



August 1, 2011

Registration and Title Bulletin # 035-11 General Information

TO: All Motor Vehicle Dealers and County Tax Assessor-Collectors

SUBJECT: SB 1057 Relating to the Transfer of Vehicle Registration at Time of Sale by a Texas Dealer

PURPOSE

To provide you with processing guidance on vehicle registration for all vehicles sold by Texas motor vehicle dealers, which includes trailers, travel trailers and motorcycles.

DETAILS

SB 1057, enacted during the 82nd Legislative Session, requires that current registration be invalidated at the time a vehicle traded in to a Texas dealer is subsequently sold to a new owner. The legislation requires the dealer to collect registration fees for a minimum of 12 months (except for registrations with fixed expiration months such as Combination, which may be less than 12 months) at the time of application for Texas title. This change is effective September 1, 2011.

The proper calculation of registration fees will be based on the following two very important criteria:

- Title Transaction Date
- Dealer Number (General Distinguishing Number)

For further guidance to assist in determining what registration fees will be collected, please see the attached table.

DEALER ACTION

Dealers NOT Using DTA

- Registration fees will be calculated based on the Title Transaction Date, which is the date the paperwork is received by the county and not the sales tax date. Transactions with a Title Transaction Date prior to September 1, 2011, will not have current registration invalidated and any remaining registration will be transferred to the new owner.
- It is very important to remember that title transactions with a Title Transaction Date on or after September 1, 2011, will have the registration invalidated and will require a full 12 months of registration to be issued (except for registrations with fixed expiration months such as Combination, which may be less than 12 months).

Dealers Using DTA

- Registration fees will be calculated by the Transaction Date, which is the date the transaction is created by the dealer or title clerk and the date on the external media.
- If a vehicle is sold in August but the DTA transaction is not created until on or after September 1, 2011, 12 months of registration will be collected at the new fees.

COUNTY ACTION

It is very important to remember to enter the correct transaction date and dealer number.

Transaction Date

For dealers not using DTA, the calculation of registration fees will be based on the Title Transaction Date, which is the date entered on the Title Types (TTL002) screen. This date previously defaulted to the current date; however, with RTS Release 6.8.0 it will require the date to be entered. The date entered should be the date the title transaction (paperwork) is received by the county and not the sales tax date.

For dealers using DTA, the calculation of fees will be based on the Transaction Date, which is the date that the DTA transaction was created by the dealer or title agent. This date appears in the Transaction Date field on the Dealer Title Transaction (DTA008) screen.

Entry of Dealer Number

- Entry of the Dealer Number on the Owner Entry screen (TTL007) will determine if the registration remaining should be invalidated. Title transactions with a number entered in this field and a Transaction Date of September 1, 2011, or later will automatically invalidate the registration and require collection of 12 months of registration fees (except for registrations with fixed expiration months such as Combination, which may be less than 12 months).
- The Dealer Number field should:
 - Contain only complete Texas motor vehicle dealer numbers, including any leading “P,” and, in the case of a trailer dealer, trailing “X.”
 - NOT contain a salvage dealer number, out-of-state dealer number, or any non-alphanumeric characters such as asterisks or dashes.

CONTACT

If you need additional information, please contact your local county tax office or TxDMV Regional Service Center.

Sincerely,



Randy Elliston, Director
Vehicle Titles and Registration Division

Attachment