501.101

(a) This section applies only to a motor vehicle brought into this state from another state or jurisdiction that has on any certificate of title or comparable out-of-state ownership document issued by the other state or jurisdiction:

(1) a "rebuilt," "salvage," or similar notation; or

(2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," or similar notation.

(b) On receipt of a complete application from the owner of the motor vehicle, the department shall issue the applicant the appropriate certificate of title for the motor vehicle.

(c) A certificate of title issued under this section must show on its face:

(1) the date of issuance;

(2) the name and address of the owner;

(3) any registration number assigned to the motor vehicle; and

(4) a description of the motor vehicle or other notation the department considers necessary or appropriate.

Offenses

Transportation Code Section 501.102

(a) A person commits an offense if the person:

(1) applies to the department for a regular certificate of title for a motor vehicle; and

(2) knows or reasonably should know that:

(A) the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(B) the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(C) the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(D) the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle;

(E) the motor vehicle is an export-only motor vehicle; or

(F) the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.

(b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage motor vehicle in violation of this subchapter.

(c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the person:

(1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or

(2) knows the vehicle has become a nonrepairable motor vehicle or salvage motor vehicle under Section 501.094.

(d) Except as provided by Subsection (e), an offense under this section is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under this section that the defendant has been previously convicted of:

(1) one offense under this section, the offense is a Class B misdemeanor; or

(2) two or more offenses under this section, the offense is a state jail felony.

Color of Nonrepairable Vehicle Title or Salvage Vehicle Title

Transportation Code Section 501.103

(a) The department shall print a nonrepairable vehicle title:

(1) in a color that distinguishes it from a regular certificate of title or salvage vehicle title; and

(2) so that it clearly shows that it is the negotiable ownership document for a nonrepairable motor vehicle.

(b) A nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not be:

(A) issued a regular certificate of title;

(B) registered in this state; or

(C) repaired, rebuilt, or reconstructed; and

(2) may be used only as a source for used parts or scrap metal.

(c) The department shall print a salvage vehicle title:

(A) in a color that distinguishes it from a regular certificate of title or nonrepairable vehicle title; and

(B) so that each document clearly shows that it is the ownership document for a salvage motor vehicle.

(d) A salvage vehicle title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood must bear a notation on its face that the department considers appropriate. If the title for a motor vehicle reflects the notation required by this subsection, the owner may sell, transfer, or release the motor vehicle only as provided by this subchapter.

(e) The department may provide a stamp to a person who is a licensed salvage vehicle dealer under Chapter 2302, Occupations Code, to mark the face of a title under this subchapter. The department shall provide the stamp to the person for a fee in the amount determined by the department to be necessary for the department to recover the cost of providing the stamp.

Rebuilder to Possess Title or Other Documentation

Transportation Code Section 501.104

(a) This section applies only to:

(1) a rebuilder licensed as a salvage vehicle dealer;

(2) a person engaged in the business of a rebuilder, regardless of whether the person is licensed to engage in that business; or

(3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) A person described by Subsection (a) must possess:

(1) a regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for any motor vehicle that is:

(A) owned by the person;

(B) in the person's inventory; and

(C) being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:

(A) owned by another person;

(B) on the person's business or casual premises; and

(C) being repaired, rebuilt, or reconstructed for the other person.

Retention of Records Relating to Certain Casual Sales

Transportation Code Section 501.105

Each licensed salvage vehicle dealer, used automotive parts recycler, or insurance company that sells a nonrepairable motor vehicle or a salvage motor vehicle at a casual sale shall keep on the business premises of the dealer or the insurance company a list of all casual sales made during the preceding 36-month period that contains:

(1) the date of the sale;

(2) the name of the purchaser;

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

(4) *the vehicle identification number.*

Enforcement of Subchapter

Transportation Code Section 501.106

(a) *This subchapter shall be enforced by the department and any other governmental or law enforcement entity, including the Department of Public Safety, and the personnel of the entity as provided by this subchapter.*

(b) *The department, an agent, officer, or employee of the department, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance of a regular certificate of title, nonrepairable vehicle title, or salvage vehicle title under this subchapter.*

Applicability of Subchapter to Recycler

Transportation Code Section 501.107

(a) *This subchapter does not apply to a sale to, purchase by, or other transaction by or with, a metal recycler except as provided by Subsections (b) and (c).*

(b) *A metal recycler shall submit to the department the properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document that the person receives in conjunction with the purchase of a motor vehicle not later than the 60th day after the date the metal recycler receives the title or out-of-state ownership document.*

(c) *This subchapter applies to a transaction with a metal recycler in which a motor vehicle:*

(1) *is sold 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*

(2) *is used for that purpose.*

Table 26-2 Export-only Motor Vehicle Sales: Comparison

	Salvage/Nonrepairable Motor Vehicles (damage	**Regular Motor Vehicles (undamaged)**
Administering Division	VTR	MVD
Authority	Statute: Trans. Code §501.099 Administrative Rule: 43 TAC §17.67 (f) and (g)	Administrative Rule: §16 TAC §11.18
Applies to	Salvage Vehicle Dealers or governmental entities selling salvage or nonrepairable motor vehicles to a non-U.S. resident.	Licensed Texas Motor Vehicle Dealers selling "blue titled" motor vehicles to buyers that hold a foreign motor vehicle dealer license.
Requirement of Sellers	Seller (salvage vehicle dealer or governmental entity) must: • obtain Salvage or Nonrepairable Vehicle Title prior to sale; • obtain buyer's certification (Form VTR-902); • obtain legible copy of buyer's foreign ID; • maintain copies of the front and back of the stamped and assigned title; and • report the sale within 30 days to department.	Licensed motor vehicle dealer must: • stamp title with *For Export Only* and dealer # (P#) and • verify the validity of the buyer's foreign motor vehicle dealer license; • If the buyer is a Mexican Motor Vehicle Dealer, the seller must, in addition to the above: • obtain a legible copy of Mexican buyer's dealer license and the buyer's ID; • maintain copies of the front and back of the stamped and assigned title; and • complete a Motor Vehicle Sales Tax Exemption form.
Restrictions	Foreign buyer must remove the salvage or nonrepairable motor vehicle from the United States. The salvage or nonrepairable motor vehicle <u>may never be</u>: retitled in the U.S.; reregistered in the U.S.; or operated on Texas public roads. Note: Court Order would be required to issue a Texas title.	Foreign buyer must: remove the motor vehicle from the United States, and title or register the motor vehicle in a foreign jurisdiction prior to importing it back to the U.S. The motor vehicle <u>may be</u>: retitled in Texas and reregistered in Texas.
Reporting of Sales Required	Yes	No
Motor Vehicle Records Marked	Yes	No

	Salvage/Nonrepairable Motor Vehicles (damage	**Regular Motor Vehicles (undamaged)**
Stamped in Error Procedures	The seller who stamped the title in error must apply for the appropriate salvage or nonrepairable document in their name. If the salvage document is issued in the seller's name, a certified copy of the Salvage or Nonrepairable Vehicle Title may be requested by submitting: • a Form VTR-34-S, Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title; • the appropriate verifiable proof documentation; • the incorrectly stamped Nonrepairable or Salvage Vehicle Title; • a statement of fact from the salvage vehicle dealer or governmental entity explaining why the assignment to the foreign purchaser was cancelled; • 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.	The selling motor vehicle dealer who stamped the title in error must apply for a title in the dealer's name. If the incorrectly stamped title is issued in the seller's name, a certified copy of the title may be requested by submitting: • a properly executed Form VTR-34, Application for a Certified Copy of a Texas Certificate of Title; • the appropriate verifiable proof documentation; • the incorrectly stamped title document; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • a copy of the seller's current dealer license; and • a $2 (mail) or $5.45 (walk-in) application fee.
Stamped in Error Procedures continued	**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. If the seller was the seller in one of the salvage ownership document reassignments, the salvage vehicle dealer would need to apply for an original salvage ownership document by submitting: • a properly completed Form VTR-441, Application for Nonrepairable Vehicle Title or Salvage Vehicle Title; • the incorrectly stamped Nonrepairable or Salvage Vehicle Title; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • 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 • the $8 application fee. Note:If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue the Salvage or Nonrepairable Vehicle Title.	If the motor vehicle dealer was the seller in one of the title document reassignments, the dealer would need to apply for an original certificate of title through a County Tax office by submitting: • a properly completed Form 130-U, Application for Texas Certificate of Title; • the incorrectly stamped title document; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • a copy of the seller's current dealer license; and • the appropriate $28/$33 application fee.

	Salvage/Nonrepairable Motor Vehicles (damage	**Regular Motor Vehicles (undamaged)**
Certified Copy Issuance: Export Only Stamped Title is Lost	If a Nonrepairable or Salvage Vehicle Title that was stamped "For Export Only" is lost, and the motor vehicle record indicates the "Legal Restraint-Contact TxDMV (#Export)" notation: • a certified copy of a Nonrepairable or Salvage Vehicle Title may not be issued; and • a valid court order will be required to remove the "Legal Restraint-Contact TxDMV (#Export)" notation to allow further issuance of Texas Rebuilt Salvage title documents. • A certified copy may only be issued when title was stamped in error (see above).	A Certified Copy of the title may be issued.
Innocent Purchaser Procedures	• A valid court order will be required prior to issuance of a certificate of title to an innocent purchaser (United States resident) who purchases a nonrepairable or salvage motor vehicle that has been sold for export only (title is stamped or record is noted). • Examples of this situation include when an application for a Texas Certificate of Title is supported by a: 1. Nonrepairable or Salvage Vehicle Title, stamped "For Export Only;" 2. Foreign ownership document issued for the motor vehicle and the motor vehicle record indicates a "Legal Restraint-Contact TxDMV (#Export)" notation; or 3. The Texas motor vehicle record indicates a "Legal Restraint-Contact TxDMV (#Export)" notation. • Tax collector hearings or bonded titles are not available options in these instances. • Upon receipt of an appropriate court order, the export-only notation would be removed to allow processing of a Rebuilt Salvage Certificate of Title. • All subsequent certificates of title will 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	• The county should reject the transaction if: 1. the assignment/reassignment on the Texas title indicates a sale between a licensed Texas Motor Vehicle Dealer and a foreign dealer or foreign resident; and 2. the title is or is not stamped "For Export ONLY." Note: The counties have been asked to submit a photocopy of the front and back of these transfer documents (stamped or unstamped) to VTR, who in turn forwards the copies to MVD for investigation). • The buyer must provide proper foreign evidence of ownership (i.e. a foreign title or registration document); or may pursue: 1. a Tax Collector's Hearing; 2. a Bonded title; or may 3. obtain a valid court order.
Programming	VTR has requested the *Export Only* remark be a "hard stop" to prevent further Texas title or registration issuance.	None

Chapter 27

Rebuilt Salvage

This chapter contains the following sections:

- Rebuilt Salvage
- Salvage Vehicle Safety Inspection
- Application for Texas Certificate of Title Branded “Rebuilt Salvage”
- Issuance of Registration
- Issuance of Texas Certificate of Title Branded “rebuilt Salvage”
- Rebuilt Salvage Title Brands and Motor Vehicle Record Remarks
- Application for Regular Certificate of Title for Salvage Vehicle
- Issuance of Title to Motor Vehicle Brought Into State
- Rebuilder to Possess Title or Other Documentation

Rebuilt Salvage

Refer to Transportation Code, Section 501.100

Who Must Apply

In the following situations you must apply for a Texas Certificate of Title branded “Rebuilt Salvage”**:**

- When a salvage or nonrepairable (if applicable – see Vehicles that May Not be Rebuilt, Retitled, or Registered:) motor vehicle has been rebuilt and placed in an operable condition, the owner (licensed salvage vehicle dealers excepted) must apply for a Texas Certificate of Title branded “Rebuilt Salvage” before selling or otherwise transferring ownership of the vehicle.
- If the applicant purchases a salvage vehicle that has already been rebuilt and:
  - component parts were used, the person rebuilding the vehicle must complete the “Rebuilder Certification” portion of the *Rebuilt Affidavit*, **Form VTR-61**.
  - component parts were not used, the “Rebuilder Certification” on the back of the form does not need to be completed by the person repairing or rebuilding the vehicle. Only the owner would be required to complete the front of the form.

Note: A person, including a motor vehicle dealer, must obtain a salvage vehicle dealer license if the person, repairs, rebuilds, or reconstructs three or more salvage vehicles in the same calendar year.

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

Vehicles that May Not be Rebuilt, Retitled, or Registered:

Vehicles for which the following documents have been issued may not be rebuilt, reconstructed, retitled, or registered.

- A Nonrepairable Vehicle Title issued September 1, 2003, or later;
- A Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking or Dismantling Only (COA);
- A Texas Salvage Vehicle Title or Nonrepairable Vehicle Title that has FOR EXPORT ONLY stamped on the title, indicating that the salvage or nonrepairable motor vehicle was sold by a salvage vehicle dealer or governmental entity to a non-US resident for export only;
- A Texas Salvage Vehicle Title or Nonrepairable Vehicle Title and the record remark indicates LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT);
- An out-of-state ownership document that indicates the vehicle is nonrepairable, junked for parts, dismantling only, or otherwise indicates the vehicle may not be rebuilt or retitled in the jurisdiction that issued the document.

Vehicles that MAY be Rebuilt, Retitled, or Registered:

Vehicles 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.

Salvage Vehicle Safety Inspection

After rebuilding and prior to re-titling the salvage or nonrepairable (if applicable) motor vehicle, a state safety inspection must be conducted by an authorized state safety inspection station in Texas.

A state safety inspection is required even though the vehicle may display a valid inspection sticker that was issued prior to the vehicle being damaged.

The new vehicle inspection sticker number and date of expiration must be recorded on the *Rebuilt Affidavit*, **Form VTR-61**, unless the vehicle is exempt from Texas vehicle safety inspection requirements or “Title Only” is applied for.

Application for Texas Certificate of Title Branded “Rebuilt Salvage”

Refer to Transportation Code, Section 501.100

Place of Application

A person who rebuilds a nonrepairable (if applicable) or salvage motor vehicle (licensed salvage vehicle dealers exempted) must file an application for an original Texas Certificate of Title branded “Rebuilt Salvage” with the county tax assessor-collector office in the county in which they reside, or where the vehicle was purchased or encumbered.

Form: *Application for Texas Certificate of Title,* **Form 130-U**

Application Fee: The applicant pays:

- the statutory title application fee ($28/$33);
- a $65 Rebuilt Salvage Fee, unless the applicant provides a *DPS Certificate of Inspection,* **Form MVT-9** evidencing that the Department of Public Safety Salvage Vehicle Inspection was conducted prior to September 1, 2003;
- 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.
- any other applicable fees that may be required.

Required Evidence

An application for a Texas Certificate of Title branded “Rebuilt Salvage” must be accompanied by:

- An *Application for Texas Certificate of Title,* **Form 130-U**.
- Evidence of ownership of a rebuilt salvage motor vehicle, properly assigned to the applicant. The documents may include:
  - 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 (COA) to dispose of a motor vehicle, issued prior to October 1, 2007, in accordance with Transportation Code, Chapter 683.
- A *Rebuilt Affidavit*, **Form VTR-61** that includes:
  - a description of the motor vehicle, which includes the motor vehicle’s model year, make, model, VIN, and body style;
  - an explanation of the repairs or alterations made to the motor vehicle;

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

    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.

  - 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 VIN 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 VIN of any replaced basic component parts (motor, frame or body) 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.

  - the name and address of the owner;
  - 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 VIN disclosed on the form is the same as the VIN affixed to the vehicle.
  - the signature of the owner or the owner’s authorized agent;
  - if component parts were used, a notarized certification by the Rebuilder that:
    - the vehicle was rebuilt, repaired, reconstructed by that person; and
    - the Rebuilder legally obtained all component parts used; and
  - if no component parts were used in the repair, the back of the form does not need to be completed by the person repairing or rebuilding the vehicle. Only the owner would be required to complete the front of the form.

Note: An applicant for a Texas Certificate of Title branded "Rebuilt Salvage" is no longer required to provide a pencil tracing or Statement of Physical Inspection at the time of application.

- Evidence of vehicle safety 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 registers at the time of application (must be noted on the **Form VTR-61**).
  - a *Certificate of Inspection*, **Form MVT-9** completed 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.

Note: If a vehicle is exempt from Texas safety inspection requirements, or if "Title Only" is applied for, the department does not require the vehicle inspection sticker number and expiration date, but mark the record to indicate "VIN VERIFICATION WAIVED."

Note: A state safety inspection is required even though the vehicle may display a valid inspection sticker that was issued prior to the vehicle being damaged.

- An odometer disclosure statement p completed by the seller of the motor vehicle and acknowledged by the purchaser, if applicable.
- Proof of financial responsibility in the title applicant's name, as required by Transportation Code, Section 502.153, unless otherwise exempted by law.
- The *Out-of-state Identification Certificate*, **Form VI-30,** issued by an authorized state safety inspection station is required if the motor vehicle was last titled and registered in another state or country, unless otherwise exempted by law.
- 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.
- If the vehicle is a foreign or imported vehicle that was not previously titled in the United States and has a non-conforming VIN, proof of compliance with federal safety standards is required. Proof of compliance may consist of a USDOT Safety Certification Label affixed to the vehicle, a USDOT **Form HS-7,** etc. (For further information on acceptable proof of safety compliance, see Chapter 19, "Imported Vehicles".)

Issuance of Registration

Refer to Transportation Code, Sections 501.093 and 501.098

A salvage or nonrepairable motor vehicle may not be issued any form of registration (initial, renewal, or temporary) until it has been rebuilt, inspected, and an application for a Texas Certificate of Title branded “Rebuilt Salvage” is filed.

All prior registration issued to a motor vehicle is invalidated if the motor vehicle record indicates the vehicle was “Owner Retained” or indicates issuance of:

- Salvage Certificate
- Salvage Certificate of Title (issued prior to 9/1/2003)
- Salvage Vehicle Title (issued on or after 9/1/2003)
- Nonrepairable Certificate of Title (issued prior to 9/1/2003)

When processing an application for a Texas Certificate of Title branded “Rebuilt Salvage”, a full year (12 months) registration must be issued. This requirement applies to any transaction in which the surrendered evidence of ownership is a:

- Texas Certificate of Title for which the record indicates an owner retained remark (with or without the REG INVALID remark) and the applicant is an innocent purchaser of the owner retained motor vehicle;
- Salvage Certificate;
- Salvage Certificate of Title (issued prior to 9/1/2003);
- Salvage Vehicle Title;
- Nonrepairable Certificate of Title issued prior to September 1, 2003; or
- Comparable salvage ownership document issued by another jurisdiction.

Issuance of Texas Certificate of Title Branded “rebuilt Salvage”

When a salvage or nonrepairable (prior to 9/1/2003) motor vehicle is rebuilt and retitled, the Texas Certificate of Title branded “Rebuilt Salvage” reflects the REBUILT SALVAGE title brands listed in Table 27-1 and the brands carried forward to subsequent certificates of title.

When a US Government title **Form 97** showing a “salvage”, “flood damaged”, “Totaled”, or “Not for Highway Use” brand is surrendered to apply for a negotiable title, the county office should also add the appropriate remark.

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

Rebuilt Salvage Title Brands and Motor Vehicle Record Remarks

Table 27-1 Rebuilt Salvage Title Brands and Motor Vehicle Record Remarks

Title Document Surrendered for a Texas Certificate of Title branded "Rebuilt Salvage"	Title Issued With "Rebuilt Salvage" Brand	Associated Motor Vehicle Record Indicates 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)
Out-of-state Rebuilt Salvage Document (vehicle already rebuilt)	REBUILT SALVAGE - LOSS UNKNOWN	REBUILT SALVAGE - LOSS UNKNOWN
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.	

Note: All title brands and record remarks may also include "FLOOD DAMAGED" if the vehicle condition was caused exclusively by water damage.

Application for Regular Certificate of Title for Salvage Vehicle

Transportation Code Section 501.100

(a) A vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003 or a salvage vehicle title has been issued may be issued a regular certificate of title after the motor vehicle has been repaired, rebuilt, or reconstructed by a person described by Section 501.104(a) and, in addition to any other requirement of law, only if the application is accompanied by a separate form that:

(1) describes each major component part used to repair the motor vehicle; and

(2) shows the identification number required by federal law to be affixed to or inscribed on the part.

(b) On receipt of a complete application under this section accompanied by the $13 fee for the certificate of title, the department shall issue the applicant a regular certificate of title for the motor vehicle.

(c) A regular certificate of title issued under this section must:

(1) describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle; and

(2) bear on its face the words "REBUILT SALVAGE" in capital letters that:

(A) are red;

(B) are centered on and occupy at least 15 percent of the face of the certificate of title; and

(C) do not prevent any other words on the title from being read or copied.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a $65 rebuilder fee.

(e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit $50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and $15 to the credit of the general revenue fund.

(f) The department may not issue a regular certificate of title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.096(b); or

(3) certificate of authority.

Issuance of Title to Motor Vehicle Brought Into State

Transportation Code Section 501.101

(a) This section applies only to a motor vehicle brought into this state from another state or jurisdiction that has on any certificate of title or comparable out-of-state ownership document issued by the other state or jurisdiction:

(1) a "rebuilt," "salvage," or similar notation; or

(2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," or similar notation.

(b) On receipt of a complete application from the owner of the motor vehicle, the department shall issue the applicant the appropriate certificate of title for the motor vehicle.

(c) A certificate of title issued under this section must show on its face:

(1) the date of issuance;

(2) the name and address of the owner;

(3) any registration number assigned to the motor vehicle; and

(4) a description of the motor vehicle or other notation the department considers necessary or appropriate.

Rebuilder to Possess Title or Other Documentation

Transportation Code Section 501.104

(a) This section applies only to:

(1) a rebuilder licensed as a salvage vehicle dealer;

(2) a person engaged in the business of a rebuilder, regardless of whether the person is licensed to engage in that business; or

(3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) A person described by Subsection (a) must possess:

(1) a regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for any motor vehicle that is:

(A) owned by the person;

(B) in the person's inventory; and

(C) being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:

(A) owned by another person;

(B) on the person's business or casual premises; and

(C) being repaired, rebuilt, or reconstructed for the other person.

Chapter 28

Salvage Vehicle Dealers

This chapter contains the following sections:

- Requirement for Salvage Vehicle Dealer License
- Exemptions from Salvage Vehicle Dealer Licensing
- Application for Salvage Vehicle Dealer License
- Requirement for Salvage Vehicle Agent License
- Exemptions from Salvage Vehicle Agent Licensing
- Application for Salvage Vehicle Agent License
- Evidence of Ownership Required for Purchase
- Unique Inventory Number
- Removal of License Plates and Surrender of Certain Documents
- Surrender of “For Export-only” Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard
- Off-Site Salvage Sales
- Casual Sales by Salvage Vehicle Dealers
- Export-Only Sales by Salvage Vehicle Dealers
- Records of Purchase, Sales, and Inventory
- Casual Sales Record
- Export-Only Sale Records
- Records of Scrapped or Destroyed Vehicles
- Definitions
- Consent to Entry and Inspection
- Applicability of Certain Municipal Ordinances, Licenses, and Permits
- Application of Chapter to Metal Recyclers
- Application of Chapter to Insurance Companies
- Rules and Enforcement Powers
- Duty to Set Fees
- Rules Restricting Advertising or Competitive Bidding
- License Required for Salvage Vehicle Dealer
- Salvage Vehicle Dealer License Classification
- Application for Salvage Vehicle Dealer License
- Contents of Application
- Department Investigation
- License Issuance
- Salvage Vehicle Agent License

- Disciplinary Action
- License Expiration
- Notice of Expiration
- Procedures for Renewal
- Duties on Acquisition of Salvage Motor Vehicle
- Records of Purchases
- Registration of New Business Location
- Casual Sales
- Duty of Metal Recycler
- Definitions
- Removal of License Plates; Inventory
- Receipt of Motor Vehicle by Holder of Endorsement as Used Vehicle Parts Dealer
- Record of Purchase; Inventory of Parts
- Assignment of Inventory Number
- Maintenance of Records
- Surrender of Certain Documents or License Plates
- Inspection of Records
- Application of Subchapter
- Limits on Operation of Heavy Machinery
- Injunctions
- Offenses

Requirement for Salvage Vehicle Dealer License

Refer to Occupations Code, §2302.101 to 2302.106 and Transportation Code, §501.091.

Salvage Vehicle Dealer License

A salvage vehicle dealer license is required if a person:

- acquires, sells, repairs, rebuilds, reconstructs, or otherwise deals in nonrepairable motor vehicles, salvage motor vehicles; or, if incidental to a salvage motor vehicle dealer's primary business, used automotive parts.
- deals in nonrepairable motor vehicles or salvage motor vehicles;
- purchases more than five salvage or nonrepairable motor vehicles at casual sale in a calendar year; or
- repairs, rebuilds, or reconstructs five or more salvage motor vehicles in the same calendar year.

- stores or displays a motor vehicle, as an agent or escrow agent, of an insurance company.

A salvage vehicle dealer license only permits a person 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 a person 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**.

If a person also sells used motor vehicles that are not titled by salvage ownership documents, they must have a used motor vehicle dealer license (General Distinguishing Number) from TxDMV's Motor Vehicle Division. The Motor Vehicle Division can be contacted at 1-877/366-8887.

Salvage Dealer Duties

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 scrapping, or destroying the vehicle, the salvage vehicle dealer must:

1. remove all current license plates and unexpired registration stickers; and
2. surrender the properly assigned evidence of ownership to the local VTR 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**.

Exemptions from Salvage Vehicle Dealer Licensing

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 repairs, rebuilds, or reconstructs less than five 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.

Application for Salvage Vehicle Dealer License

Application: *Salvage Vehicle Dealer License Application,* Form VTR-438-A

Fee:$95.00 for each salvage vehicle dealer license classification.

Place of Application: Submit completed **Form VTR-438-A**, proper documentation, and the applicable fee to:

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

Classifications

A person may not engage in activities of a particular classification unless the person holds a license authorizing business under that classification. A person 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;
- 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.

Note: Effective September 1, 2009, SB 1095 transfers the licensing of salvage used vehicle parts dealers under the authority of the Texas Department of Licensing and Regulations (TDLR). Beginning September 1 2010, TDLR will issue "used automotive parts recycler" licenses under Chapter 2309 of the Occupations Code.

- Used automotive parts recycler – if the sale of repaired, rebuilt, or reconstructed non repairable motor vehicles or salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.

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.

Prior License Revoked

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.

Felony Conviction

A salvage vehicle dealer license cannot be issued if the applicant or any owner, partner, director or corporate officer of the business 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.

Requirement for Salvage Vehicle Agent License

Refer to Occupations Code, Section 2302.107

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.

A salvage vehicle agent license is required if a person:

- Acquires, sells, or otherwise deals in salvage or nonrepairable motor vehicles in this state as directed by the salvage vehicle dealer under whose license the person operates; 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.

Exemptions from Salvage Vehicle Agent Licensing

A person is **not required** to obtain a salvage vehicle agent license if the person is:

- 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.

Application for Salvage Vehicle Agent License

Application: *Salvage Vehicle Agent License Application*, **Form VTR-437-A**

Fee:$95.00 for each salvage vehicle agent license.

Place of Application: Submit completed **Form VTR-437-A**, proper documentation, and the applicable fee to:

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

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.

Prior License Revoked

A salvage vehicle agent license may not be issued if the applicant has previously had a salvage vehicle dealer or agent license revoked. A new license may not be issued before the first anniversary of the date of revocation.

Felony Conviction

A salvage vehicle agent license cannot be issued if an applicant 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.

Evidence of Ownership Required for Purchase

Refer to Occupations Code, Sections 2302.201 & 2302.253

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 may not receive a motor vehicle unless the dealer first obtains a certificate of authority (issued prior to October 1, 2007), sales receipt, or transfer document in accordance with Transportation Code, Chapter 683 (Refer to Chapter 22, “Abandoned Vehicles”), or a certificate of title showing that there are no liens on the motor vehicle or that all recorded liens have been released.

Unique Inventory Number

Refer to Occupations Code, Section 2302.255

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 exit out 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 Numbers

The unique inventory number incorporates:

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

Table 28-1 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

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;
- 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.

Removal of License Plates and Surrender of Certain Documents

Refer to Transportation Code Sections 501.096 & 501.107 and Occupations Code Sections 2302.205 & 2302.257

Form:*Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership,* **Form VTR-340**

Not later than the 30th day after any motor vehicle (regardless of the type of evidence of ownership obtained) is acquired by a salvage vehicle dealer, or not later than the 60th day after a motor vehicle is acquired by a metal recycler that holds a metal recycler inventory number (INV#) issued by the department, the salvage vehicle dealer or metal recycler must:

1. immediately remove all unexpired license plates and registration stickers; and
2. surrender to the department:

- an *Inventory Receipt for Surrendered Certificate of Title or Other Evidence of Ownership*, **Form VTR-340** certifying that all unexpired license plates and registration 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: The salvage vehicle dealer or metal recycler must maintain copies of the front and back of all evidence of ownership surrendered to the department, unless the evidence of ownership is a Texas-issued title. Examples of documents that copies should be maintained are out-of-state or foreign evidence of ownership, Auction Sales Receipts, etc.

The requirement provided above applies to the following vehicles acquired by a salvage vehicle dealer or metal recycler:

- salvage or nonrepairable motor vehicle for the purpose of scrapping or destroying;
- salvage or nonrepairable motor vehicle that is not titled by salvage or nonrepairable evidence of ownership; or
- NON-salvage or nonrepairable motor vehicle.

Department Procedures

Upon receipt of the report, the department notes the motor vehicle record to indicate the evidence of ownership has been surrendered to the department and returns the acknowledged, “Duplicate (Firm Copy)” of the **Form VTR-340** to the salvage vehicle dealer or metal recycler.

The license plates and registration 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 from the department.

If the evidence of ownership has been surrendered to the department and the vehicle is later sold to:

- a metal recycler, a *Salvage Bill of Sale*, **Form VTR-203**, should be given to the metal recycler in lieu of a certificate of title; or
- someone other than a metal recycler, the salvage dealer or owner must apply to the department for the appropriate salvage ownership document (Salvage or Nonrepairable Vehicle Title) for the motor vehicle.

Application for Salvage Ownership Document after Surrender of Ownership Evidence

Form: *Application for Nonrepairable Vehicle Title or Salvage Vehicle Title,* **Form VTR-441**

Fee: $8 application Fee

Place of Application: VTR Headquarters Office

If at a later date, a salvage or nonrepairable motor vehicle is sold and the evidence of ownership has been surrendered to the department, the owner must apply to the department for the appropriate salvage ownership document (Salvage or Nonrepairable Vehicle Title) for the motor vehicle.

These requests are processed at the VTR Headquarters Office upon proper application and payment of the $8 application fee. The application must be supported by the following, if:

- Texas evidence of ownership was surrendered:
  - *Application for Nonrepairable Vehicle Title or Salvage 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 evidence of ownership was surrendered:
  - *Application for Nonrepairable Vehicle Title or Salvage 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.

Note: If a copy of the front and back of the surrendered out-of-state evidence of ownership, indicating proper assignment to the applicant, is not available (either from the applicant's records or from VTR regional office records), the only options available to the applicant are:

- apply for a Nonrepairable Vehicle Title as authority to dispose of the vehicle to demolisher; or
- Obtain a valid court order.

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

If the evidence of ownership has been surrendered to the department for cancellation and a component part of the vehicle which requires a certificate of title to transfer ownership of the component part is sold (i.e., body, Volkswagen floor pan, or commercial vehicle frame), a *Bill of Sale,* **Form VTR-63** is acceptable as evidence of ownership.

- The bill of sale must record the title/document number and description of the vehicle as recorded on the surrendered title.
- If a **Form VTR-63** is used to transfer ownership of such a component part and the department’s records are not marked to indicate the evidence of ownership has been surrendered to the department**,** the title must support the application.

A motor vehicle that was disposed of for demolition, wrecking, scrap, or salvage that was issued a *Certificate of Authority to Demolish*, **Form VTR-71-3**, prior to October 1, 2007, or a *Nonrepairable Vehicle Title*, **Form VTR-222-NR**, cannot be rebuilt, reconstructed, made operable, or retitled. A Salvage Vehicle Title may not be issued for these vehicles.

Surrender of “For Export-only” Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard

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**, the department:

1. accepts the surrendered Salvage or Nonrepairable Vehicle Title;
2. processes the transaction as usual, by adding a remark to the motor vehicle record to indicate the evidence of ownership has been surrendered to the department; and
3. marks the motor vehicle record with an export only remark, if not already marked, to prevent processing of any subsequent titles or issuance of registration (LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT).

Since the motor vehicle was sold for export only and should have been removed from the United States, the department forwards 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 unless a valid court order is provided to a subsequent buyer of the salvaged vehicle. A TAC Hearing Order or Bond is not acceptable under these circumstances.

Off-Site Salvage Sales

A salvage vehicle dealer or agent is not permitted to sell or offer for sale salvage or nonrepairable vehicles 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

Refer to Transportation Code Section 501.091(2) and Occupations Code Section 2303.204

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 if the person:

- is in the business of acquiring, selling, repairing, rebuilding, reconstructing or otherwise dealing in salvage or nonrepairable motor vehicles;
- repairs, rebuilds, or reconstructs five 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).

Note: The sale of a salvage or nonrepairable motor vehicle to a licensed motor vehicle dealer is considered a “casual sale” since the motor vehicle dealer is not licensed to deal in salvage or nonrepairable motor vehicles. The licensed motor vehicle dealer may reassign the salvage ownership document without titling in their name if the vehicle is not rebuilt. If the vehicle has been rebuilt, the dealer must obtain a rebuilt title in their name, unless they are also licensed as a salvage vehicle dealer.

Records of Casual sales

The salvage vehicle dealer or salvage pool operator must maintain records of each casual sale (Refer to Casual Sales later in this chapter for further information.)

Export-Only Sales by Salvage Vehicle Dealers

An export-only motor vehicle is a nonrepairable or salvage 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 completed certifying that the buyer:

- removes 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.

Sellers

The seller of an export-only motor vehicle stamps 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 or governmental entity's name. The words must be at least two inches wide and clearly legible.

Records of each export-only sale are required to be maintained until the third anniversary of the date of sale (Refer to *Export-Only Sale Records* in this chapter for further information.).

Records of Purchase, Sales, and Inventory

Refer to Occupations Code, Sections 2302.202, 2302.254 & 2302.256

Salvage vehicle dealers 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 the department'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 prints paper copies and keeps those copies in a secure file. Maintain the records for a five-year period.

Records must 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, 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 scrapped or destroyed;
- the date of sale; and
- the name and address of the person purchasing the motor vehicle or part from the dealer for incidental sales of used parts.

Casual Sales Record

Form: *Casual Sales Record*, **Form VTR-903**

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

Licensed salvage vehicle dealers may only 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, five 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 must be:

- maintained on a *Casual Sales Record*, **Form VTR-903** 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

Form: *Export-only Sales Record*, **Form VTR-902**

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.

Maintenance of Records

The export-only sale records must be maintained either:

- on a For Export-Only Sales Record, **Form VTR-902** or
- in an electronic format approved by the department.

Submission of Records

A legible copy of the Form VTR-902 must be submitted to the department within 30 days after the date of sale of the motor vehicles listed on the form. Mail to:

Texas Department of Motor Vehicles
Attn: Vehicle Data Management Branch
Austin, TX 78779-0001

Upon receipt, the department marks 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 remark reads:

"LEGAL RESTRAINT-CONTACT TxDMV (#EXPORT)"

A vehicle for which the motor vehicle record indicates the above remark may not be registered or titled in Texas, unless a valid court order is presented by a subsequent Texas buyer.

Records of Scrapped or Destroyed Vehicles

Form: *Inventory Receipt for Surrendered Certificates of Title or Other Evidence of Ownership* **Form VTR-340**

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

- record of each vehicle that is scrapped or destroyed; and
- photocopy of the front and back of the evidence of any evidence of ownership surrendered to the department, unless the evidence of ownership is a Texas-issued title.

Maintenance of records: Records must be maintained until the third anniversary of the date the report Form VTR-340 was filed with the department.

Definitions

Occupations Code Section 2302.001

In this chapter:

(1) "Casual sale," "damage," "insurance company," "major component part," "metal recycler," "motor vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle title," "out-of-state buyer," "salvage motor vehicle," "salvage vehicle title," "salvage vehicle dealer," and "used part" have the meanings assigned by Section 501.091, Transportation Code.

(2) "Commission" means the Texas Transportation Commission.

(3) "Department" means the Texas Department of Transportation.

(4) "Federal safety certificate" means the label or tag required under 49 U.S.C. Section 30115 that certifies that a motor vehicle or equipment complies with applicable federal motor vehicle safety standards.

(5) "Salvage pool operator" means a person who engages in the business of selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction, or otherwise.

(6) "Salvage vehicle agent" means a person who acquires, sells, or otherwise deals in nonrepairable or salvage motor vehicles in this state as directed by the salvage vehicle dealer under whose license the person operates. The term does not include a person who:

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

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

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

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

Consent to Entry and Inspection

Occupations Code Section 2302.0015

(a) A person consents to an entry or inspection described by Subsection (b) by:

(1) accepting a license under this chapter; or

(2) engaging in a business or activity regulated under this chapter.

(b) For the purpose of enforcing or administering this chapter or Chapter 501 or 502, Transportation Code, a member of the commission, an employee or agent of the commission or department, a member of the Public Safety Commission, an officer of the Department of Public Safety, or a peace officer may at a reasonable time:

(1) enter the premises of a business regulated under one of those chapters; and

(2) inspect or copy any document, record, vehicle, part, or other item regulated under one of those chapters.

(c) A person described by Subsection (a):

(1) may not refuse or interfere with an entry or inspection under this section; and

(2) shall cooperate fully with a person conducting an inspection under this section to assist in the recovery of stolen motor vehicles and parts and to prevent the sale or transfer of stolen motor vehicles and parts.

(d) An entry or inspection occurs at a reasonable time for purposes of Subsection (b) if the entry or inspection occurs:

(1) during normal business hours of the person or activity regulated under this chapter; or

(2) while an activity regulated under this chapter is occurring on the premises.

Applicability of Certain Municipal Ordinances, Licenses, and Permits

Occupations Code Section 2302.005

This chapter:

(1) is in addition to any municipal ordinance relating to the regulation of a person who deals in nonrepairable or salvage motor vehicles or used parts; and

(2) does not prohibit the enforcement of a requirement of a municipal license or permit that is related to an activity regulated under this chapter.

Application of Chapter to Metal Recyclers

Occupations Code Section 2302.006

(a) Except as provided by Subsections (b) and (c), this chapter does not apply to a transaction in which a metal recycler is a party.

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

(1) is sold, transferred, released, or delivered to a metal recycler for the purpose of reuse or resale as a motor vehicle; and

(2) is used for that purpose.

(c) Sections 2302.0015 and 2302.205 apply to a metal recycler.

Application of Chapter to Insurance Companies

Occupations Code Section 2302.007

This chapter does not apply to an insurance company.

Rules and Enforcement Powers

Occupations Code Section 2302.051

The commission shall adopt rules as necessary to administer this chapter and may take other action as necessary to enforce this chapter.

Duty to Set Fees

Occupations Code Section 2302.052

The commission shall set application fees, license fees, renewal fees, and other fees as required to implement this chapter. The commission shall set the fees in amounts reasonable and necessary to implement and enforce this chapter.

Rules Restricting Advertising or Competitive Bidding

Occupations Code Section 2302.053

(a) The commission may not adopt a rule under Section 2302.051 restricting advertising or competitive bidding by a person who holds a license issued under this chapter except to prohibit false, misleading, or deceptive practices by the person.

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

(1) restricts the use of any advertising medium;

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

(3) relates to the size or duration of an advertisement by the person; or

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

License Required for Salvage Vehicle Dealer

Occupations Code Section 2302.101

Unless a person holds a salvage vehicle dealer license issued under this chapter, the person may not:

(1) act as a salvage vehicle dealer or rebuilder; or

(2) store or display a motor vehicle as an agent or escrow agent of an insurance company.

Salvage Vehicle Dealer License Classification

Occupations Code Section 2302.102

(a) The department shall classify a salvage vehicle dealer according to the type of activity performed by the dealer.

(b) A salvage vehicle dealer may not engage in activities of a particular classification unless the dealer holds a license with an endorsement in that classification.

Application for Salvage Vehicle Dealer License

Occupations Code Section 2302.103

(a) To apply for a salvage vehicle dealer license, a person must submit to the department an application on a form prescribed by the department. The application must be signed by the applicant and accompanied by the application fee.

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

(1) new automobile dealer;

(2) used automobile dealer;

(3) salvage pool operator;

(4) salvage vehicle broker; or

(5) salvage vehicle rebuilder.

Contents of Application

Occupations Code Section 2302.104

(a) An application for a salvage vehicle dealer license must include:

(1) the name, business address, and business telephone number of the applicant;

(2) the name under which the applicant proposes to conduct business;

(3) the location, by number, street, and municipality, of each office at which the applicant proposes to conduct business;

(4) a statement indicating whether the applicant previously applied for a license under this chapter and, if so, a statement indicating the result of the previous application and indicating whether the applicant has ever been the holder of a license issued under this chapter that was revoked or suspended;

(5) a statement of the previous history, record, and associations of the applicant to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant;

(6) the applicant's federal tax identification number, if any;

(7) the applicant's state sales tax number; and

(8) any other information required by rules adopted under this chapter.

(b) In addition to the information required by Subsection (a), the application of a corporation must include:

(1) the state of its incorporation;

(2) the name, address, date of birth, and social security number of each principal officer or director of the corporation;

(3) a statement of the previous history, record, and associations of each officer and each director to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant; and

(4) a statement showing whether an officer, director, or employee of the applicant has been refused a license as a salvage vehicle dealer or has been the holder of a license issued under this chapter that was revoked or suspended.

(c) In addition to the information required by Subsection (a), the application of a partnership must include:

(1) the name, address, date of birth, and social security number of each owner or partner;

(2) a statement of the previous history, record, and associations of each owner and each partner to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant; and

(3) a statement showing whether an owner, partner, or employee of the applicant has been refused a license as a salvage vehicle dealer or has been the holder of a license issued under this chapter that was revoked or suspended.

Department Investigation

Occupations Code Section 2302.105

(a) The department may not issue a license under this chapter until the department completes an investigation of the applicant's qualifications.

(b) The department shall conduct the investigation not later than the 15th day after the date the department receives the application. The department shall report to the applicant the results of the investigation.

License Issuance

Occupations Code Section 2302.106

(a) The department shall issue a license to an applicant who meets the license qualifications adopted under this chapter and pays the required fees.

(b) A license may 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.

Salvage Vehicle Agent License

Occupations Code Section 2302.107

(a) A person may not act as a salvage vehicle agent unless the person holds a salvage vehicle agent license issued under this chapter.

(b) A person is entitled to a salvage vehicle agent license on application to the department, payment of the required fee, and authorization from a salvage vehicle dealer to operate under the dealer's license.

(c) A salvage vehicle dealer may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license.

(d) A salvage vehicle agent may acquire, sell, or otherwise deal in, nonrepairable or salvage motor vehicles as directed by the authorizing dealer.

Disciplinary Action

Occupations Code Section 2302.108

(a) The department may deny, suspend, revoke, or reinstate a license issued under this chapter.

(b) The commission by rule shall establish the grounds for denial, suspension, revocation, or reinstatement of a license issued under this chapter and the procedures for disciplinary action. A rule adopted under this subsection may not conflict with a rule adopted by the State Office of Administrative Hearings.

(c) A proceeding under this section is subject to Chapter 2001, Government Code.

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

License Expiration

Occupations Code Section 2302.151

(a) A license issued under this chapter expires on the first anniversary of the date of issuance.

(b) A person whose license has expired may not engage in the activities that require a license until the license has been renewed under this subchapter.

Notice of Expiration

Occupations Code Section 2302.152

Not later than the 31st day before the expiration date of a person's license, the department shall send written notice of the impending expiration to the person at the person's last known address according to department records.

Procedures for Renewal

Occupations Code Section 2302.153

(a) A person who is otherwise eligible to renew a license issued under this chapter may renew an unexpired license by paying the required renewal fee to the department on or before the expiration date of the license.

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the department a renewal fee that is equal to 1-1/2 times the normally required renewal fee.

(c) A person whose license has been expired for more than 90 days but less than one year may renew the license by paying to the department a renewal fee that is equal to two times the normally required renewal fee.

(d) A person whose license has been expired for one year or longer may not renew the license. The person may obtain a new license by complying with the requirements and procedures for obtaining an original license.

(e) A person who was licensed in this state, moved to another state, and has been doing business in the other state for the two years preceding the date of application may renew an expired license. The person must pay to the department a renewal fee that is equal to two times the normally required renewal fee.

Duties on Acquisition of Salvage Motor Vehicle

Occupations Code Section 2302.201

(a) A salvage vehicle dealer who acquires ownership of a salvage motor vehicle from an owner must receive from the owner a properly assigned title.

(b) The dealer shall comply with Subchapter E, Chapter 501, Transportation Code.

Records of Purchases

Occupations Code Section 2302.202

A salvage vehicle dealer shall maintain a record of each salvage motor vehicle and each used part purchased or sold by the dealer.

Registration of New Business Location

Occupations Code Section 2302.203

Before moving a place of business or opening an additional place of business, a salvage vehicle dealer must register the new location with the department.

Casual Sales

Occupations Code Section 2302.204

This chapter does not apply to a person who purchases fewer than three nonrepairable motor vehicles or salvage motor vehicles from a salvage vehicle dealer, an insurance company or salvage pool operator in a casual sale at auction, except that:

(1) the commission shall adopt rules as necessary to regulate casual sales by salvage vehicle dealers, insurance companies, or salvage pool operators and to enforce this section; and

(2) a salvage vehicle dealer, insurance company, or salvage pool operator who sells a motor vehicle in a casual sale shall comply with those rules and Subchapter E, Chapter 501, Transportation Code.

Duty of Metal Recycler

Occupations Code Section 2302.205

A metal recycler who purchases a motor vehicle shall submit a regular certificate of title or a nonrepairable or salvage vehicle title or comparable out-of-state ownership document to the department and comply with Subchapter E, Chapter 501, Transportation Code.

Definitions

Occupations Code Section 2302.251

In this subchapter:

(1) "Component part" means a major component part as defined in Section 501.091, Transportation Code, or a minor component part.

(2) "Interior component part" means a seat or radio of a motor vehicle.

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

(A) a federal safety certificate;

(B) a motor number;

(C) a serial number or a derivative; or

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

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

Removal of License Plates; Inventory

Occupations Code Section 2302.252

(a) Immediately on receipt of a motor vehicle, a salvage vehicle dealer shall remove any unexpired license plates from the vehicle and place the license plates in a secure, locked place.

(b) A salvage vehicle dealer shall maintain on a form provided by the department an inventory of unexpired license plates removed under Subsection (a). The inventory must include:

(1) each license plate number;

(2) the make of the motor vehicle from which the license plate was removed;

(3) the motor number of that vehicle; and

(4) the vehicle identification number of that vehicle.

Receipt of Motor Vehicle by Holder of Endorsement as Used Vehicle Parts Dealer

Occupations Code Section 2302.253

A salvage vehicle dealer who holds a license with an endorsement as a used vehicle parts dealer may not receive a motor vehicle unless the dealer first obtains:

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

(2) a certificate of title showing that there are no liens on the vehicle or that all recorded liens have been released.

Record of Purchase; Inventory of Parts

Occupations Code Section 2302.254

(a) A salvage vehicle dealer shall keep an accurate and legible inventory of each used component part purchased by or delivered to the dealer. The inventory must contain a record of each part that includes:

(1) the date of purchase or delivery;

(2) the name, age, address, sex, and driver's license number of the seller and a legible photocopy of the seller's driver's license;

(3) the license plate number of the motor vehicle in which the part was delivered;

(4) a complete description of the part, including the type of material and, if applicable, the make, model, color, and size of the part; and

(5) the vehicle identification number of the motor vehicle from which the part was removed.

(b) Instead of the information required by Subsection (a), a salvage vehicle dealer may record:

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

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

(c) The department shall prescribe the form of the record required under Subsection (a) and shall make the form available to salvage vehicle dealers.

(d) This section does not apply to:

(1) an interior component part or special accessory part that is from a motor vehicle more than 10 years of age; or

(2) a part delivered to a salvage vehicle dealer by a commercial freight line or commercial carrier.

Assignment of Inventory Number

Occupations Code Section 2302.255

(a) A salvage vehicle dealer shall:

(1) assign a unique inventory number to each transaction in which the dealer purchases or takes delivery of a component part;

(2) attach the unique inventory number to each component part the dealer obtains in the transaction; and

(3) retain each component part in its original condition on the business premises of the dealer for at least three calendar days, excluding Sundays, after the date the dealer obtains the part.

(b) An inventory number attached to a component part under Subsection (a) may not be removed while the part remains in the inventory of the salvage vehicle dealer.

(c) A salvage vehicle dealer shall record a component part on an affidavit bill of sale if:

(1) the component part does not have a vehicle identification number or the vehicle identification number has been removed; or

(2) the vehicle identification number of the vehicle from which the component part was removed is not available.

(d) The department shall prescribe and make available the form for the affidavit bill of sale.

(e) This section does not apply to the purchase by a salvage vehicle dealer of a nonoperational engine, transmission, or rear axle assembly from another salvage vehicle dealer or an automotive-related business.

Maintenance of Records

Occupations Code Section 2302.256

A salvage vehicle dealer shall keep a record required under this subchapter on a form prescribed by the department. The dealer shall maintain two copies of each record required under this subchapter until the first anniversary of the date the dealer sells or disposes of the item for which the record is maintained.

Surrender of Certain Documents or License Plates

Occupations Code Section 2302.257

(a) On demand, a salvage vehicle dealer shall surrender to the department for cancellation a certificate of title or authority, sales receipt or transfer document, license plate, or inventory list that the dealer is required to possess or maintain.

(b) The department shall provide a signed receipt for a surrendered certificate of title or license plate.

Inspection of Records

Occupations Code Section 2302.258

(a) A peace officer at any reasonable time may inspect a record required to be maintained under this subchapter, including an inventory record and affidavit bill of sale.

(b) On demand of a peace officer, a salvage vehicle dealer shall give to the officer a copy of a record required to be maintained under this subchapter.

(c) A peace officer may inspect the inventory on the premises of a salvage vehicle dealer at any reasonable time in order to verify, check, or audit the records required to be maintained under this subchapter.

(d) A salvage vehicle dealer or an employee of the dealer shall allow and may not interfere with a peace officer's inspection of the dealer's inventory, premises, or required inventory records or affidavit bills of sale.

Application of Subchapter

Occupations Code Section 2302.301

This subchapter applies only to a motor vehicle salvage yard located in a county with a population of 2.8 million or more.

Limits on Operation of Heavy Machinery

Occupations Code Section 2302.302

(a) A salvage vehicle dealer may not operate heavy machinery in a motor vehicle salvage yard between the hours of 7 p.m. of one day and 7 a.m. of the following day.

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

Injunctions

Occupations Code Section 2302.351

(a) The prosecutor in the county where a motor vehicle salvage yard is located or the city attorney in the municipality where the salvage yard is located may bring suit to enjoin for a period of less than one year a violation of this chapter.

(b) If a salvage vehicle dealer, an employee of the dealer acting in the course of employment, or a salvage vehicle agent operating under the dealer's license is convicted of more than one offense under Section 2302.353(a), the district attorney for a county in which the dealer's salvage business is located may bring an action in that county to enjoin the dealer's business operations for a period of at least one year.

(c) An action under Subsection (b) must be brought in the name of the state. If judgment is in favor of the state, the court shall:

(1) enjoin the dealer from maintaining or participating in the business of a salvage vehicle dealer for a definite period of at least one year or indefinitely, as determined by the court; and

(2) order that the dealer's place of business be closed for the same period.

Offenses

Occupations Code Section 2302.353

(a) A person commits an offense if the person knowingly violates:

(1) a provision of this chapter other than Subchapter G; or

(2) a rule adopted under a provision of this chapter other than Subchapter G.

(b) A person commits an offense if the person knowingly violates Subchapter G.

(c) An offense under Subsection (a) is a Class A misdemeanor unless it is shown on the trial of the offense that the defendant has been previously convicted of an offense under that subsection, in which event the offense is punishable as a state jail felony.

(d) An offense under Subsection (b) is a Class C misdemeanor.

Chapter 29

Motor Vehicle Dealers

This chapter contains the following sections:

- Definitions and General Information
- Duty of Vehicle Dealer on Sale of Certain Vehicles
- Requirement for Motor Vehicle Dealers
- Issuance of New Certificate of Title Because of Subsequent Sales
- Export Only Requirements and Procedures
- Processing Title Transactions Involving Dealer Bankruptcy

Definitions and General Information

Transportation Code Section 501.002 (2)

In this chapter:

"Dealer" means a person who purchases motor vehicles for sale at retail.

Definitions

A dealer means any person, firm, or corporation regularly and actively engaged in the business of buying, selling, or exchanging motor vehicles at an established and permanent place of business and to whom a Texas Dealer License has been issued.

The term "dealer" includes:

- Franchised motor vehicle dealer.
- Independent motor vehicle dealer.
- Independent mobility motor vehicle dealer.
- Wholesale motor vehicle dealer.
- Motorcycle dealer.
- House trailer dealer.
- Trailer or semitrailer dealer.

A franchised motor vehicle dealer is a dealer doing business under a franchise in effect with a motor vehicle manufacturer or distributor.

An independent (or non-franchised) motor vehicle dealer is a dealer other than a franchised or wholesale motor vehicle dealer.

An independent mobility motor vehicle dealer is a non-franchised dealer who:

- holds a general distinguishing number and a converter's license
- is engaged in the business of buying, selling, or exchanging mobility motor vehicles and servicing or repairing

- is certified by the manufacturer of each mobility device that the dealer installs, if the manufacturer offers that certification.

An independent mobility motor vehicle dealer may not sell or offer to sell a new motor vehicle other than a new mobility motor vehicle, as defined in Occupations Code §2301.002(20-a). An independent mobility motor vehicle dealer may sell or arrange for the sale and delivery of a new mobility motor vehicle to a purchaser at the independent mobility motor vehicle dealer's place of business if the transaction occurs through or by a franchised dealer of the motor vehicle's chassis line make.

A wholesale motor vehicle dealer is a dealer who sells motor vehicles only to a person who is:

- The holder of a dealer's general distinguishing number (P#) or
- A foreign dealer authorized by a law of this state or interstate reciprocity agreement to purchase a vehicle in this state without remitting the motor vehicle sales tax.

Trailer/semitrailer Manufacturers

Trailer/semitrailer manufacturers are self-certified.

- Trailer/semitrailer manufacturers must contact a VTR regional office to obtain a *Trailer and/or Semitrailer Manufacturer Certification*, **Form VTR-132**, which serves as documentation that the manufacturer uses only new parts to construct their trailers/semitrailers.
- Upon receipt of the completed form, the regional office issues a letter to the manufacturer providing information about acquiring Manufacturer's Certificates of Origin (MCOs).
- The regional office maintains a copy of the **Form VTR-132** on a permanent retention schedule for future reference.
- The original **Form VTR-132** must be submitted to Austin Headquarters for filing in the manufacturer master file.

Licensing

Dealers are licensed through the Motor Vehicle Division of TxDMV. A person, firm, or corporation may not engage in business as a dealer without a general distinguishing number (GDN) in one of the seven categories. (Sample GDN: P5870)

A GDN is required if a person sells five or more motor vehicles during the calendar year.

Motor vehicle and motorcycle dealers are permitted to sell any type of vehicle for which the dealer is licensed. These dealers are required to be bonded or licensed with the Motor Vehicle Division (MVD).

Travel trailer and trailer/semitrailer dealers are licensed but not bonded through MVD. These dealers are permitted to sell all types of trailers but not motor vehicles or motorcycles. Travel trailer and trailer/semitrailer dealers are identified by an “X” suffix in the dealer’s GDN number.

A Texas dealer cannot legally transfer an unregistered new or used vehicle in this state without a valid GDN issued by the Motor Vehicle Division.

Only franchised dealers may transfer a new vehicle on a Manufacturer’s Certificate of Origin (MCO).

Non-franchised dealers are not licensed to sell new vehicles and may not title a new vehicle for “resale purposes only.” If they buy a new vehicle from a franchised dealer, the franchised dealer must title and register the vehicle for the non-franchised dealer as this is a retail transaction and a non-franchised dealer may not buy new vehicles from franchised dealers on a wholesale basis.

Licensing Inquiries

Any questions relating to the licensing requirements for motor vehicle dealers should be referred to the Motor Vehicle Division (MVD), Licensing Section. Inquiries regarding enforcement/violations for licensed motor vehicle dealers should be referred to MVD’s Enforcement Section.

Vehicle Sales

Upon the sale of a motor vehicle, a licensed Texas dealer is required to complete and file all documents necessary to transfer title to the motor vehicle and/or register the motor vehicle in the name of the purchaser. Additionally, the dealer must collect and remit any applicable sales tax and title and registration fees to the county tax assessor-collector where the vehicle was bought, is encumbered, or the purchaser (owner) resides, as directed by the purchaser on the *County of Title Issuance*, **Form VTR-136.** Exceptions to the dealer filing requirement are:

- salvage and non-repairable vehicles;
- sales to out-of-state residents;
- sales to out of-state or foreign dealers;
- vehicles sold to exempt agencies;
- trucks over 11,000 lbs. gross weight; and
- trailers weighing less than 4000 lbs.

In the case of used Texas titled vehicles, a dealer may not secure registration in the dealer’s name without filing an application for Texas title.

Title Assignment

A Texas dealer license number is required on all assignments and reassignments of manufacturer's certificates except on assignments executed out-of-state and under conditions set forth in Chapter 503.024(c). The selling dealer's name shown on the assignment must agree with the dealer's name as it appears on the dealer license.

A Texas dealer license number shown next to the name of an individual constitutes a firm's name, and no authority is required for an agent to sign for such individual. The dealer's name on each reassignment must agree with the name on his dealer license. If the dealer's name on an assignment does not agree with his dealer license, he may correct the name when he executes the reassignment of title by showing the incorrect name followed by the letters DBA (doing business as) and the correct dealership name. For example, if the title is assigned to "Joe Doaks" and the correct dealership name is "J D Auto Sales", the name of the seller on the reassignment of title should show "Joe Doaks DBA J D Auto Sales". In addition, an affidavit is required from the dealership certifying that the person named on the assignment is a valid agent/employee of the dealership.

The name of seller on the first assignment on the back of a manufacturer's certificate must be the same as the purchaser's name on the face of the certificate.

The assignment must show:

- Business (company) name and signature of agent or owner.
- Date of sale.

Non-franchised (NF) Dealers

Non-franchised (NF) dealers are licensed to sell only used vehicles.

They may not reassign a manufacturer's certificate. The franchised dealer must title and register the vehicle for the NF dealer as this is a retail transaction and a NF dealer may not buy new vehicles from franchised dealers on a wholesale basis. A NF dealer may not title a new vehicle for "resale purposes only."

Are not required to title or register a used vehicle in the dealership's name before assigning the vehicle to a subsequent purchaser; however, if the dealer wants to register any vehicle, the dealer must file an application for Texas title.

They may transfer only used vehicles to another dealer. The transaction may extend through a series of dealers by the use of the *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A** after all available assignment spaces on the certificate of title have been used. This does not apply to out-of-state titled vehicles. Texas dealers may choose to use a **VTR-41-A** instead of an out-of-state title assignment.

Franchised Dealers

Franchised Dealers may reassign a manufacturer's certificate only if licensed to sell that "make" of vehicle.

They may not assign an MCO to another Texas dealer unless that dealer is licensed to sell that make of vehicle. If the purchasing dealer is a franchised dealer of another "make" of vehicle or a non-franchised dealer, the selling franchised dealer must file all documents necessary to apply for title and registration in the name of the purchasing dealer.

Additional assignments on a manufacturer's certificate may be used only by franchised dealers to transfer ownership of a new vehicle.

After all available assignment spaces on the Manufacturer's Certificate of Origin have been used, a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, may be used by the franchised dealer.

All assignments of manufacturer's certificates executed by Texas dealers must include an odometer statement showing the mileage appearing on the vehicle's odometer at the time of transfer. Manufacturer certificates not including a Federal odometer statement must have a separate odometer statement completed. (Refer to Chapter 15, "Odometers".)

Duty of Vehicle Dealer on Sale of Certain Vehicles

Transportation Code Section 501.0234

(a) A person who sells at the first or a subsequent sale a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, shall:

(1) except as provided by this section, in the time and manner provided by law, apply, in the name of the purchaser of the vehicle, for the registration of the vehicle, if the vehicle is to be registered, and a certificate of title for the vehicle and file with the appropriate designated agent each document necessary to transfer title to or register the vehicle; and at the same time

(2) remit any required motor vehicle sales tax.

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the certificate of title has been surrendered in exchange for:

(A) a salvage vehicle title issued under this chapter;

(B) a nonrepairable vehicle title issued under this chapter;

(C) a certificate of authority issued under Subchapter D, Chapter 683; or

(D) an ownership document issued by another state that is comparable to a document described by Paragraphs (A)-(C); or

(3) with a gross weight in excess of 11,000 pounds.

(c) Each duty imposed by this section on the seller of a motor vehicle is solely that of the seller.

(d) A seller who applies for the registration or a certificate of title for a motor vehicle under Subsection (a) (1) shall apply in the county as directed by the purchaser from the counties set forth in Section 501.023 of this code.

(e) The department shall promulgate a form on which the purchaser of a motor vehicle shall designate the purchaser's choice as set out in Section 501.023 as the recipient of all taxes, fees, and other revenue collected as a result of the transaction, which the tax assessor-collector is authorized by law to retain. A seller shall make that form available to the purchaser of a vehicle at the time of purchase.

(f) A seller has a reasonable time to comply with the terms of Subsection (a) (1) and is not in violation of that provision during the time the seller is making a good faith effort to comply. Notwithstanding compliance with this chapter, equitable title to a vehicle passes to the purchaser of the vehicle at the time the vehicle is the subject of a sale that is enforceable by either party.

As of January 1, 1996, a vehicle with a Salvage Certificate or Nonrepairable Vehicle Certificate Title issued pursuant to the Certificate of Title Act, a *Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking or Dismantling Only***, Form VTR 71-3** (issued prior to October 1, 2007)**,** or a vehicle that has been declared a total loss by an insurance company, is no longer considered a "motor vehicle" for tax purposes. This also includes a vehicle that has a similar ownership document issued from another state. Purchases of these vehicles are subject to state and local sales and use taxes. Sellers must secure a limited sales tax permit and comply with the Limited Sales, Excise and Use Tax Act. Once a previously damaged vehicle has been rebuilt and is eligible to receive a regular motor vehicle title, all subsequent sales are again subject to motor vehicle sales tax.

Requirement for Motor Vehicle Dealers

Upon the sale of a motor vehicle by a licensed Texas motor vehicle dealer, the selling dealer is required to complete and file all documents necessary to transfer title to the motor vehicle and/or register the motor vehicle in the name of the purchaser. Additionally, the dealer must collect and remit any applicable sales tax to the county tax assessor-collector where the vehicle was bought, where the vehicle is encumbered, or where the owner (purchaser) resides as directed by the purchaser on a **Form VTR-136,** *County of Title Issuance*.

Motor Vehicle Definition

This section applies to motor vehicles as defined in the Transportation Code, Section 501.002. The term “motor vehicle” means:

- Any motor driven or propelled vehicle required to be registered under the laws of this state;
- A trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 lbs;
- A house trailer;
- An all-terrain vehicle or a recreational off-highway vehicle, as those terms are, as defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or
- A 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.

Exceptions to Motor Vehicle Definition include:

- salvage and non-repairable vehicles;
- sales to out-of-state residents;
- sales to out of-state or foreign dealers;
- vehicles sold to exempt agencies;
- trucks over 11,000 lbs. gross weight; and
- trailers or semitrailers with a gross vehicle weight of 4000 lbs or under.

Sales Tax

Any questions relating to the applicability, collection or remittance of any applicable sales tax should be referred to the Texas Comptroller of Public Accounts.

A dealer may be required by its lending institution to obtain a Texas Certificate of Title in order to **r**ecord a lien on a vehicle purchased for resale. In this situation, the dealer may title the vehicle without paying tax. However, the vehicle must be held exclusively for resale and not for business or personal use. If a dealer drives the vehicle for personal use, they must either put metal dealer plates on the vehicle or title and register it in their name.

A dealer who elects to title a vehicle for reasons other than to record a lien on a vehicle purchased for resale is liable for tax based on the purchase price. A dealer is not eligible to pay gift tax on a vehicle that a dealer purchases or accepts as a trade-in.

Proof of Insurance

Effective May 28, 1999, licensed Texas motor vehicle dealers are no longer required to provide proof of financial responsibility when a dealer is applying for title and registration in the name of the purchaser.

County of Title Issuance

Effective September 1, 2005, a licensed Texas dealer must provide a purchaser of a motor vehicle with the *County of Title Issuance*, **Form VTR-136**, at the time of purchase. (Refer to Transportation Code, §501.023)

The **Form VTR-136** allows the purchaser to designate where the dealer files the documents necessary to transfer title and/or register the motor vehicle. The purchaser may select the county:

- Where the vehicle was purchased,
- Where the vehicle is encumbered, or
- Where the purchaser resides.

The form, executed by the purchaser, should not be surrendered with the title transaction, but should be retained by the motor vehicle dealers for their records.

Issuance of New Certificate of Title Because of Subsequent Sales

Transportation Code Section 501.133

(a) If all of the forms of transfer on a certificate of title have been used because of subsequent sales, the certificate may be delivered to a county assessor-collector, who shall:

(1) provide a title receipt in the manner required for a first sale; and

(2) send the certificate of title to the department on the same day the certificate is received.

(b) On receipt of the certificate of title, the department shall issue a new certificate of title.

An owner (not a Texas licensed dealer) whose name appears as the purchaser on the first assignment, on "reassignment by dealer," or on a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, must secure title before proceeding to transfer ownership of the motor vehicle.

The *Dealer's Reassignment of Title for a Motor Vehicle* (**Form VTR-41-A)** has been designed exclusively for use by licensed dealers. All reassignments must be in consecutive order, regardless of whether they are executed on the back of the title or on a separate **Form VTR-41-A**.

Note: Form VTR-41 may only be used with Texas titles issued prior to April 29, 1990, or titles that do not conform to the federal Truth in Mileage Act requirements (non-conforming).

All available assignment spaces on a Texas Certificate of Title or Manufacturer's Certificate of Origin must be completed before a **Form VTR-41-A** may be used. If a **Form VTR-41-A** is used to transfer a Texas Certificate of Title or a Manufacturer's Certificate of Origin that does not have all assignments completed, the title transaction is unacceptable for title issuance. This does not apply to transactions involving out-of-state titles.

If a Texas Certificate of Title is issued in the name of a licensed dealer, the dealer must use the assignment on the back of the title to transfer ownership. The first retail purchaser must secure title in the purchaser's name.

No dealer may use a **Form VTR-41-A** unless he has a current Texas dealer license. The dealer number must be shown in its proper place on the form.

Only a licensed franchised dealer may reassign a manufacturer's certificate.

All reassignments on the title and the reassignments on the **Form VTR-41-A** shall be executed in ink or typed.

A statement of fact must be secured for any alteration or erasure on the **Form VTR-41-A**. (Refer to Chapter 7, "Corrections")

The **Form VTR-41-A** must be used on titles for all vehicles that are not exempt from the odometer disclosure requirements.

Note: Other requirements applicable to assignments of title are as follows:

- On repossessions from a recorded lien, the lienholder must use the first assignment on the certificate of title. A lienholder that is a dealer cannot, in this case, use a *Dealer's Reassignment of Title for a Motor Vehicle,* **Form VTR-41-A**.

- On repossessions from a security agreement (lien not recorded on title), the lienholder (dealers included), in all cases, must file application and receive title in the lienholder's name before proceeding to transfer. (Refer to Section 501.074.)
- The purchaser, as shown on a Sheriff's, Constable's, or U. S. Marshal's Bill of Sale, Mechanic's or Storage Lien Bill of Sale, or Auction Sales Receipt for an abandoned vehicle, must secure title in their name. However, if the purchaser is a dealer, the purchaser may use the **Form VTR-41-A** or assign the title.

Vehicles Sold for Export Only

Effective April 1, 2002, the Motor Vehicle Division's rules require Texas licensed dealers to stamp "FOR EXPORT ONLY" on the front and over all unused reassignments on the back of titles for vehicles sold to foreign dealers or foreign residents for export.

If all reassignment spaces on the title document are full and a *Dealer's Reassignment of Title for a Motor Vehicle*, **Form VTR-41-A**, is used, dealers stamp the front and back of the title document and all unused assignments on the **Form VTR-41-A.**

Title transactions supported by title documents indicating sales that occurred on and after April 1, 2002, between Texas licensed dealers and either foreign dealers or foreign residents must be **stamped** "FOR EXPORT ONLY."

If title transactions as described in B. are not stamped "FOR EXPORT ONLY," the county tax assessor-collector should process the transactions, provided the surrendered documentation includes foreign evidence of ownership that has been properly assigned to the title applicant. Otherwise, the transaction should be rejected for proper evidence of ownership, or the applicant may pursue either a tax collector's hearing or bonded title.

Copies of the front and back of the title and associated transfer documents that are either stamped or not stamped "FOR EXPORT ONLY" should be forwarded to the Title Control Systems Branch (TCS) for further disposition. These copies should be placed in an envelope labeled "For Export Only" and submitted with the Title Package Report. TCS then forwards that envelope to the Motor Vehicle Division.

In the event a title is stamped in error with the "FOR EXPORT ONLY" stamp, the dealer must apply for title in the dealership name. The dealer must include a statement of fact explaining why the sale of the vehicle to the foreign dealer or foreign resident, as indicated on the title reassignment, was cancelled.

Note: Different procedures apply for salvage and nonrepairable vehicles sold for export only. Refer to Chapters 26 and 28 for detailed information.

Export Only Requirements and Procedures

Table 29-1 Export Only Requirements and Procedures

	Regular (not Salvage) Motor Vehicles
Administering Division	Motor Vehicle Division
Authority	Texas Administrative Rule: §43 TAC §8.147
Applies To	Licensed Texas Motor Vehicle Dealers selling "**blue titled**" motor vehicles to buyers that hold a foreign motor vehicle dealer license or foreign residents.
Requirement of Sellers	Licensed motor vehicle dealer must: Stamp title with "FOR EXPORT ONLY" and dealer number (P#) and Verify the validity of the buyer's foreign motor vehicle dealer license, if applicable.
Restrictions	Foreign buyer must: Remove the motor vehicle from the United States, and Title or register the motor vehicle in a foreign jurisdiction prior to importing it back to the U.S. (See Chapter 19, "Imported Vehicles" on Imported Vehicles.) After the above requirements are met, the motor vehicle may be: Retitled in Texas and Reregistered in Texas.
Sales Reported To Vtr	No
"Export Only" On Motor Vehicle Records	No
Stamped in Error Procedures	The motor vehicle dealer who stamped the title in error must apply for a title in the dealer's name. Along with the application filed with the county tax office, the dealer must include: The incorrectly stamped title document; A statement of fact explaining why the assignment to the foreign dealer or foreign purchaser was cancelled; A copy of the seller's current dealer license; and The appropriate $28/$33 application fee.
Lost Title "for Export Only"	A Certified Copy of the title may be issued.
Innocent Purchaser Procedures	The county should **reject** the transaction if: The assignment/reassignment on the Texas title indicates a sale between a licensed Texas Motor Vehicle Dealer and a foreign dealer or foreign resident; and The title is or is not stamped "FOR EXPORT ONLY." Note: The counties have been asked to submit a photocopy of the front and back of these transfer documents (stamped or unstamped) to VTR, who in turn forwards the copies to MVD for investigation). The buyer must provide proper foreign evidence of ownership (i.e. a foreign title or registration document); or may pursue: A Tax Collector's Hearing; A Bonded title; or may Obtain a valid court order.

Processing Title Transactions Involving Dealer Bankruptcy

When it is determined that a dealer has filed for bankruptcy or withheld taxes and/or title and registration fees, whoever discovers the dealer problem should notify the following offices as soon as possible:

- The local VTR regional office
- The Motor Vehicle Division at 1-800-687-7846
- The State Comptroller's Office at 1-800-252-1382.

When dealer problems such as these occur, the evidence of ownership for the motor vehicle may or may not be available. The following guidelines should be followed regarding the evidence of ownership:

Evidence of Ownership *Not* Available

If the customer does not have or cannot obtain the title to the vehicle purchased, the customer may proceed by:

- Obtaining a tax collector's hearing,
- Applying for a bonded title, or
- Seeking a court order to issue title.

Note: Prior to one of these three proceedings, the department cannot issue a new title to any customer who cannot present a properly assigned title to the vehicle at issue.

Payment of Fees

If the customer can provide adequate proof of payment of fees by presenting a sales contract with itemized title, registration and sales tax fees, title and registration may be issued without repayment of fees based upon an approval letter by a copy of the sales contract itemizing tax, title, and license.

- A copy of the approval letter must be submitted with the title transaction to become part of the title record.
- The State Comptroller's Office authorizes the county tax assessor-collector to waive repayment of the motor vehicle sales tax, if the customer's sales contract indicates that these payments were made to the dealer.
- The county does not retain their portion of the fees until fees are collected.
- Customers with expired dealer Buyer Tags may purchase 30-day permits in order to continue operating the vehicles prior to filing for title and registration.

Bankruptcy or Withheld Fees

When it is determined that a dealer has filed bankruptcy or withheld fees, counties should follow these procedures to process the transaction without collecting fees:

Texas Title – Expired Registration

1. Modified the record to reflect the correct expiration month and year.
2. Process the title through the Title Application Event in RTS removing all fees and exempting the sales tax.

Texas Title – Current Registration

Process the title transfer normally through the Title Application Event in RTS removing all fees and exempting the sales tax.

No Record

1. Process the title transfer using the current Title-Only procedures.
2. Provide the customer a Temporary Tag (VTR-24-SP) and issued license plates.
3. Complete **Form VTR-31-RTS** with the following notation placed at the top of the form, “NOTE: DEALER BANKRUPTCY.”
4. Indicate the correct month/year of expiration and plate number issued on the **Form VTR-31-RTS**.
5. Fax the **Form VTR-31-RTS**, along with the Title Only Receipt (RTS 500) to the department at fax number (512) 465-7736. The department then updates the plate number and expiration month and year.
6. After the system is updated, issue a no-charge replacement sticker and mail it to the customer.

Chapter 30

Miscellaneous

This chapter contains the following sections:

- Vehicles Not Subject To Inspection
- Definitions
- Application of Subchapter
- Register of Repairs
- Register of Used Motor Vehicle Sales and Purchases
- Maintenance of Records
- Replacement of Cylinder Block
- Criminal Penalty

Vehicles Not Subject To Inspection

Transportation Code Section 548.052

This chapter does not apply to:

(1) a trailer, semitrailer, pole trailer, or mobile home moving under or bearing a current factory-delivery license plate or current in-transit license plate;

(2) a vehicle moving under or bearing a paper dealer in-transit tag, machinery license, disaster license, parade license, prorate tab, one-trip permit, antique license, temporary 24-hour permit, or permit license;

(3) a trailer, semitrailer, pole trailer, or mobile home having an actual gross weight or registered gross weight of 4,500 pounds or less;

(4) farm machinery, road-building equipment, a farm trailer, or a vehicle required to display a slow-moving-vehicle emblem under Section 547.703;

(5) a former military vehicle, as defined by Section 502.275; or

(6) a vehicle qualified for a tax exemption under Section 152.092, Tax Code; or

(7) a vehicle for which a certificate of title has been issued but that is not required to be registered.

Note: Regarding Section 548.052 (5): Section 502.275 was repealed (78th Legislative Session, effective September 1, 2003); it was renumbered as Section 504.502.

Although Section 548.052 exempts certain vehicles from motor vehicle inspection, an Out-of-state *Identification Certificate*, **Form VI-30**, issued by a State appointed Safety Inspection Station, is still required if registration is purchased and out-of-state evidence supports the title transaction. The "VIN Certification Waived" remark must be entered if a "Title Only" application is filed and an *Identification Certificate* is not provided.

Definitions

Occupations Code Section 2305.001

In this subchapter:

(1) "Person" means an individual, corporation, or firm.

(2) "Repair" includes the rebuilding of a motor vehicle, the installation of a new or used part or accessory on a motor vehicle, and the performance of electrical work in connection with the repair of a motor vehicle. The term does not include a repair covered by Chapter 2304.

(3) "Used motor vehicle" includes a secondhand motor vehicle.

(4) "Motor vehicle" has the meaning assigned by Section 501.002, Transportation Code.

Application of Subchapter

Occupations Code Section 2305.002

This subchapter applies to any person who:

(1) operates a shop or garage that is engaged in the business of repairing motor vehicles; or

(2) engages in the business of purchasing or selling used motor vehicles in this state.

Register of Repairs

Occupations Code Section 2305.003

(a) A person subject to this subchapter shall maintain a register of each repair the person makes to a motor vehicle. The register must contain a substantially complete and accurate description of each motor vehicle that is repaired.

(b) This section does not apply to a repair having a value of $1 or less.

Register of Used Motor Vehicle Sales and Purchases

Occupations Code Section 2305.004

(a) A person subject to this subchapter shall maintain a register of each sale or purchase the person makes of a used motor vehicle.

(b) If the person buys a used motor vehicle, the register must contain:

(1) the make and model, the number of cylinders, the motor number, the vehicle identification number, and the passenger capacity of the motor vehicle, if applicable;

(2) the name, date of birth, usual place of address, and official identification number of each person claiming to be the owner of the motor vehicle; and

(3) the state registration number of the motor vehicle, if applicable.

(c) If the person sells a used motor vehicle, in addition to the requirements of Subsection (b), the register must contain the name and address of the purchaser of the motor vehicle.

Record of Replaced Cylinder Block

Occupations Code Section 2305.005

The owner of the garage or repair shop that installs a replacement cylinder block and stamps the original engine number on the block as required by Section 2305.051 shall record in a substantially bound book:

(1) the name and address of the vehicle's owner; and

(2) the engine number and registration number of the vehicle.

Maintenance of Records

Occupations Code Section 2305.006

(a) All records required to be maintained under this subchapter shall be kept until at least the first anniversary of the date the record is made

(b) The registers required by Sections 2305.003 and 2305.004 shall be maintained in a clear and intelligent manner in a well-bound book or an electronic recordkeeping system and kept in a secure place in the office or place of business where the work is performed or the business is conducted.

Replacement of Cylinder Block

Occupations Code Section 2305.051

The owner of a motor vehicle registered under Chapter 502, Transportation Code, that has a damaged cylinder block replaced shall have the original engine number of the motor vehicle stamped with a steel die on the replacement cylinder block.

Criminal Penalty

Occupations Code Section 2305.101

(a) A person commits an offense if the person violates this chapter or a rule adopted under this chapter.

(b) Except as provided by Subsection (c), an offense under this section is punishable by a fine of not less than $10 and not more than $100.

(c) An offense under this chapter that consists of the violation of Section 2305.007 is a Class A misdemeanor.

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