# MOTOR VEHICLE TITLE MANUAL

Texas Department of Motor Vehicles

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TxDMV January 2014

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Chapter 1

# GENERAL PROVISIONS

This chapter contains the following sections:


- ***1.1*** Short Title
- ***1.2*** Purpose
- ***1.3*** Applicability
- ***1.4*** Conflicts with Business & Commerce Code Section


## 1.1 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

## 1.2 Purpose

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.*

## 1.3 Applicability

Transportation Code Section 501.004

*(a) Except as provided by this section, this chapter applies to all motor vehicles, including 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.

## 1.4 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:


- ***2.1*** Department Administration
- ***2.2*** County Administration
- ***2.3*** Title Transaction Assembly Procedures


## 2.1 Department Administration

### Rules; Forms

Transportation Code Section 501.0041

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

*(b) The department shall post forms on the Internet and provide each county assessor-collector with a sufficient supply of any necessary forms on request.*

### Processing Of Application; Rules

This section delegates 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 adopted rules in the Texas Administrative Code, Title 43, Chapter 217.

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.

### Customer Inquiries

The Texas Department of Motor Vehicles (TxDMV) maintains a telephone information center to provide title and registration service support. The Call Center's telephone number is (512) 465-3000 or toll-free 1-888-368-4689. Send written correspondence to TxDMV - VTR, 4000 Jackson Ave, Austin, Texas 78731 or by internet at `www.txdmv.gov/`. In addition, there are TxDMV Regional Service Centers 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 the Texas Motor Vehicle Records Disclosure Act (Transportation Code, Chapter 730), and the federal Driver's Privacy Protection Act 18 U.S.C. 2721-2725).

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 09/2011 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.

VTR cannot disclose motor vehicle record information in response to a telephone inquiry by license plate number. 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.

**Note: NMVTIS records are for Department Use Only and may not be provided outside of the TxDMV. Individuals needing to obtain NMVTIS records may do so at** http://www.vehiclehistory.gov**.**

### 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 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 ten 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. (Refer to the Release of Information section above.)

## 2.2 County Administration

### Duty of and Responsibilities of County Assessor-Collector

Transportation Code Section 520.005

*(a) Each county assessor-collector shall comply with Chapter 501.*

*(b) An assessor-collector who fails or refuses to comply with Chapter 501 is liable on the assessor-collector's official bond for resulting damages suffered by any person.*

*(c) Notwithstanding the requirements of Section 520.0071, the assessor-collector may license franchised and non-franchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted under Section 520.004. The county assessor-collector may pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.*

*(d) Each county assessor-collector shall process a registration renewal through an online system designated by the department.*

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 502.480

*(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 or vehicle identification number removed, erased, or destroyed; and*

*(2) does not bear a motor number or vehicle identification 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.*

## 2.3 Title Transaction Assembly Procedures

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

### Assembly

Documents should be assembled in the following order for each title transaction and securely staple together one inch from the top left corner:

1. *Title Application Receipt*, **VTR-500-RTS**
2. *Application for Texas Title*, **Form 130-U** and, when applicable, followed by *Application for Title Only*, **Form VTR-131**.
3. Supporting Evidence of Ownership:
   - Manufacturer's Certificate of Origin (MCO);
   - *Texas Certificate of Title*, **Form 30-C;**
   - *Texas Certified Copy of Title*, **Form 30-CCO**;
   - Negotiable out-of-state title;
   - Out-of-state/country registration receipt;
   - Foreign evidence of ownership;
   - Valid court order (county level or higher);
   - 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;
- **Form 97**, *United States Government Certificate to Obtain Title to a Vehicle*.

**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**;
- The TxDMV Regional Service Center's "Rejection" letter establishing the amount of the bond;
- *Tax Collector Hearing / Bonded Title Application*, **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).
- For persons claiming the orthopedically handicapped exemption to the motor vehicle sales tax, *Texas Motor Vehicle Orthopedically Handicapped Exemption Certificate*, **Form 14-318**.

5. Out-of-state Vehicles:

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

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

## Bundle Order

See Figure 2-1 for an example of how to bundle documents for delivery to VTR.

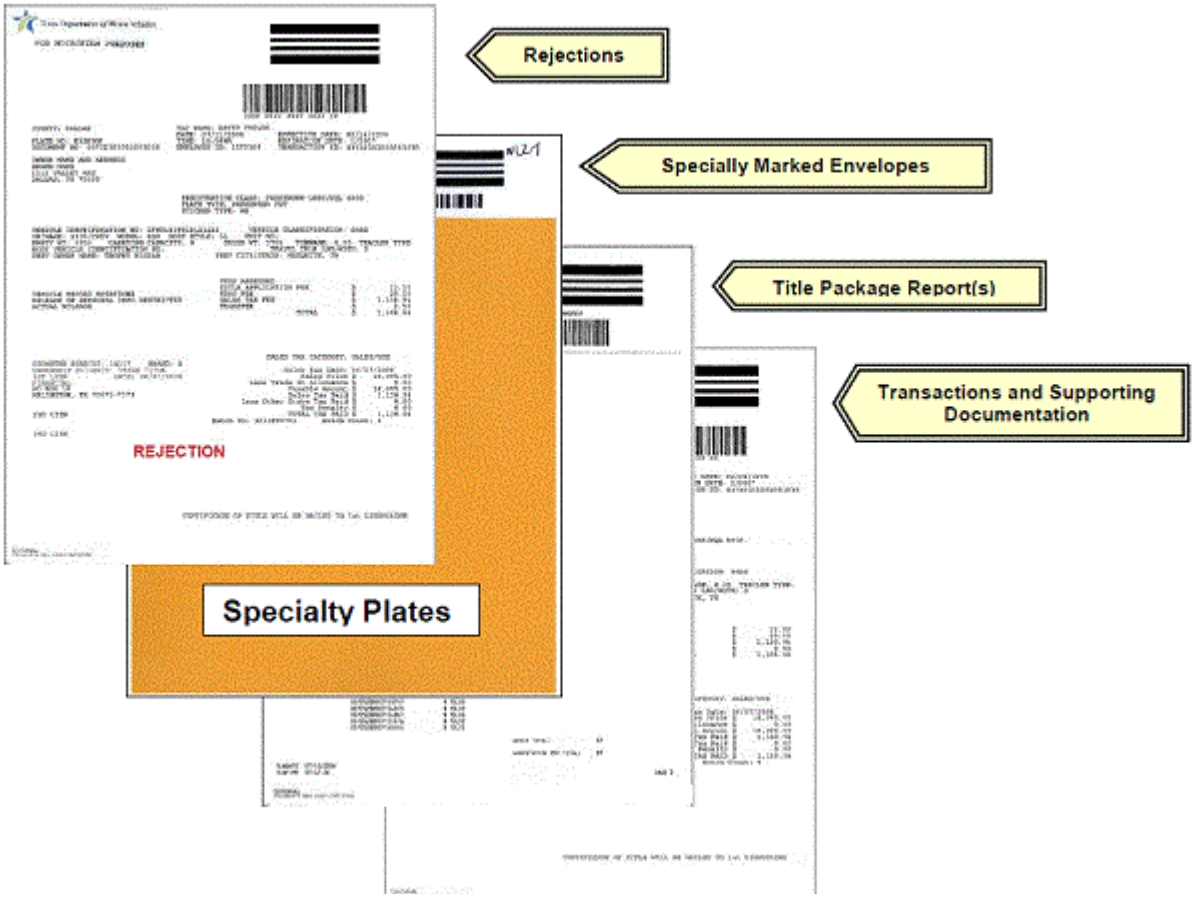
1. **Top of Bundle:** Rejections (if applicable)

**Note: Rejections should always be placed on top of the bundle. Rejections should be photocopies, not original transactions.**

2. **Middle of Bundle:** Specially Marked Envelopes (place transactions inside the envelope)

3. **Middle of Bundle:** Title Package Report(s)
4. **Bottom of Bundle:** Transactions and Supporting Documentation

**Figure 2-1** Title Package Report Assembly Procedures




## Bundle Notes

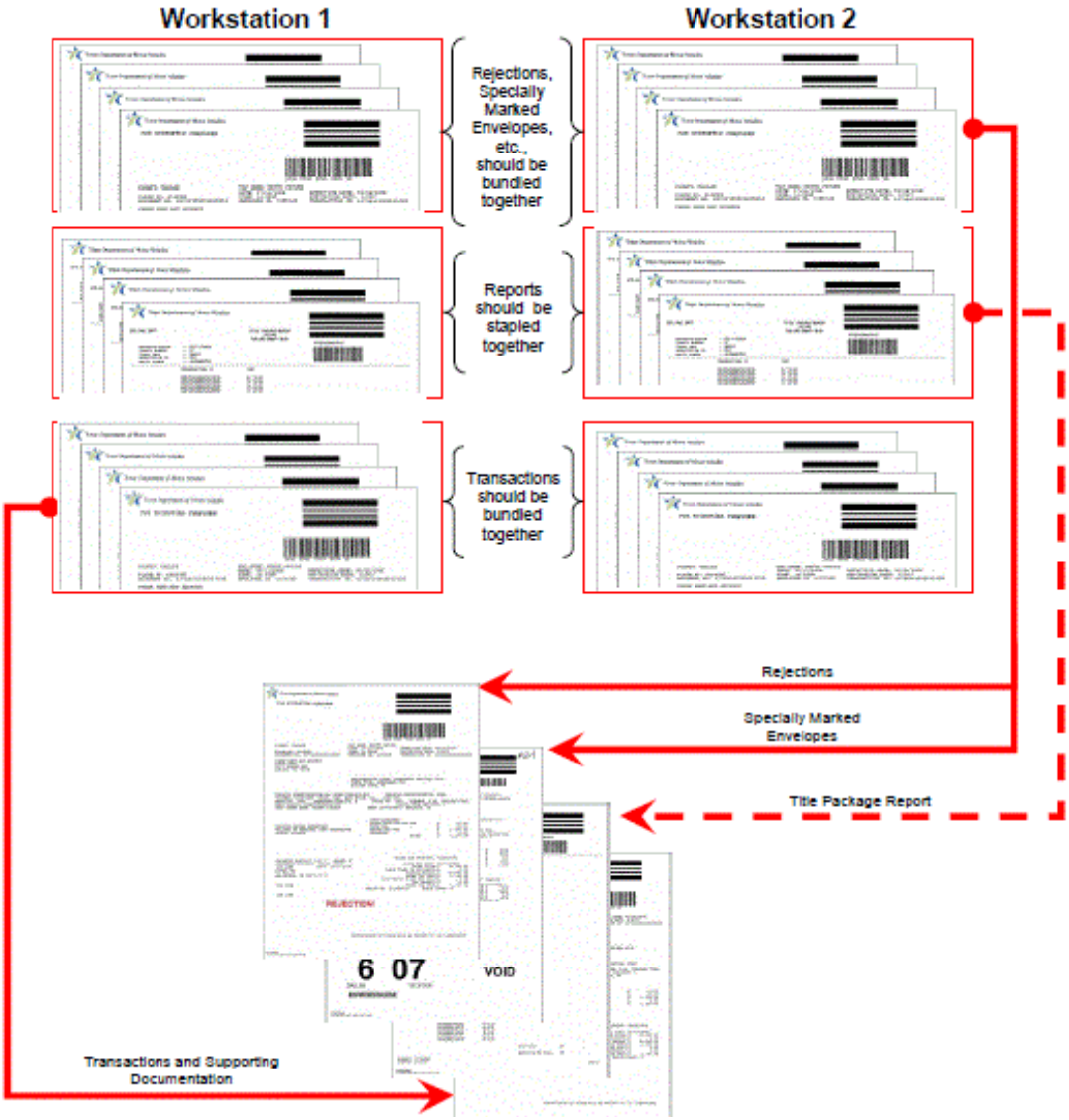
- **ALL** work in a bundle **MUST BE** from the same date.
- **LIMIT** Bundles to a size **NO LARGER THAN SIX INCHES IN HEIGHT**.
- **SECURE BUNDLES** with rubber bands.
- **DO NOT SPLIT OR SEPARATE** workstations from their Title Package Report.
- **DO NOT STAPLE** the Title Package Report to transactions or envelopes.
- **DO NOT SUBMIT** Non-Title Vehicle Receipts, Vehicle Transfer Notifications Additional Collections Receipts, Funds Remittance Reports, Funds Summary Reports, Hot Check Redemptions or Voided Transactions.
- Place **SPECIALLY MARKED ENVELOPES** on top of the Title Package Report(s) for each bundle.

## Consolidating Multiple Workstations

- **STAPLE** the respective Title Package Reports together (RTS POS 5911).

- **DO NOT STAPLE** the Title Package Report to transactions or envelopes.
- Workstation bundles **SHOULD CONTAIN ALL** the transactions listed in the Title Package Reports.
- **TRANSACTIONS REQUIRING ADDITIONAL PROCESSING SHOULD BE** sorted by type and placed within the appropriate Specially Marked Envelope. These envelopes should be placed on top of the Title Package Report(s).

**Figure 2-2** Consolidating Multiple Workstations




## Specially Marked Envelopes: Examples of Transaction Types

**(Transactions that require additional processing within VTR)**

The following transaction types should be submitted in 8 ½” x 11” Specially Marked Envelopes or under a colored coversheet.

### Rejection Envelope

- "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.
- **As an alternative to mailing in the request for "Rejection", counties may instead e-mail their request to their respective Regional Service Center. This will eliminate the processing time in which the counties will have to wait to reprocess the transaction through Point of Sale.**

### Apportioned RPO Envelope

- All Registration Purposes Only Apportioned transactions.

### Red Flag Envelope

- Suspicious documentation that suggests possible fraud or odometer tampering.

### Resubmit Envelope

- Transactions corrected outside of RTS (e.g., application errors, document errors, missing supporting documentation, etc).
- **Do not include "Rejection Correction"** transactions (e.g., data entry errors corrected through RTS).

### Special Handling Envelope (similar transactions should be labeled and grouped together within this envelope)

- Transactions that have a "Legal Restraint" on the record.
- Transactions involving "Switched Ownership Evidence".
- Transactions involving *ASE Safety Inspection and Application for Custom Vehicle or Street Rod License Plates*, **Form VTR-852**.

### Specialty Plates Envelope

- Qualifying Specialty License Plate applications such as: Exempt Vehicle, Military, Organizational Membership or Veteran **without** the accompanying title transaction (the actual title transaction should stay within the bundles).

## Mailing Instructions

**Table 2-1 Mailing Instructions**

| Transaction | Address |
|---|---|
| Mail Assembled Title Package Reports To:<br>**(Do not include checks)** | Vehicle Titles and Registration Division<br>Texas Department of Motor Vehicles<br>PO Box 26420<br>Austin, TX 78755-0420 |
| Mail Overnight/Courier Services To:<br>**(Do not include checks)** | Vehicle Titles and Registration Division<br>Attn: TCS<br>4000 Jackson Avenue, Building 1<br>Austin, TX 78731 |

| Transaction | Address |
|---|---|
| Mail All Negotiable Checks and Currencies To: | TxDMV Finance Division<br>PO Box 5020<br>Austin, TX 78763-5020 |

# Chapter 3

# FEES

This chapter contains the following sections:


- ***3.1*** Collection and Disposition of Title Application Fees
- ***3.2*** Certain Military Personnel Exempt From Title Fees
- ***3.3*** Delinquent Transfer Penalty
- ***3.4*** Allocation of Transfer Fees
- ***3.5*** Nonrepairable or Salvage Vehicle Title Application Fees
- ***3.6*** Rebuilt Salvage Fees
- ***3.7*** Title Fee Chart


## 3.1 Collection and Disposition of Title Application Fees

Transportation Code Section 501.138

*(a) An applicant for a title, other than the state or a political subdivision of the state, must pay 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 fees shall be distributed as follows:*

*(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) Fees collected under Subsection (b) to be sent to the comptroller shall be deposited 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 August 30, 2019] 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 Texas Department of Transportation 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 Texas Department of Transportation 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.*

*(c) [Expires August 31, 2019] This subsection and Subsection (b-2) expire August 31, 2019.*

*(d) 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 Texas Department of Motor Vehicles fund to recover the expenses necessary to administer this chapter.*

*(e) 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.*

Transportation Code Section 501.139

*A county assessor-collector that transfers money to the department under this chapter shall transfer the money electronically.*

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.

## 3.2 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 as Designated by the Secretary of Defense

**Table 3-1 Hostile Fire Zones**

| **Country/Area** | |
|---|---|
| Afghanistan | Kyrgyzstan |
| Algeria | Lebanon |
| Arabian Peninsula | Liberia |
| Azerbaijan | Libya |
| Bahrain | Malaysia |
| Burundi | Montenegro |
| Chad | Oman |
| Colombia | Pakistan |
| Congo, Dem Rep of | Philippines |
| Cote D'Ivoire | Qatar |
| Cuba - Guantanamo Bay Detention Facilities only | Rwanda |
| Djibouti | Saudi Arabia |
| East Timor | Serbia *(includes province of Vojvodina)* |
| Egypt | Sierra Leone |
| Eritrea | Somalia |
| Ethiopia | Sudan |
| Greece - Athens area | Syria |
| Haiti | Tajikistan |
| Indonesia | Tunisia |
| Iran | Turkey |
| Iraq | Uganda |
| Israel | United Arab Emirates |
| Jordan | Uzbekistan |
| Kenya | Yemen |
| Kosovo | Yugoslavia |
| Kuwait | |

| **Water Areas** | |
|---|---|
| Persian Gulf | Gulf of Aden |

| **Water Areas** | |
|---|---|
| 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) |
| Mediterranean | 26° 00’ E longitude, extending north to 34° 35’ N latitude, extending west to the East Coast of Tunisia |

Source: Department of Defense Press Operations, August 2011

## 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. If, upon reporting 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 and returned to your prior Reserve status, and returned to duty subject to a subsequent order to active duty upon resolution of 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.
ORDERS 220-286 HQ TX NG, OTAG, 08 August 2007

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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 members to
      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       //
```

## 3.3 Delinquent Transfer Penalty

Transportation Code Section 501.146

*(a) If the application for the transfer of title is not filed during the period provided by Section 501.145, the late fee is to be paid to the county assessor-collector when the application is filed. If the seller holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the seller is liable for the late fee in the amount of $10. If the seller does not hold a general distinguishing number, subject to Subsection (b) the applicant's late fee is $25.*

*(b) If the application is filed after the 60th day after the date the purchaser was assigned ownership of the documents under Section 501.0721, the late fee imposed under Subsection (a) 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) Subsections (a) and (b) 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.*

*(d) A late fee imposed under this section may not exceed $250.*

### Transfer Requirements

The purchaser of a vehicle (dealers exempted) must, within 30 days of the date of assignment, file an application for transfer of title and registration with the county tax assessor-collector, if required. If the purchaser fails to apply for title within the 30 day filing period, a delinquent transfer penalty is assessed.

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

The amount of the delinquent transfer penalty varies dependent on when the transaction is filed and who is filing the transaction.

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

### Filing Period

Thirty days starts with the day following the date of assignment on the title. Use the date of assignment on the title and the filing date in determining the thirty 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.

## Determining Date of Assignment

When available the date of assignment on the Certificate of Title or MCO should be used. If unavailable, to determine the date of assignment/sale:

- Court Orders:
  - **a.** Use the date on the Bill of Sale; if not available, then
  - **b.** Use the date the court order was signed by the judge (or made effective)
- Bonded Titles and Title Hearings:
  - **a.** Use the date on the Bill of Sale; if not available, then
  - **b.** Use the date on the TxDMV Rejection Letter or the Hearing Date

## Penalty Amounts

### General Public

When an application is filed on the 31st day after the date of sale or later (except military) and is subject to delinquent transfer penalties, the penalties are:

- $25 if filed on the 31st day after the date of sale; and
- an additional $25 for each subsequent 30 day period or portion of a 30 day period.
- The penalty may not exceed $250.

### Motor Vehicle Dealers

When a transaction is filed by a Texas licensed dealer on or after the 31st day after the date of sale, the transaction is subject to a delinquent transfer penalty of $10, regardless of how late it is filed.

### Seller-Financed Sales

When a seller-financed transaction is filed on the 46th day after the date of sale or later, the transaction is subject to a 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 as follows:

- $25 if filed on or after the 61st day after the date of sale; and
- an additional $25 penalty for each subsequent 30 day period or portion of a 30 day period.
- The penalty may not exceed $250.

**Note: Transfers prior to January 1, 2008 have a flat $10 delinquent transfer penalty. HB 481 from the 80th Texas Legislative Session increased the penalty from a flat $10 fee to the monthly fees, however Section 5 of that bill "grandfathered" transfers prior to the effective date of January 1, 2008.**

## Collection of Delinquent Transfer Penalties

Counties should collect all delinquent transfer penalties in accordance with the following types of ownership documents (regardless of whether the vehicle is currently registered):

- Manufacturer Certificate of Origin (MCO)
- Out of State Certificate of Title
- Original Texas Certificate of Title
- Certified Copy of a Texas Certificate of Title
- Form 97, U.S. Government Certificate to Obtain Title to a Vehicle
- Government Bill of Sale
- Auction Sales Receipt
- Bonded Titles
- Court Orders
- Title Hearings
- Storage Liens
- Mechanic's Liens
- Foreign Evidence
- Heirship Form
- Military Registration
- Repossession
- Previously Registered as Exempt

**Note: The delinquent transfer penalty should only be collected if a vehicle was previously registered with Exempt license plates and is transferring to a non-exempt license plate.**

## Out of State

Under the Tax Code, sales tax collection begins when the vehicle enters the state, whereas Transportation Code, Section 501.145 requires the date of assignment to be used. The Date of Assignment and Sales Tax Date are currently one and the same in RTS. For out-of-state titles and out-of-state Manufacturer's Certificate of Origin (MCO) transfers, use the first documented date in Texas to calculate the sales tax penalty. The delinquent transfer penalty located on the Sales Tax (TTL012) screen in RTS will need to be calculated manually.

## Exceptions

The Delinquent Transfer Penalty does not apply to the following:

- Vehicles that are eligible to be issued classic/antique plates under section 504.501 and 504.502
- A motor vehicle dealer that is applying for title in the dealership name
- Vehicles owned by exempt agencies
- Vehicles transferred by *Operation of Law* (for example repossessions, Affidavit of Heirship) unless a sale (public or auction) has occurred

- Corrected title transactions (no transfer of ownership)
- 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)

**Note: Vehicles owned by exempt agencies are only exempt when the vehicle is being transferred to another exempt agency. If an exempt vehicle is being transferred to a non-exempt purchaser, the transfer is eligible for the delinquent transfer penalty.**

### Dealers

A dealer is exempt from the thirty day filing period when an application for title is filed in the name of the dealership, provided the dealer has 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 by Operation of Law) is exempt from the thirty 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 from the penalty (unless assigned to a dealer possessing a current dealer number).

### Applications for Corrected Title

The 30 day filing period does not apply to applications for corrected title since no transfer is involved.

### 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
- Non-titled farm trailers and farm semitrailers.

### 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 30 day period has expired at the time the application is subsequently and correctly filed.

## 3.4 Allocation of Transfer Fees

Transportation Code Section 501.148

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

*(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 fees are required to be reported and remitted. The department shall deposit the remitted fees in the state treasury to the credit of the Texas Department of Motor Vehicles fund.*

*(c) Of each late fee collected from a person who does not hold a general distinguishing number by the department 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.

## 3.5 Nonrepairable or Salvage Vehicle Title Application Fees

Refer to Chapter 26, Section 26.8 Application for Salvage or Nonrepairable Vehicle Title.

## 3.6 Rebuilt Salvage Fees

Refer to Chapter 27, Section 27.1 Rebuilt Salvage.

## 3.7 Title Fee Chart

These are title fees only. Sales tax and registration fees may also apply.

**Table 3-2 Title Fee Chart**

| Fee | Fee Amount |
|---|---|
| Title Application | $33.00 (Non-attainment county)<br>$28.00 (other, Attainment county) |
| Rebuilt Salvage | $65.00 |
| Salvage Vehicle Title | $8.00 |
| Nonrepairable Vehicle Title | $8.00 |
| Certified Copy of Texas Certificate of Title | $2.00 (if mailed in)<br>$5.45 (in person, at Regional Service Centers) |
| Certified Copy of Texas Salvage Vehicle Title | $2.00 (mail in is the only option) |

**Table 3-2 Title Fee Chart**

| Fee | Fee Amount |
|---|---|
| Certified Copy of Texas Nonrepairable Vehicle Title | $2.00 (mail in is the only option) |
| Bonded Title Application Fee | $15.00 |
| Restitution Lien Fee | $5.00 (plus title application fee) |
| Foreclosure Lien Notification Fee | $25.00 |

# Chapter 4

# DEFINITIONS

This chapter contains the following:


- ***4.1*** Definitions


## 4.1 Definitions

Transportation Code Section 501.002

*In this chapter:*

*(1) "Certificate of title" means a printed record of title issued under Section 501.021. (See "Transportation Code Section 501.021")*

*(2) "Credit card" means a card, plate, or similar device used to make a purchase or to borrow money.*

*(3) Dealer" has the meaning assigned by Section 503.001.*

503.001(4) states "Dealer" means a person who regularly and actively buys, sells, or exchanges vehicles at an established and permanent location. The term includes a franchised motor vehicle dealer, an independent motor vehicle dealer, and a wholesale vehicle dealer.

*(4) "Debit card" means a card that enables the holder to withdraw money or to have the cost of a purchase charged directly to the holder's bank account.*

*(5) "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."

*(6) "Distributor" has the meaning assigned by Section 2301.002, Occupations Code.*

*(7) "Electric bicycle" has the meaning assigned by Section 541.201.*

*(8) "First sale" means:*

*(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or titled, 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 titling of that vehicle.*

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

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

*(11) "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 importer's certificate.

*(12) "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.*

*(13) "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.

*(14) "Manufacturer" has the meaning assigned by Section 503.001.*

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.

*(15) "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."*

*(16) Motorcycle" has the meaning assigned by Section 521.001 or 541.201, as applicable.*

*(17) 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 travel 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.*

*(18) "New motor vehicle" has the meaning assigned by Section 2301.002, Occupations Code.*

*(19) "Owner" means 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.*

*(20) "Purchaser" means a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred.*

*(21) "Record of title" means an electronic record of motor vehicle ownership in the department's motor vehicle database that is created under Subchapter I.*

*(22) "Seller" means a person or entity that donates, gives, sells, or otherwise transfers ownership of a motor vehicle.*

*(23) "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.*

*(24) "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.*

*(25) "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.

*(26) "Subsequent sale" means:*

*(A) the bargain, sale, transfer, or delivery of a used motor vehicle, with intent to pass an interest in the vehicle, other than a lien; and*

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

*(27) "Title" means a certificate or record of title that is issued under Section 501.021.*

*(28) "Title receipt" means a document 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**.

*(29) "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.*

*(30) "Travel trailer" means a house trailer-type vehicle or a camper trailer:*

*(A) that is a recreational vehicle defined under 24 C.F.R. Section 3282.8(g); or*

*(B) that:*

*(i) is less than eight feet in width or 40 feet in length, exclusive of any hitch installed on the vehicle;*

*(ii) is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use;*

*(iii) is not used as a permanent dwelling; and*

*(iv) is not a utility trailer, enclosed trailer, or other trailer that does not have human habitation as its primary function.*

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

*(32) "Vehicle identification number" means:*

*(A) the manufacturer's permanent vehicle identification number affixed by the manufacturer to the motor vehicle that is easily accessible for physical examination and permanently affixed on one or more removable parts of the vehicle; or*

*(B) a serial number affixed to a part of a motor vehicle that is:*

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

*(ii) the motor number; or*

*(iii) a vehicle identification number assigned by the department.*

Chapter 5

# CERTIFICATE OF TITLE REQUIREMENTS

This chapter contains the following sections:


- ***5.1*** Applicability
- ***5.2*** History
- ***5.3*** Certificate of Title
- ***5.4*** Motor Vehicle Title Required
- ***5.5*** Trailers and Semitrailers
- ***5.6*** Farm Trailers and Farm Semitrailers
- ***5.7*** Issuance of Title to Government Agency
- ***5.8*** Federal Government Vehicles
- ***5.9*** Office of Foreign Missions
- ***5.10*** Alias Certificate of Title
- ***5.11*** Sale or Offer without Title Receipt or Title


## 5.1 Applicability

Transportation Code Section 501.004

*(a) Except as provided by this section, this chapter applies to all motor vehicles, including 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.*

## 5.2 History

Refer to Transportation Code Section 501.002 (14) for Motor Vehicle Definition.

### 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.

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, 50th 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, Section 59, of the Constitution of Texas – must be titled. House Bill 273 also stipulated 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.

### 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

#### 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.

## 5.3 Certificate of Title

Transportation Code Section 501.021

*(a) A motor vehicle title issued by the department must include:*

*(1) the legal name and address of each purchaser and seller at the first sale or 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 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;*

*(7) a statement indicating rights of survivorship under Section 501.031;*

*(8) if the vehicle has an odometer, the odometer reading at the time of application for the title; and*

*(9) any other information required by the department.*

*(b) A printed 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 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.*

## 5.4 Motor Vehicle Title Required

Transportation Code Section 501.022

*(a) The owner of a motor vehicle registered in this state:*

*(1) except as provided by Section 501.029, shall apply for title to the vehicle; and*

*(2) may not operate or permit the operation of the vehicle on a public highway until the owner:*

*(A) applies for title and registration for the vehicle; or*

*(B) obtains a receipt evidencing title for registration purposes only under Section 501.029.*

*(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 applied for a title for the vehicle.*

*(c) The owner of a motor vehicle that is required to be titled and registered in this state must obtain a title to 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 vehicle title is an ownership document that 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 Motor Vehicle 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, construction machinery, mobile cranes, water well drilling units, oil well servicing units, mini trucks, or golf carts, and 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-for-hire to move commodities over the highway are required to be registered and titled.

### Distinguishing Plates

The $5.00 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 these plates.)

#### 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.

## 5.5 Trailers and Semitrailers

Trailers and semitrailers having a gross weight (loaded) in excess of 4,000 pounds (Texas licensed dealers excepted) must be titled. 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, Section 14.8 Trailer/Semitrailer.

### 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).

## 5.6 Farm Trailers and Farm Semitrailers

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 and farm semitrailers are exempt from the Certificate of Title Act. Regardless of the evidence of ownership presented, the owner should retain that evidence.

### Title Requirements

Refer to Chapter 14, Section 14.10 Farm Trailer/Farm Semitrailer for detailed Farm Trailer and Farm Semitrailer information.

## 5.7 Issuance of Title to Government Agency

Transportation Code Section 501.034

*The department may issue a 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 Texas Education Agency's Driver Training Division 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 a farm type (pneumatic tired) tractor with or without machinery attached. The owner must title this type of tractor 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 must 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.

### Texas Facilities Commission

The Texas Facilities 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 certificate of origin.

## 5.8 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

Privately owned motor vehicles used to transport the United States mail are not eligible for "Exempt" license plates and must be titled.

## 5.9 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.

## 5.10 Alias Certificate of Title

Transportation Code Section 501.006

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

## 5.11 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 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 title to the vehicle if the sole reason he or she does not have possession of the title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a).*

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 MOTOR VEHICLE TITLE

This chapter contains the following sections:


- ***6.1*** Application for Texas Title (Form 130-U)
- ***6.2*** Place of Application
- ***6.3*** Personal Identification Information for Obtaining Title
- ***6.4*** Financial Responsibility
- ***6.5*** Acceptable Proof of Ownership
- ***6.6*** Title Only
- ***6.7*** Registration Purposes Only (RPO)
- ***6.8*** Issuance of Title
- ***6.9*** Title Receipt
- ***6.10*** Duplicate Title Receipt
- ***6.11*** Alteration of Certificate or Receipt
- ***6.12*** Rejected Title Transactions
- ***6.13*** Stop Title Requests
- ***6.14*** Revocation Affidavits - First Sale Title Application
- ***6.15*** Corrected Title
- ***6.16*** Lost Title Report or Transaction
- ***6.17*** Undeliverable/Returned Titles
- ***6.18*** Electronic Titling System
- ***6.19*** Remarks/Brands


## 6.1 Application for Texas Title (Form 130-U)

**Note: The use of white-out or liquid paper is not acceptable on any title transfer documents, such as Form 130-U, VTR-131, Certificate of Title, etc.**

Transportation Code Section 501.023

*(a) The owner of a motor vehicle must present identification and apply for a title as prescribed by the department, unless otherwise exempted by law. To obtain a title, the owner must apply:*

*(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;*

*(2) if the county in which the owner resides has been declared by the governor as a disaster area, to the county assessor-collector in one of the closest unaffected counties to a county that asks for assistance and:*

*(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and*

*(B) is inoperable for a protracted period of time; or*

*(3) if the county assessor-collector's office of the county in which the owner resides is closed for a protracted period of time as defined by the department, to the county assessor-collector of a county that borders the county in which the owner resides who agrees to accept the application.*

*(b) The assessor-collector shall send the application to the department or enter it into the department's titling system within 72 hours after receipt of 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 502.091 that is applying for a title for purposes of registration only may apply directly to the department. Notwithstanding Section 501.138(a), an applicant for registration under this subsection shall pay the fee imposed by that section. The fee shall be distributed to the appropriate county assessor-collector in the manner provided by Section 501.138.*

*(d) An application filed by the owner or lessee of a foreign commercial motor vehicle, as defined by Section 648.001, must be accompanied by a copy of the applicable federal declaration form required by the Federal Motor Carrier Safety Administration or its successor in connection with the importation of a motor vehicle or motor vehicle equipment subject to the federal motor vehicle safety, bumper, and theft prevention standards.*

*(e) Applications submitted to the department electronically must request the purchaser's choice of county as stated in Subsection (a) as the recipient of all taxes, fees, and other revenue collected as a result of the transaction.*

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

The *Application for Texas 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.

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**. This information is used 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.

**Note: 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.**

### Current Texas License Plate Number and Month and Year of Expiration

The current Texas license plate number must appear on the *Application for Texas 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 Title that 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/Semitrailer, Farm Truck, or Farm Truck Tractor License Plates*, **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)

## Gross Vehicle Weight

The gross vehicle weight 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 gross vehicle weight as carried forward to the application for title must not be different from that shown on the surrendered evidence.

See Chapter 10, Gross Vehicle Weight Rating (GVWR).

## 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 are 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 that 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” for more information.

### *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 14, Section 14.8 Trailer/Semitrailer for more information.

## 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 disclosure statement as attested to by the buyer and seller. For more information on odometer requirements, refer to 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.

### Legal Name of Owner

Effective September 1, 2013, the applicant's legal name must be used. The legal name is the name exactly as it appears on the required photo identification. If the applicant disputes the name on their identification or wants his or her name changed for any reason, they must have the identification corrected first.

A divorce decree, marriage license or adoption decree is not acceptable proof of a name and is not considered a government issued photo identification. These documents "allow" a person to change a name but they do not require an individual to change their name, therefore, the name may never be changed. An applicant would have to change the name on their identification first in order to have a name change reflected on their Title or RPO.

**Note: Regardless of the circumstances, the legal name as required is ALWAYS the name as it appears on the applicant's photo identification.**

When processing a Registration Purposes Only, the legal name as it appears on the identification must be used, regardless of how it appears on the ownership document being presented.

### Signatures

Refer to Chapter 11, "Signature - Authority to Sign" for information on signatures and signature authority. More specifically to Chapter 11, Section 11.1 Names.

The seller's signature may be photocopied, scanned, faxed or otherwise electronically reproduced on the *Application for Texas Title,* **Form 130-U**, but must remain legible. The buyer's signature must ALWAYS be original.

The owner's legal name and signature, as shown on the face of the application, should agree with each other (but do not have to match exactly) and with the purchaser's name on the supporting evidence.

### Same Name for Owner and Lienholder

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

### Stamps

"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 the allocated space are not acceptable.

Electronic, digital or signature stamps are not acceptable.

## Lessee and Lessor

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 (person or firm from whom the vehicle is leased) should appear on the application for title in field 14 (Applicant's/Owner's Name(s) 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) should appear on the application for title in field 14c (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's/Owner's Name(s)**
American Fleet Corporation (Lessor)
14800 Central Street
Houston, Texas 77060

Harris
County Name

**14c. Registrant's Name**
Tom McWright
1811 Oakland Drive
Houston, Texas 77055

Harris
County Name

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

## Address of Owner

The address of owner/title recipient should always be the residential street address. However, if a residential 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 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 residential address.
- The address of the owner should be complete and legible and must include the zip code.
- 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 address.

### 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, trafficking of persons 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 a 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, Section 12.5 Lien Information on Application for Title (Form 130-U).

## One Document for Multiple Transactions

If one document (power of attorney, heirship affidavit, will, etc.) is used to support the applications of more than one transaction, applicants should staple all affected transactions together with the document and a note attached stating, "These transactions must be kept together." Furthermore, 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.)

## 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.

## 6.2 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 Section 501.0234 , requires licensed motor vehicle dealers to apply for a 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 County of Title Issuance in Chapter 29). 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 residential address and county.

Applicants must be Texas residents to apply for a Texas Title and registration. Exceptions are made for military personnel and part-time residents when the application is submitted with required documentation. Out-of-state residents may apply for a bonded title in Texas when the vehicle was last titled in Texas.

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 residential 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 Title should use their Texas address.

## 6.3 Personal Identification Information for Obtaining Title

Transportation Code Section 501.0235

*(a) The department may require an applicant for a title to provide current personal identification as determined by department rule.*

*(b) Any identification number required by the department under this section may be entered in the department's electronic titling system but may not be printed on the title.*

### Acceptable Form of Identification

As of September 1, 2013, an application for title or initial registration is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number and expiration date. IDs are not required if there is no change in ownership (such as when correcting a title or recording a lien). Only the following IDs will be accepted:

- Driver license or state identification certificate issued by a state or territory of the United States;
- U.S. or foreign passport;
- U.S. military ID;
- North Atlantic Treaty Organization ID;

- identification issued under a Status of Forces Agreement;
- U.S. Department of Homeland Security ID;
- U.S. Department of State ID; or
- U.S. Citizenship and Immigration Services identification document.

**Note: An ID will be considered current for identification purposes if it is not more than 12 months expired. As state-issued personal identification certificate issued to a qualifying person that specifies it is non-expiring is acceptable. For a Texas ID, the person must be at least 60 years old to qualify for a non-expiring ID.**

Applicants must present an acceptable form of ID for initial title and registration to their county tax assessor-collector's office or motor vehicle dealer. County Tax Assessor-Collector's office employees must visually check the ID to verify owner information, but are not required to make a copy. The ID type, jurisdiction, the unique number must be recorded on the *Application for Texas Title*, **Form 130-U**.

Licensed Texas dealers are not required to submit a copy of the ID to the county, but are required to retain a copy of the ID in their purchase and sales record and also record the ID type, jurisdiction and the unique number on the *Application for Texas Title*, **Form 130-U**. Dealers not licensed in Texas are required to present a copy of the applicant's ID to the county tax office.

If the name is too lengthy for the RTS name field, then use the full last name, first name, suffix (Jr., Sr., III), and as much of the middle name as can be accommodated in that order. Truncate (shorten by cutting the end), do not abbreviate.

## Capturing Identification

If the motor vehicle is titled in:

- more than one name, then the identification of one owner must be presented;
- the name of a leasing company, then the identification of the lessee or lessor's employee along with a business card or authorization written on the lessor's letterhead matching the identification of the employee must be presented;
- the name of a trust, then the identification of a trustee must be presented; or
- the name of a business, government entity, or organization, then a business card or authorization written on letterhead must be presented matching the identification of the applicant.

## Power of Attorney

If a power of attorney is being used to apply for a title, then the applicant must show:

- identification matching the person or employee of the entity named as power of attorney;
- a business card or authorization written on the letterhead of an entity named as power of attorney that matches the identification of the employee; and
- identification of the owner or lienholder.

### Social Security Number of Title Applicant

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

## 6.4 Financial Responsibility

### Requirement

Transportation Code Section 601.051

*A person may not operate a motor vehicle in this state unless financial responsibility is established for that vehicle through:*

*(1) a motor vehicle liability insurance policy that complies with Subchapter D;*

*(2) a surety bond filed under Section 601.121;*

*(3) a deposit under Section 601.122;*

*(4) a deposit under Section 601.123; or*

*(5) self-insurance under Section 601.124.*

### Exception

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 neighborhood electric vehicle or a golf cart that is operated only as authorized by Section 551.304 or 551.403; 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 504.502(i).*

*(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.*

## 6.5 Acceptable Proof of Ownership

Transportation Code Section 501.029

*The board by rule may provide a list of the documents required 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 title. The title receipt may not be used to transfer an interest in or establish a lien on the vehicle.*

### 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. "Duplicate Original" Certificates of Titles were issued in the following situations:

#### Lien Recorded on a Negotiable Texas 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.

## 6.6 Title Only

Transportation Code Section 501.0275

*(a) The department shall issue a title for a motor vehicle that complies with the other requirements under this chapter unless:*

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

*(2) the applicant does not provide evidence of financial responsibility that complies with Section 502.046.*

*(b) On application for a title under this section, the applicant must surrender any license plates issued for the motor vehicle if the plates are not being transferred to another 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 an *Application for Title Only*, **Form VTR-131,** and an *Application for Texas 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.

## Insurance Company Title Application on Paid Claim Vehicles

Effective September 1, 2011, the Texas Transportation Code was amended by adding Transportation Code Section 501.0925 , allowing for an insurance company to file a title application on a vehicle that was the subject of an insurance claim.

### Without Evidence of Ownership

An insurance company that acquires ownership or possession of a motor vehicle through payment of a claim may apply for a regular vehicle title, other than a salvage motor vehicle or a non-repairable motor vehicle, to be issued in the name of the insurance company, without obtaining the proper evidence of ownership under the following conditions:

- the motor vehicle is covered by a vehicle title issued by this state or a manufacturer's certificate of origin;
- at least 30 days have passed since the date of payment of the claim; and
- the insurance company signs a certified statement on the *Insurance Company Statement of Facts,* **Form VTR-331-A** that they provided at least two written notices to the last known address of each owner, and lienholder if applicable, to surrender the original vehicle title.

### Title Evidence

An *Application for Texas Title,* **Form 130-U** must be accompanied by:

- proof of a paid insurance claim for the motor vehicle;
- a fully completed and signed *Insurance Company Statement of Facts,* **Form VTR-331-A**; and
- applicable county fees to the county tax office.

### Without Properly Assigned Evidence of Ownership

An insurance company that acquires ownership or possession of a motor vehicle through payment of a claim may apply for a regular vehicle title, other than a salvage motor vehicle or a non-repairable motor vehicle, to be issued in the name of the insurance company, without obtaining the proper assignment of the owner on the evidence of ownership under the following conditions:

- applicant is an insurance company that is currently licensed to conduct business in Texas;
- the motor vehicle is covered by a vehicle title issued by this state or a manufacturer's certificate of origin;
- at least 30 days have passed since the date of payment of the claim;
- the motor vehicle owner has surrendered an unassigned or improperly assigned title to the insurance company; and
- the insurance company signs a certified statement on *Insurance Company Statement of Facts,* **Form VTR-331-A**, that they provided at least two written notices to the last known address of each owner, and lienholder if applicable, to correctly assign the original vehicle title.
- Application is for an original Texas Certificate of Title; and

- Application is for Title Only (registration will not be issued).
- Verification of ownership:
  - If registered in Texas - Vehicle Inquiry of Texas title and registration
  - If registered outside of Texas - Verification of title and registration from the state of record. If not available, the following is acceptable in lieu of out-of-state-verification:
    - Letter from the state of record refusing to provide information due to the Driver's Privacy Protection Act restrictions and stating the state will forward the lienholder's notification to the owner(s); 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 a request was submitted.

### Title Evidence

An *Application for Texas Title*, **Form 130-U** must be accompanied by:

- proof of a paid insurance claim for the motor vehicle;
- a fully completed and signed *Insurance Company Statement of Facts*, **Form VTR-331-A**;
- the surrendered title in possession of the insurance company; and
- applicable county fees to the county tax office.
- Ownership evidence or verification of ownership
- Out of state Vehicles - The following documentation is also required:
  - *Statement of Fact for Out-of-State Evidence*, **Form VTR-221**;
  - *Out-of-state Identification Certificate*, **Form VI-30**; and
  - Weight Certificate on a commercial vehicle.

## 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.

# 6.7 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 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.

Since September 1, 2001, a receipt is issued at the time of application for Registration Purposes Only 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 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 TxDMV Regional Service Center.

### Application Fee

The application fee for Registration Purposes Only is $28/$33 (the same fee that is applicable to applications for Texas 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 is necessary for Registration Purposes Only. The following are required:

- properly completed *Application for Texas Title*, **Form 130-U**,
- an Acceptable Form of Identification
- *Application for Registration Purposes Only*, **Form VTR-272**,

- a copy of the title receipt or registration receipt,
- an *Out-of-State Identification Certificate*, **Form VI-30** (only if from out-of-state), and for commercial vehicles in excess of 10,000 lbs., a weight certificate verifying the empty weight.

### 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 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 Refer to Transportation Code Section 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 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" and is subject to applicable fees.

## 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 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 negotiable Texas Title in their name, they must file a new application for title and the proper out-of-state ownership evidence must be 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.

## 6.8 Issuance of Title

Transportation Code Section 501.027

*(a) On the day that a county assessor-collector issues a title receipt, a copy of the title receipt and all evidence of title shall be submitted to the department in the period specified in Section 501.023(b)*

*(b) Not later than the fifth day after the date the department receives an application for a title and the department determines the requirements of this chapter are met:*

*(1) the title shall be issued to the first lienholder or to the applicant if a lien is not disclosed on the application; or*

*(2) the department shall notify the applicant that the department's titling system has established a record of title of the motor vehicle in the applicant's name if a lien is not disclosed. If a lien is disclosed on the application, the department shall notify the lienholder that the lien has been recorded.*

### Encumbered Motor Vehicles

When a vehicle is encumbered (lien), VTR provides the lienholder the negotiable Texas 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 Title.

### 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.

## 6.9 Title Receipt

Transportation Code Section 501.024

*(a) A county assessor-collector who receives an application for a title shall issue a title receipt to the applicant containing the information concerning the motor vehicle required for issuance of a title under Section 501.021 or Subchapter I after:*

*(1) the requirements of this chapter are met, including the payment of the fees required under Section 501.138; and*

*(2) the information is entered into the department's titling system.*

*(b) If a lien is not disclosed on the application for a title, the assessor-collector shall issue a title receipt to the applicant.*

*(c) If a lien is disclosed on the application for a title, the assessor-collector shall issue a duplicate title receipt to the lienholder.*

*(d) A title receipt with registration or permit authorizes the operation of the motor vehicle on a public highway in this state until the title is issued.*

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 Title is filed, constitutes proof of ownership pending the issuance of the Texas title. This form is designed as a combination receipt for title application, registration, and motor vehicle tax.

## 6.10 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".

## 6.11 Alteration of Certificate or Receipt

Transportation Code Section 501.154

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

## 6.12 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 TxDMV Regional Service Center.
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.

## 6.13 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 Office of General Counsel-Title Litigation 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, TxDMV, 4000 Jackson Ave, Austin, Texas 78779, or if asked in advance, by fax

**Note: Regional Service Centers, 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.

### 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@txdmv.gov or mailed to:

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Office of General Counsel-Title Litigation
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.

## 6.14 Revocation Affidavits - First Sale Title Application

Transportation Code Section 501.051

*(b) The department may rescind, cancel, or revoke an application for a title if a notarized or county-stamped affidavit is presented containing:*

*(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;*

*(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;*

*(3) a statement that the vehicle:*

*(A) was never in the possession of the title applicant; or*

*(B) was in the possession of the title applicant; and*

*(4) the signatures of the dealer, the applicant, and any lienholder.*

*(c) A rescission, cancellation, or revocation containing the statement authorized under Subsection (b)(3)(B) does not negate the fact that the vehicle has been the subject of a previous retail sale.*

In certain situations, such as when financing falls through or when a purchaser has second thoughts on a vehicle purchase, the revocation affidavits provide an alternative to a court order for canceling a first sale title application. The department may rescind, cancel or revoke an application for title if notarized affidavits executed by the purchaser, dealer and lienholder (if applicable) are presented to the department within 21 days from the initial date of sale (check the date of assignment). To use this process, all parties must mutually agree to cancel the first sale title application.

Completed *Title Revocation Affidavit for a First Sale*, **Form VTR-17**, packets should be submitted to:

VTR-Title Services

4000 Jackson Ave

Austin, Texas 78731.

The dealer is responsible for packaging the completed affidavits and must include:

- Dealer's revocation affidavit
- A copy of the Dealer license
- Purchaser's revocation affidavit(s)
- Lienholder's revocation affidavit (if applicable)
- Original title (if applicable)

Dealers are required to retain a copy of the completed affidavits for their records. The affidavits should be notarized, but the department will accept a county stamp in lieu of notarization. A Power of Attorney is NOT acceptable for use in conjunction with the affidavits.

The Vehicle Titles and Registration Division will make the determination to accept or reject the revocation affidavits based on the information provided and a review of the original title application paperwork.

Title and Registration fee refunds issued in conjunction with the use of the Revocation Affidavits will be authorized by VTR. The department will issue a *Registration Fee Refund Request/Authorization*, **Form VTR-304**, directly to the county where the original title application was filed. Questions regarding a refund of Sales Tax should be directed to the Comptroller of Public Accounts.

**Note: The revocation affidavit process is for use in conjunction with a first retail sale (vehicle being transferred on a MCO) and should under no circumstances be utilized in a used vehicle transaction.**

## 6.15 Corrected Title

In many instances, a court order is not necessary since VTR can correct the title after it is issued (refer to Chapter 7, "Corrections"). 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
- Add/Remove a Lien
- Odometer Discrepancies.

## 6.16 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 TxDMV Regional Service Center.

- 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.

## 6.17 Undeliverable/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 Title*, **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.

## 6.18 Electronic Titling System

Transportation Code Section 501.173

*(a) The board by rule may implement an electronic titling system.*

*(b) A record of title maintained electronically by the department in the titling system is the official record of vehicle ownership unless the owner requests that the department issue a printed title.*

*(c) In addition to other title fees, the board by rule may set a fee to be assessed for the issuance of a paper title to cover the cost of administering an electronic titling system.*

## 6.19 Remarks/Brands

The chart below lists all of the remarks/brands that may be found in the Registration and Title System, TxDMV Mainframe, printed on the title or any combination thereof.

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| ABANDONED MOTOR VEHICLE | RTS, Mainframe | The vehicle has been deemed “abandoned” in accordance with Chapter 683 of the Transportation Code. This vehicle cannot be transferred or rebuilt and operated on public roads. |
| ACTUAL MILEAGE | RTS, Mainframe, Title | The mileage indicated on the vehicle’s odometer at the time of title transfer was the actual distance in miles that the vehicle had been driven. |
| ADDTIONAL LIENS RECORDED | RTS, Mainframe | More than one lien is listed on the motor vehicle record. |
| APPREHENDED | RTS, Mainframe | The gross weight of the vehicle exceeds the registered weight. And the Motor Carrier was apprehended by law enforcement for the weight violation in the county number listed. |
| BONDED TITLE | RTS, Mainframe, Title | Title was secured by the posting of a certificate of title surety bond. |
| BONDED TITLE - SUSPENDED | RTS, Mainframe | The bonded title transaction has been suspended. |
| BONDED TITLE - AWAITING REMOVAL | RTS, Mainframe | Three-year bond period has ended. |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| CCO ISSUED (MM/DD/YYYY) | RTS, Mainframe | A certified copy of the original title was issued on the date specified. |
| CHILD SUPPORT | RTS, Mainframe | Family Code, Chapter 232, authorizes the DMV to suspend or deny the renewal of motor vehicle registration for non-payment of child support. |
| CITY SCOFFLAW: (CITY) | RTS, Mainframe | This remark indicates that the vehicle owner has an outstanding fine for a traffic law violation in the named city or municipality. |
| COA ISSUED (MM/DD/YYYY) | RTS, Mainframe | A Certificate of Authority to Demolish a Motor Vehicle has been issued. This vehicle cannot be rebuilt and operated on public roads. |
| COUNTY SCOFFLAW: (3-DIGIT COUNTY #) | RTS, Mainframe | This remark indicates that the vehicle owner owes the county money for a fine, fee, or tax that is past due. |
| CREDIT VOUCHER ISSUED | RTS, Mainframe | The vehicle was totally destroyed. A registration fee credit may be applied toward the registration of another vehicle owned by the same person. A registration refund could not be authorized since the vehicle had been operated on a public highway during a portion of the current registration year. |
| DATE OF ASSIGNMENT | RTS, Mainframe | The date of sale of a motor vehicle as shown on the ownership transfer document. |
| DIESEL | RTS, Mainframe, Title | The vehicle is diesel-powered. |
| DOT PROOF REQUIRED | RTS | Indicates that proof of compliance with US Department of Transportation (DOT) safety regulations is required before title can be issued. If this remark is indicated on an RPO record, the vehicle may not be titled in the US and the registration cannot be renewed. (*Same as DOT STANDARDS in Mainframe)* |
| DOT STANDARDS (y/n) | Mainframe | Indicates that proof of compliance with US Department of Transportation (DOT) safety regulations is required before title can be issued. If this remark is indicated on an RPO record, the vehicle may not be titled in the US and the registration cannot be renewed. (*Same as DOT PROOF REQUIRED in RTS)* |
| DPS-EMISSIONS PRGM NON-COMPLIANCE *EMISSIONS TEST: (D)* | RTS, Mainframe | Indicates the vehicle did not pass an emissions test as required by an emissions testing county for vehicles 2 through 24 years old and gasoline-powered. |
| DPS SAFETY SUSPENSION | RTS, Mainframe | The Department of Public Safety has placed a suspension on the motor vehicle registration due to the owner's failure to maintain financial responsibility. |
| DPS STOLEN VERIFY TCIC BY VIN | Mainframe | DPS has notified VTR that the vehicle has been reported stolen. Check with reporting police agency that placed the remark in the NCIC-TCIC (National Crime Information Center-Texas Crime Information Center) files to see if the vehicle is still stolen or if a recovery notice has been received within the past few days." The placing and removal of stolen remarks in the VTR computer is done weekly by the DPS. *(Same as STOLEN – VERIFY TCIC BY VIN in RTS)* |
| DUPLICATE NONREPAIRABLE VEHICLE TITLE ISSUED | RTS | The original Nonrepairable Vehicle Title (NVT) was lost, stolen or mutilated and a Duplicate NVT was issued. |
| DUPLICATE NONREPAIRABLE CERTIFICATE OF TITLE | Mainframe | The original Nonrepairable Certificate of Title (NRCOT) was lost, stolen or mutilated and a Duplicate NRCOT was issued. *Obsolete but still displays on old records* |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| DUPLICATE NONREPAIRABLE VEHICLE TITLE | Mainframe | The original Nonrepairable Vehicle Title (NVT) was lost, stolen or mutilated and a Duplicate NVT was issued. |
| DUPLICATE REG - (RECORD # OF #) | Mainframe | The department's records contain two or more records with the same license plate number. |
| DUPLICATE SALVAGE CERTIFICATE ISSUED | Mainframe | The original Salvage Certificate was lost, stolen or mutilated and a Duplicate Salvage Certificate was issued. *Obsolete but still displays on old records.* |
| DUPLICATE SALVAGE CERTIFICATE OF TITLE | Mainframe | The original Salvage Certificate of Title (SCOT) was lost, stolen or mutilated and a Duplicate SCOT was issued. *Obsolete but still displays on old records.* |
| DUPLICATE SALVAGE TITLE ISSUED | Mainframe | The original Salvage Title or Certificate was lost, stolen or mutilated and a Duplicate Salvage Title was issued. |
| DUPLICATE SALVAGE VEHICLE TITLE ISSUED | RTS | The original Salvage Vehicle Title (SVT), Title or Certificate was lost, stolen or mutilated and a Duplicate SVT was issued. |
| E-TITLE | RTS, Mainframe | 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-TITLE PRINT DATE: [MM/DD/YYYY] | RTS, Mainframe | As of February 13, 2012, when an e-lienholder release an ELT, a paper title is automatically printed and mailed to the owner's address or a third party as specified by the e-lienholder. Upon releasing the ELT, this remark is added. |
| EVIDENCE SURRENDERED BY OWNER | RTS | The department has received the title or some other valid evidence of ownership on this vehicle from the owner of the vehicle. The title record has been canceled. |
| EVIDENCE SURR BY SALVAGE YARD: (#, date) | RTS, Mainframe | On (date), salvage yard (#) surrendered the Certificate of Title or other evidence of ownership to the vehicle with a Form VTR-340 to the department. The title record has been cancelled and marked "JUNKED." |
| EXEMPT | RTS, Mainframe, Title | Vehicle is owned, or leased by an agency of the State, City, County, school district or Federal Government. The vehicle may display a license plate with the legend "Exempt" along with six or seven numbers. |
| EXPORT ONLY | RTS, Mainframe | 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). |
| FIXED WEIGHT | RTS, Mainframe | A commercial vehicle has been registered for the actual weight of the empty vehicle plus the weight of the permanently mounted machinery or equipment which must cover at least two-thirds (2/3) of the bed. |
| FLOOD DAMAGED | RTS, Mainframe, Title | The vehicle has been damaged exclusively by flood water to the extent that it meets the definition of a salvage vehicle. |
| FMCSA RESTRICTED UNIT (PRISM LEVEL CODE) | RTS, Mainframe | Data provided by TxIRP. A carrier account is out of compliance with Performance and Registration Information Systems Management (PRISM). The vehicle belongs to an unfit carrier, and the carrier is considered a risk. |
| FMCSA RESTRICTED UNIT - UNSAFE | RTS, Mainframe | Data provided by TxIRP. This vehicle has been found unsafe to drive by the Federal Motor Carrier Safety Administration (FMCSA). Repairs or modifications and FMCSA inspection required before it can be operated again. |
| HEAVY VEHICLE USE TAX VERIFIED | RTS, Mainframe | Indicates that the clerk verified proof of payment of the Federal Heavy Vehicle Use Tax or that the vehicle is exempt from payment. |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| HOT CK (Title or Regis) | Mainframe | A check in payment of title or registration related fees was not honored by the bank on which it was drawn, and such check was returned to the payee unpaid. |
| JUNKED on (YYYY/MM/DD) | RTS, Mainframe | The vehicle described on the motor vehicle record is salvage, scrapped, destroyed, or dismantled in such a manner that it loses its character as a motor vehicle. The title or other legal evidence of ownership was surrendered to TxDMV on (date) to advise the vehicle has been junked and the title has been cancelled. *Obsolete, but may still display on old records.* |
| LEGAL RESTRAINT-CONTACT TxDMV (file #) | RTS, Mainframe | This remark includes a file number used to reference documentation associated with an owner retained vehicle (OR#), court restraining order (CR#), or other administrative stops (OP# or DC). |
| LIEN NOT RELEASED | RTS, Mainframe | The first lien was not released. (Only applies to JUNKED vehicles.) |
| LIEN2 NOT RELEASED | RTS, Mainframe | The second lien was not released. (Only applies to JUNKED vehicles.) |
| LIEN3 NOT RELEASED | RTS, Mainframe | The third lien was not released. (Only applies to JUNKED vehicles.) |
| MAIL RETURNED | RTS, Mainframe | The registration renewal mailed to the vehicle owner or registered owner's original or duplicate title (if issued prior to 9-01-01) was returned by the post office to VTR as being undeliverable. *Obsolete, but may still display on old records*. |
| MANUFACTURER BUYBACK | RTS, Mainframe, Title | This motor vehicle was returned to the manufacturer because of unresolved warranty defects or a title brand has been carried forward from an out-of-state title or evidence of ownership (Lemon Law). |
| MILEAGE EXCEEDS MECHANICAL LIMITS | RTS, Mainframe, Title | The odometer reading has exceeded the mechanical limits of the odometer. For example, if the mechanical limitation of an odometer is a 5-digit reading, it cannot record more than 99,999 miles. |
| MULTIPLE SURVIVORS | RTS, Mainframe, Title | This remark will accompany the "SURVIVORSHIP" brand. The "MULTIPLE SURVIVORS" brand may appear below the "SURVIVORSHIP RIGHTS" brand when there are more than 2 persons in the agreement. |
| NONREPAIRABLE CERTIFICATE OF TITLE ISSUED | RTS, Mainframe | A Nonrepairable Certificate of Title (NRCOT) was issued prior to 9/2003 on the motor vehicle indicating the estimated cost of repair was 95% or more of the vehicle's pre-damaged actual cash value. The vehicle may be rebuilt and operated on public roads. *Obsolete, but may still display on old title*. New titles will be branded "Rebuilt Salvage - Damaged." |
| NONREPAIRABLE VEHICLE TITLE ISSUED | RTS, Mainframe | A Nonrepairable Vehicle Title (NVT) was issued on or after 9/2003 on the motor vehicle indicating the only residual value of the vehicle is as a source of parts or scrap metal. The vehicle may not be rebuilt or operated on public roads. |
| NOT ACTUAL MILEAGE | RTS, Mainframe, Title | The mileage indicated on the vehicle's odometer at the time of title transfer or application filing was not the actual distance in miles that the vehicle has been driven. |
| NO REGISTRATION – ATV/UTV | RTS, Mainframe | Non street legal mini-bikes including 3 and 4-wheel all-terrain vehicles and recreational off-highway vehicles that are required to be titled, but cannot be registered with or without modifications. |
| NO REG/TTL GC | RTS, Mainframe | Effective 9-1-09 golf carts cannot be registered, with the exception of Grayson County pursuant to TC 504.510. They may operate on certain restricted public highways with a posted speed limit of 35 mph or less, but are required to display a slow moving emblem. |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| ON LOAN TO EXEMPT AGENCY | RTS, Mainframe | The vehicle is not owned by the user, such as a Driver Education vehicle, and is registered by the user with Exempt License Plates but is not required to be titled. |
| OWNED BY US GOVERNMENT | RTS, Mainframe | The vehicle is leased from the U.S. Government and shall be registered with regular registration, and a RPO receipt shall be issued in the name of the lessee. |
| OWNER SURRENDERED (xxxxxxx) | Mainframe | The department has received the title or some other valid evidence of ownership (as noted) on this vehicle from the owner of the vehicle. The title record has been canceled. |
| PAPER TITLE | RTS, Mainframe | A paper title has been issued. |
| PERMIT REQUIRED TO MOVE (*PARK MODEL TRAILER*) | RTS, Mainframe, Title | The vehicle information selected on the Class/Plate/Sticker screen qualifies this vehicle as a Park Model Trailer that exceeds length and/or width limitations. An oversize and/or overweight permit will be required to move the vehicle on public roads. |
| PLATE AGE | RTS, Mainframe | Reflects the number of years the license plates have been assigned for display on the vehicle for which the plates were originally issued. This will vary from the word "ANNUAL" to a numeric character. |
| PLATE REMOVED FROM VEHICLE | Mainframe | When an owner submits a Vehicle Transfer Notification (VTR-346), online or on paper AND selects that they kept their plates, the phrase PLATE REMOVED FROM VEHICLE is added to the mainframe remarks along with the VEH TRANSFERRED: YYYY/MM/DD remark. |
| PLATES SEIZED | RTS, Mainframe | Law enforcement has removed the license plates. |
| PRIOR CCO ISSUED | RTS, Mainframe | A Certified Copy of An Original Texas Certificate of Title (CCO) was used to file for a corrected title with no change of ownership. This remark will show on the vehicle record but it will not print on the title document. |
| PRIVATE LAW ENFORCEMENT VEHICLE | RTS, Mainframe | Any vehicle that is owned or leased by a governmental entity, a police department of an educational institution that commissions peace officers, or a peace officer authorized to use a personal vehicle for law enforcement purposes. |
| REBUILT SALVAGE – DAMAGED | RTS, Mainframe, Title | The title transaction was supported by a Texas Salvage ownership document, or was carried forward from the previous Texas motor vehicle record. If titled prior to 9-1-2003, then SCOT was issued. If titled on or after 9-1-2003, then SVT was issued. |
| REBUILT SALVAGE – ISSUED BY: (STATE) | RTS, Mainframe, Title | This remark includes the 2-letter abbreviation for the other state or country which issued a salvage certificate/certificate of title and supported the title transaction, or was carried forward from the previous Texas motor vehicle record. |
| REBUILT SALVAGE - LOSS UNKNOWN | RTS, Mainframe, Title | The title transaction was supported by a Texas Salvage Certificate, or was carried forward from the previous Texas motor vehicle record. Degree of damage is unknown. *Obsolete, but still displays on old records.* |
| REBUILT SALVAGE- 95% PLUS LOSS | RTS, Mainframe, Title | The title transaction was supported by a Texas Nonrepairable Certificate of Title, or was carried forward from the previous Texas motor vehicle record. *Obsolete, but still displays on old records.* |
| REBUILT SALVAGE- 75-94% LOSS | RTS | The title transaction was supported by a Texas Salvage Certificate of Title, or was carried forward from the previous Texas motor vehicle record. *Obsolete, but still displays on old records.* |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| RECONDITIONED | RTS, Mainframe, Title | The vehicle was damaged by collision, fire, hail, or other types of damage (other than by flood) and rendered a total loss by an insurance company. The vehicle was later placed in operable condition, the salvage title was surrendered and application for title was filed. A valid Texas title was issued, and the notation "RECONDITIONED" was reflected on the new title and carried forward on all subsequent Texas titles. *Obsolete but still displays on old records.* (NOTE: This remark was replaced with a "**REBUILT SALVAGE-DAMAGED**" remark for Texas titles issued on and after 8-1-97.) |
| RECONSTRUCTED | RTS, Mainframe, Title | The vehicle has been converted in such a manner that it no longer resembles the vehicle as originally manufactured. |
| REFUND PENDING<br>REGIS REFUND<br>REFUND: Y/N | RTS, Mainframe | A refund has been authorized by a Regional Office but has not been claimed by the owner of record. (The vehicle cannot be transferred unless the vehicle is reregistered or the refund is voided.) |
| REG INSUFFICIENT FUNDS | RTS | A check in payment of registration related fees was not honored by the bank on which it was drawn, and such check was returned to the payee unpaid. |
| REGISTERED BY | RTS, Mainframe | This remark is used for the name of an individual or business other than the owner, who is registering the vehicle. |
| REGISTRATION INVALID | RTS, Mainframe | The registration is not valid. Example – After a refund is processed or a Salvage Vehicle Title is issued, the registration is invalid. |
| REGISTRATION PURPOSES ONLY | RTS, Mainframe | Texas issued registration only. The negotiable title for the vehicle was issued by another state, and remains the negotiable evidence of ownership. |
| REPLICA | RTS, Mainframe, Title | An established make of a previous year model vehicle has been assembled as a new vehicle or built by a motor vehicle manufacturer. |
| RIGHTS OF SURVIVORSHIP | Title | A survivorship agreement signed by two or more eligible persons indicating that the vehicle is held jointly was filed with the title transaction. As of April 2012, this was renamed "SURVIVORSHIP RIGHTS", however existing records may still display this remark. (Same as SUVIVORSHIP RIGHTS). |
| SALVAGE CERTIFICATE ISSUED | RTS, Mainframe | Indicates that a salvage certificate was issued on the motor vehicle. Discontinued remark 9-1-03. *Obsolete but still displays on old records.* |
| SALVAGE CERTIFICATE OF TITLE ISSUED | RTS, Mainframe | Indicates that a Salvage Certificate of Title (SCOT) was issued on the motor vehicle because the estimated cost of repair was 75% or more of the vehicle's pre-damaged actual cash value. *Obsolete but still displays on old records,* (Became SALVAGE VEHILCE TTITLE ISSUED). |
| SALVAGE VEHICLE TITLE ISSUED | RTS, Mainframe | Indicates that a Salvage Vehicle Title (SVT) was issued on the motor vehicle because the estimated cost of repair was greater than the vehicle's pre-damaged actual cash value. Implemented 9-1-03. |
| SALVAGED ON YYYY/MM/DD and SALVAGE YARD ##### | RTS, Mainframe | When a license salvage dealer surrenders a title to the department the vehicle record will show these two remarks. |
| SCHEDULED FOR DELETION | RTS, Mainframe | Upon request from TAC a record may be deleted by VTR prior to issuance if record was incorrectly accessed or a customer does not return to the TAC to correct a rejected transaction. |
| SOLID TIRES | RTS, Mainframe | The vehicle is equipped with solid rubber tires. |
| SPECIAL EXAMINATION REQUIRED | RTS, Mainframe | Transactions marked for special handling that the county considers "questionable" and are requesting headquarters to re-examine. |
| STICKER SEIZED | RTS, Mainframe | The county was notified by law enforcement that the registration sticker has been seized. |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| STOLEN – VERIFY TCIC BY VIN | RTS | DPS has notified VTR that the vehicle has been reported stolen. Check with reporting police agency that placed the remark in the NCIC-TCIC (National Crime Information Center-Texas Crime Information Center) files to see if the vehicle is still stolen or if a recovery notice has been received within the past few days. The placing and removal of stolen remarks in the VTR computer is done weekly by the Texas Department of Public Safety. |
| SURVIVORSHIP RIGHTS | RTS, Mainframe, Title | A survivorship agreement signed by two or more eligible persons indicating that the vehicle is held jointly was filed with the title transaction. (Same as above). (SAME AS RIGHTS OF SURVIVORSHIP). However this brand may be accompanied by up to two printed names (of the persons) or the "MULTIPLE SURVIVORS" brand if more than two persons are involved. |
| TCEQ-EMISSION PRGM NON-COMPLIANCE *EMISSIONS TEST: (T)* | RTS, Mainframe | The vehicle was a) detected as a potential gross polluter while being operated in a county in which emission testing is required, and has not passed an emissions test; or b) qualified as part of a low-income accelerated vehicle retirement program (LIRAP), and its required parts must be destroyed or removed in accordance with state and federal regulations. |
| TITLE APPLICATION AWAITING RELEASE | RTS, Mainframe | This remark indicates that a Texas titled vehicle has been transferred and an application for a new title by the new owner has been received by VTR. A new title is in the process of being issued. |
| TITLE HELD AWAITING DPS OK | RTS, Mainframe | A title transaction is awaiting confirmation from the Department of Public Safety that the vehicle is not a stolen vehicle. |
| TITLE REJECTED | RTS, Mainframe | The title transaction has been rejected and returned to the county tax office that originally processed the transaction for correction. |
| TITLE REVOKED | RTS, Mainframe | The title document number shown on the motor vehicle record has been revoked as a result of fraudulent evidence, false information, a stolen or converted vehicle, failure to provide proper evidence of ownership and documentation, revoked ownership and documentation, or revoked registration. |
| TITLE SUPERSEDED | RTS, Mainframe | A title transaction is in process on this motor vehicle record. The superseded record is no longer valid. A new transaction (record) has taken the place of the previous record. |
| TITLE SURRENDERED TO: (2-letter STATE ABBREVIATION) ON (MM/DD/YYYY) | RTS, Mainframe | A Texas-titled vehicle has been taken to another state, and its owner applied for a title in the new state. The new state returned the Texas title to the department with a "surrendered" notice. Date on remark is date VTR received the notice. |
| TITLE WAITING TO PRINT | RTS | A title transaction is in process. |
| TITLE WAITING TO PRINT (REPRINT) | RTS | A title transaction is in process. |
| VEHICELE TRANSFERED: (MM/DD/YYYY) | RTS, Mainframe | The recorded owner notified TxDMV that on a specific date they sold, donated or traded their vehicle. |
| VIN CERTIFICATION WAIVED | RTS, Mainframe, Title | The DPS Form VI-30 (Out-of-State Identification Certificate form) was not provided when an O/S vehicle was first titled in Texas, when a vehicle was apprehended or with Title-Only applications. Remark is used to advise the county tax offices to require a new title application that includes the VIN certification form if the vehicle is registered at a later date on any subsequent Texas title applications. |

**Table 6-1 Remarks/Brands**

| REMARK | LOCATION | DESCRIPTION |
|---|---|---|
| VIN IN ERROR | RTS, Mainframe | The vehicle identification number (VIN) is in error or the year model is 1980 or older and the VIN is not a 17-digit VIN. |

Chapter 7

# CORRECTIONS

This chapter contains the following sections:


- ***7.1*** Statements of Fact
- ***7.2*** Corrected Manufacturer's Certificate of Origin (MCO)
- ***7.3*** Corrected Texas Certificates of Title
- ***7.4*** Incorrect Lien Recorded
- ***7.5*** Name Change Due to Marriage
- ***7.6*** Two-Chain Record of Title
- ***7.7*** Owner's Record Superseded
- ***7.8*** Switched Evidence
- ***7.9*** Vehicle Description Corrections
- ***7.10*** Motor and Permanent VIN Errors
- ***7.11*** Out of State Make, Year Model, and Body Style Errors
- ***7.12*** Commercial Vehicles
- ***7.13*** Optional Classification Vehicle
- ***7.14*** Buses


## 7.1 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.

### 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.

## 7.2 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 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

VTR accepts a corrected MCO, if the MCO is invoiced to a dealer in another state and the gross vehicle weight 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 gross vehicle weight 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.

## 7.3 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 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 Service Center to determine and validate a data entry error occurred.
2. The Regional Service Center 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 Service Center 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 local county tax office for correction either in-person or via mail. The appropriate Regional Service Center will issue a correction letter and coordinate the correction with the applicant's county tax office. The county tax office will process the correction.**

3. Regional Service Centers 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 Service Center 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 Service Center 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).**

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 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.

## 7.4 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 title. In addition, the lienholder must attach a copy of the security agreement to the transaction.

## 7.5 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.

## 7.6 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.

## 7.7 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 Service Center 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.

## 7.8 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 process the application in RTS and then submit the transaction to VTR in a separate envelope marked "Switched Evidence."

Upon arrival VTR checks the title record and contacts 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 then file an application for corrected title.

### 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 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.

## 7.9 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").

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.

## 7.10 Motor and Permanent VIN Errors

Correcting a 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 title. If, however, the motor vehicle is over two years old and the evidence unobtainable, the owner must request a Tax Assessor-Collector Hearing or obtain a court order. (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.

## Error on Out of State Evidence (One or Two Characters)

If a one or two character error in the vehicle identification number is discovered on the out-of-state evidence while processing the application for Texas title, the error can be corrected without verification from the authorities of the issuing state. The owner must provide the application for title showing the correct VIN, supported by the out-of-state evidence, the *Out-of-state Identification Certificate*, 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.

## 7.11 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.

## 7.12 Commercial Vehicles

The method and necessity of correcting a 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.

Transportation Code Section 502.001 (7)

*"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.*

### 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.) Evidence required to support the application for a corrected title is:

- owner's negotiable title,
- weight certificate,
- copy of the commercial registration receipt,
- photos of the vehicle, and
- *Rebuilt Vehicle Statement*, **Form VTR-61**, with a statement explaining what alteration were made to the vehicle.

### Pickup Trucks

Counties must correct registration classification and title to describe a pickup if a customer removes a vehicle trunk lid and installs a pickup bed. Evidence required to support the application for a corrected title is:

- owner's negotiable title,
- photos of the exterior, and
- *Rebuilt Vehicle Statement*, **Form VTR 61**, with a statement explaining what alteration were made to the vehicle.

Passenger cars converted to commercial vehicles must be registered with a minimum carrying capacity of 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 classify these as commercial vehicles and correct the title to show “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 a major permanent reconstruction. In this instance, the owner must file an application for corrected title. Evidence required to support the application for a corrected title is:

- owner's negotiable title,
- weight certificate,
- photos of the exterior and interior, and
- *Rebuilt Vehicle Statement*, **Form VTR 61**, with a statement explaining what alteration were made to the vehicle.

### Truck Tractors Converted Into Trucks

If a truck tractor is converted into a truck and the registration classification is changed from “combination” to “truck,” and the change involves a major permanent reconstruction, such as when the frame of a truck tractor is altered to accommodate the installation of a different type bed or body then the owner must exchange license plates and file an application for corrected title. Evidence required to support the application for a corrected title is:

- owner's negotiable title,

- weight certificate,
- photos of the exterior and interior, and
- *Rebuilt Vehicle Statement*, **Form VTR 61**, with a statement explaining what alteration were made to the vehicle.

### 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 a major permanent reconstruction . In this instance, the owner must exchange license plates and file an application for corrected title. Evidence required to support the application for a corrected title is:

- owner's negotiable title,
- weight certificate,
- photos of the exterior and interior, and
- *Rebuilt Vehicle Statement*, **Form VTR 61**, with a statement explaining what alteration were made to the vehicle..

**Note: When a 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**

## 7.13 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 gross vehicle weight if it has not already been established and recorded on the outstanding title.

## 7.14 Buses

Buses reconstructed by completely removing the seats (except driver's seat) are classified as commercial vehicles and the title must be corrected to show 3,000 lbs. van or 4,000 lbs. van, depending on the carrying capacity for the chassis. The carrying capacity cannot be less than 3,000 pounds. In addition, the operator must exchange registration for commercial. The following is required to support the application for corrected title:

- owner's negotiable title,
- *Rebuilt Vehicle Statement*, **Form VTR-61**, explaining the change,
- a weight certificate, and
- a photograph of the interior of the finished vehicle.

**Note: The corrected title shows the RECONSTRUCTED remark.**

Chapter 8

# REFUSAL/DENIAL OF TITLE

This chapter contains the following sections:


- ***8.1*** Grounds for Refusal to Issue, or for Revocation or Suspension of Title
- ***8.2*** Appeal Hearings for Title Refusal to Issue or Revocation or Suspension
- ***8.3*** Tax Assessor-Collector Hearing
- ***8.4*** Bonded Title
- ***8.5*** Denial for Failure to Provide Proof of Emissions Testing
- ***8.6*** Denial for Safety Responsibility Suspension


## 8.1 Grounds for Refusal to Issue, or for Revocation or Suspension of Title

Transportation Code Section 501.051

*(a) A title may be refused, canceled, suspended, or revoked by the department if:*

*(1) the application 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 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 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.*

*(b) The department may rescind, cancel, or revoke an application for a title if a notarized or county-stamped affidavit is presented containing:*

*(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;*

*(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;*

*(3) a statement that the vehicle:*

*(A) was never in the possession of the title applicant; or*

*(B) was in the possession of the title applicant; and*

*(4) the signatures of the dealer, the applicant, and any lienholder.*

*(c) A rescission, cancellation, or revocation containing the statement authorized under Subsection (b)(3)(B) does not negate the fact that the vehicle has been the subject of a previous retail sale.*

This section of the title law delegates authority to the department to require that applicants furnish certain information and evidence of ownership to support 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.

- Once a title rejection is requested, 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 reason for rejection has been corrected.
- 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".

## 8.2 Appeal Hearings for Title Refusal to Issue or Revocation or Suspension

Transportation Code Section 501.052

*(a) An interested person aggrieved by a refusal, rescission, cancellation, 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 a resident. 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 rescinded, canceled, revoked, or suspended the title.*

*(e) An applicant aggrieved by the determination under Subsection (d) may only appeal to the county or district 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 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 title for the vehicle.*

## 8.3 Tax Assessor-Collector Hearing

Transportation Code Section 501.052 provides that a person interested in a motor vehicle that the department has refused to issue a title, or has suspended, rescinded, canceled, 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, makes the determination if title issuance is appropriate. If the county tax assessor-collector sustains the department's decision, the applicant may then appeal the ruling to the county court. A tax assessor-collector hearing is not available for a title marked Export-Only or assigned to a foreign purchaser.

**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 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 TxDMV Regional Service Centers 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)

#### 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 a Tax Assessor-Collector 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 earlier than the 11th day or later than the 15th day from the date of receipt of the request for the 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 their local TxDMV Regional Service Center.**

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 tax-assessor-collector may award ownership of the vehicle to the applicant by executing a written order. If awarded ownership, the owner 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 tax assessor-collector 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.

**Note: Regional Service Centers, 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.**

## 8.4 Bonded Title

Transportation Code Section 501.053

*(a) As an alternative to the procedure provided by Section 501.052, the person may obtain a title by filing a bond with the department if the vehicle is in the possession of the applicant and:*

*(1) there is no security interest on the vehicle;*

*(2) any lien on the vehicle is at least 10 years old; or*

*(3) the person provides a release of all liens with bond.*

*(b) The bond must be:*

*(1) in the manner 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, which may set an appraisal system by rule if it is unable to determine that value; 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 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.*

*(e) The board by rule may establish a fee to cover the cost of administering this section.*

## Filing of Bond as Alternative to Hearing

The provisions of Transportation Code Section 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 a *Tax Collector Hearing / Bonded Title Application*, **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. A bonded title may be applied for by the out-of-state resident in any county tax office.

## 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 by providing a completed *Out-of-state Identification Certificate*, **Form VI-30**. 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. However, this waiver does not exempt the vehicle without a Texas record from obtaining the required **Form VTR-68-A**.

## Ineligible Transactions

Circumstances that do not fall under the provisions of Transportation Code Section 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 (unless it involves an innocent purchaser).
- 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 vehicles. (See Chapter 26, Section 26.15 Export-Only Salvage and Nonrepairable Motor Vehicles.)

## Review of Evidence

Upon initial contact at a Regional Service Center by a title applicant requesting a review of evidence of ownership, the applicant must complete a *Tax Collector Hearing / Bonded Title Application*, **Form VTR-130-SOF**, explaining how and from whom the vehicle was obtained.

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 Ineligible Transactions but does address at least one of the requirements of paragraph Initial Requirements and all applicable requirements of Final Requirements, the TxDMV Regional Service Center examines the evidence of ownership. In addition to examining the evidence, Regional Service Center 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

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

### Identification Requirement

An acceptable form of identification is required to obtain a TxDMV Rejection Letter. The acceptable identification to obtain a TxDMV Rejection Letter is the same as those required with an Application for Title. (See Chapter 6, "Application and Issuance of Motor Vehicle Title," Personal Identification Information for Obtaining Title).

### Determining Vehicle Values

In accordance with Transportation Code Section 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 TxDMV Regional Service Centers 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. The mailing addresses are obtained 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.**

### 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 Service Center, advise the applicant that they must obtain all acceptable ownership and transfer documents or pursue a tax collector hearing or court order.

### Brands and Remarks

The department utilizes the NMVTIS Web Interface to research a vehicle's history. When NMVTIS indicates a state has applied a brand or remark which Texas would apply to a vehicle, it is notated on the reverse of the **VTR-130-SOF** in the "FOR DEPARTMENT USE ONLY" box in item number 3. Apply all brands as indicated by the Regional Service Center on the reverse of the **VTR-130-SOF**.

**Note: Only brands or remarks applied by another state may be applied to a Texas record. When NMVTIS indicates a value affecting report by an Insurance or Salvage entity, Texas cannot assume the vehicle actually met the statutory definition to be branded, therefore TxDMV Regional Service Centers give no consideration to these types of reports in NMVTIS. All brands/remarks indicated on the reverse of the VTR-130-SOF are state applied brands or remarks.**

## Liens

Effective September 1, 2013, new restrictions apply to applications for bonded titles. A person may file an application for a bonded title if the vehicle is in the possession of the applicant, and either there is no lien recorded on the vehicle record or the recorded lien on the record is 10 or more years old.

When TxDMV resources indicate a recorded lien of less than 10 years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, a TxDMV rejection letter will be issued. This TxDMV rejection letter will contain a statement that the bonding company is responsible for ensuring a release of lien(s) is attached or certifying that the lien(s) have been satisfied.

When no liens exist, or if the recorded liens are 10 or more years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, the standard TxDMV rejection letter will continue to be issued.

An applicant is not required to provide the release of lien(s) or letter(s) of no interest when applying at the county tax assessor-collector's office.

## 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 Service Center 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 Service Center 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. The mailing addresses are obtained 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 office responsible for the suspension or revocation 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.

When processing a bonded title application for a vehicle that has a lien less than 10 years old indicated on the record, the County Tax Assessor-Collector offices must require that a release of lien or certification by a bonding company that any lien(s) have been satisfied is attached to a valid bond. To certify that a lien(s) has been satisfied, a bonding company must complete the certification at the bottom of page 2 of the TxDMV rejection letter.

When no liens exist, or if the recorded lien(s) are 10 or more years old, and all other eligibility requirements as listed on the **Form VTR-130-SOF** are met, and the applicant has presented a valid bond, the County Tax Assessor-Collector offices will process the title application.

### 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 Service Center 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 *Tax Collector Hearing / Bonded Title Application*, **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 a title only (no registration) may be issued if the transaction is supported by 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

Assemble in accordance with Chapter 2, Section 2.3 Title Transaction Assembly Procedures.

## 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. Assemble the transaction.

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

The original surety bonds are effective for a three year period from the effective date of the bond. If during the three-year period VTR receives a judgment payment notice from a surety company, the owner must obtain a new bond covering the remainder of the three year period.

When the three year period has elapsed and if VTR has not been notified of pending action to recover on said bond:

1. The customer may contact a Regional Service Center to request the Bonded Title remark be removed.
2. The Regional Service Center will verify that the bond is over three years old and send a request to Vehicle Data Management (VDM) to request the remark be removed.
3. The Regional Service Center will notify the customer once the remark has been removed.

Once the remark has been removed from the record, the customer may file an application for original title at their county tax assessor-collector's office or obtain a Certified Copy of Texas Title from a Regional Service Center. The applicable fee for either option must be paid.

### Lost Bonded Title Transactions

Follow the lost transactions procedures outlined in Chapter 6, "Application and Issuance of Motor Vehicle 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.

## 8.5 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 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 manner authorized by that section, is presented to the county assessor-collector with the application for a title.*

### Requirement, Proof, and Exemptions

Refer to Chapter 9, Section 9.6 Emissions Test on Resale.

## 8.6 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:


- ***9.1*** Definition
- ***9.2*** Sale of Vehicle; Transfer of Title
- ***9.3*** Title Assignments
- ***9.4*** Dealer Assignments
- ***9.5*** Filing By Purchaser; Application For Transfer Of Title
- ***9.6*** Emissions Test on Resale
- ***9.7*** Delivery of Receipt and Title to Purchaser of Used Motor Vehicle
- ***9.8*** Vehicle Transfer Notification
- ***9.9*** Violations and Penalties


## 9.1 Definition

Transportation Code Section 501.002 (8)

*"First sale" means:*

> *(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or titled, 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 titling 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.

## 9.2 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 on the title submits a transfer of ownership of the title.*
>
> *(b) The transfer of the title must be in a manner prescribed by the department that:*
>
> > *(1) certifies the purchaser is the owner of the vehicle; and*
> >
> > *(2) certifies there are no liens on the vehicle or provides a release of each lien on the vehicle.*

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.

### 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 title to the vehicle if the sole reason he or she does not have possession of the 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).

## 9.3 Title Assignments

### Joint Ownership

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

### Bills of Sale

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.

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 assign the title or use **Form VTR-41-A**.

## 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 (Refer to Chapter 16, “Operation of Law”).

## 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 Transportation Code 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**.

### 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.

## 9.4 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 of origin.
- 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.

## 9.5 Filing By Purchaser; Application For Transfer Of Title

Transportation Code Section 501.145

*(a) Not later than the later of the 30th day after the date of assignment on the documents or the date provided by Section 152.069, Tax Code, the purchaser of the used motor vehicle shall file with the county assessor-collector:*

*(1) The certificate of title or other evidence of title; or*

*(2) if appropriate, a document described by Section 502.457 and the title or other evidence of ownership.*

*(b) The filing under Subsection (a) is an application for transfer of title as required under this chapter and an application for transfer of the registration of the motor vehicle.*

*(c) Notwithstanding Subsection (a), if the purchaser is a member of the armed forces of the United States, a member of the Texas National Guard or of 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 United 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 day after the date of assignment of ownership.*

### Transfer Fee; Late Fee

For information relating to the delinquent transfer penalty, refer to Chapter 3, Section 3.3 Delinquent Transfer Penalty.

## 9.6 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 (non-attainment) from another county within the state which does not have an I/M program (non-affected county or attainment) where 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:

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

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)

## Exemption

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.

## 9.7 Delivery of Receipt and Title to Purchaser of Used Motor Vehicle

Transportation Code Section 501.0721

*A person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle shall deliver to the purchaser at the time of delivery of the vehicle a properly assigned title or other evidence of title as required under this chapter.*

If an unregistered vehicle is sold, 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.

## 9.8 Vehicle Transfer Notification

Transportation Code Section 501.147

*(a) On receipt of a written notice of transfer from the seller 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 seller 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 seller or include the date of signing.*

*(b) The notice of transfer shall be provided by the department and must include a place for the seller to state:*

*(1) a complete description of the vehicle as prescribed by the department;*

*(2) the full name and address of the seller;*

*(3) the full name and address of the purchaser;*

*(4) the date the seller delivered possession of the vehicle to the purchaser;*

*(5) the signature of the seller; and*

*(6) the date the seller signed the form.*

*(c) This subsection applies only if the department receives notice under Subsection (a) before the 30th day after the date the seller delivered possession of the vehicle to the purchaser or in accordance with Section 152.069, Tax Code. After the date of the transfer of the vehicle shown on the records of the department, the purchaser 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 rules to implement this section.*

*(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) The department may not issue a title or register the vehicle until the purchaser applies for a title to the county assessor-collector as provided by this chapter.*

*(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 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 department's 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 TxDMV Regional Service Center

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 Section 501.147.

**Note: All requested information on the form must be complete. The date shown as the date the vehicle was sold on the VTR-346 cannot be prior to the date the existing title was issued.**

**Note: As of June 14, 2007, the $5 fee is no longer collected.**

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". 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.

## 9.9 Violations and Penalties

### 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 501.161

*(a) A person who transfers a motor vehicle in this state shall complete in full and date as of the date of the transfer all documents relating to the transfer of registration or 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 520.016

*(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 of not less than $50 and not more than $200.*

*(c) This section does not apply to a violation of Section 520.006 or a rule adopted under Section 520.0071.*

Chapter 10

# EVIDENCE OF OWNERSHIP

This chapter contains the following sections:


- ***10.1*** Definitions
- ***10.2*** Manufacturer's Certificate of Origin (MCO)
- ***10.3*** Bill of Sale
- ***10.4*** Form 97, US Government Certificate to Title a Vehicle
- ***10.5*** Importer's Certificate


## 10.1 Definitions

Transportation Code Section 501.002 (8) (14) (18)

*"First sale" means:*

*(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or titled, 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 titling of that vehicle.*

*"Manufacturer" has the meaning assigned by Section 503.001.*

**Note: 503.001 (10) states "Manufacturer" means a person who manufactures, distributes, or assembles new vehicles.**

*"New motor vehicle" has the meaning assigned by Section 2301.002, Occupations Code*

**Note: Occupations Code 2301.002 (24) states "New motor vehicle" means a motor vehicle that has not been the subject of a retail sale regardless of the mileage of the vehicle.**

## 10.2 Manufacturer's Certificate of Origin (MCO)

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 title provides the application for a title and a manufacturer's certificate, in a manner prescribed by the department.*

### Required on First Sale

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

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

The department uses the Uniform Security-type MCO 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 TxDMV Regional Service Center.

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

**Note: One manufacturer may import an incomplete vehicle into the United States for 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 MCO 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 a 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:

### Manufacturer's Name

The name of the Manufacturer must always be included on the front of a MCO.

### 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**:**

- 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.

### Weight

**Note: As of June 17, 2013, there is no longer a Texas requirement that tonnage be listed on a Manufacturer's Certificate of Origin (MCO). Manufacturers are not required to remove the tonnage information from their MCOs; however, after June 17, 2013, any listing of tonnage on an MCO will not be used to title and register a vehicle in Texas.**

*Passenger*

Use the shipping weight shown on the manufacturer's certificate of origin to determine the weight of new passenger vehicles, add 100 lbs., and figure the fee on the next even 100 lbs. For example, if the manufacturer's certificate of origin shows the shipping weight as 6,415 lbs., the addition of 100 lbs. would result in a total of 6,515 lbs. When rounded off to the next highest hundred pounds, use 6,600 lbs. as the registration weight.

- If there is a question as to the correct weight of a particular vehicle, require the applicant to present a weight certificate from a Public Weigher.
- The weight shown on a weight certificate is acceptable as the registration weight of the vehicle. Do not add any weight to the figure shown on the weight certificate, but round it off to the next highest one hundred (100) lbs.

- If the weight of a vehicle is in question and the evidence of ownership for the vehicle is a manufacturer's certificate, do not lower the weight below the weight indicated without a corrected manufacturer's certificate.The shipping weight shown on the manufacturer's certificate is not the governing factor in registering commercial motor vehicles.

### *Commercial Vehicle*

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 of a commercial vehicle (truck or truck-tractor) is the weight of the vehicle fully equipped with body, bed, and any other permanently attached equipment. Round up the weight to the next highest one hundred (100) lbs. and record it on the application for title.

All commercial vehicles (truck or truck-tractors rated in excess of 10,000 lbs.) either manufactured in the U.S. or in a foreign country must carry a registration receipt that includes the vehicle weights (empty, carrying capacity, and gross weight).

### *Weight Certificate*

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 evidenced by a MCO when the carrying capacity is rated in excess of 10,000 lbs. by the manufacturer. If the gross vehicle weight is 10,000 lbs. or less, the shipping weight shown on the MCO is acceptable as the empty weight without a weight certificate.
- A weight certificate is required when the shipping weight is not shown on the MCO 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 gross vehicle weight of 10,000 lbs. or less. Determine the empty weight of a 10,000 lbs. or less out-of-state truck from the out of state registration receipt, or other vehicle specifications.

**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.**

- Optional class type vehicles, such as Sport Utility Vehicles, may register with passenger or truck registration, but must show a carrying capacity of at least 1,000 lbs. unless there is a Manufacturer's Rated Carrying Capacity.
- A weight certificate is required on all used commercial motor vehicles transferred from exempt agencies.
- 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.

*Acceptable Weight Certificates*

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.

The department 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.

## 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 highest one hundred (100) lbs. For example, a house trailer with an actual gross weight of 4,445 lbs. registers at 4,500 lbs. 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 lbs. per square foot. For example, a house trailer measures 7 feet by 16 feet, results in 112 square feet. 112 multiplied by 20 lbs. results in a registration weight of 2,240 lbs.

## 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.

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 MCO 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 gross vehicle weight.

**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.**

## Gross Vehicle Weight Rating (GVWR)

The chart below may be used as a guide for a minimum carrying capacity for trucks, based on the empty weight, if the owner or applicant cannot provide the vehicle's carrying capacity.

**Table 10-1 Minimum Carrying Capacity for Trucks**

| Empty Weight or Shipping Weight | Minimum Carrying Capacity |
|---|---|
| 6,000 lbs. or less | 1,000 lbs. |
| 6,001 - 7,500 lbs. | 1,500 lbs. |
| 7,501 - 10,000 lbs. | 2,000 lbs. |
| 10,001 - 14,000 lbs. | 3,000 lbs. |
| 14,001 - 16,000 lbs. | 4,000 lbs. |
| 16,001 - 19,500 lbs. | 5,000 lbs. |
| 19,501 - 26,000 lbs. | 6,000 lbs. |
| 26,001 - 33,000 lbs. | 7,000 lbs. |

A vehicle accompanied by a Manufacturer's Certificate of Origin (MCO) may be titled using the "Gross Vehicle Weight Rating" (GVWR), as shown on the MCO. The empty weight, or shipping weight, may be subtracted from the GVWR to obtain the carrying capacity. The gross weight of a vehicle should not exceed the GVWR on a MCO.

### Signature of the Manufacturer's Agent

A signature is required on the front of the MCO. An authorized distributor may countersign the MCO. Cases where distributors countersign for the manufacturer are usually found on MCOs describing foreign made vehicles.

## Back of Manufacturer's Certificate of Origin

The following is general information applying to the back of any MCO:

- If the dealer or individual to whom a MCO 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 MCOs 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 MCO.
- If a MCO 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 MCO 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 MCO to the Enforcement Division for action.
- The name of the seller on the first assignment on the back of a MCO must be the same as the purchaser's name on the face.

- The lien information shown on the back of the MCO does not need to be completed. However, a release is required if the same lienholder does not carry forward on the application.
- 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) or on a separate odometer disclosure statement. This applies regardless of whether or not the MCO 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 VTR-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 MCO, a corrected MCO must be obtained 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 MCO 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 Section 501.0275, Title Only and pay sales tax and title fees. If the original MCO is lost for these vehicles, a bonded title, court order, or tax hearing is required to issue a title.**

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 MCO 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 MCO 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 MCO is not available, the seller must complete a statement of fact as described in Transactions Over Two Years Old. They must incorporate an assignment, such as that shown on the back of a MCO, 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 a MCO. 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.**

## 10.3 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, reconstruct or assemble motor vehicles; and
5. with non-titled Texas vehicles.

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.

## 10.4 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 Facilities Commission's 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 Facilities 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.**

## 10.5 Importer's Certificate

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:


- ***11.1*** Names
- ***11.2*** Signature Formats
- ***11.3*** Powers of Attorney
- ***11.4*** Secure Power of Attorney
- ***11.5*** Limited Power of Attorney
- ***11.6*** Issuance of New Certificate of Title Because of Subsequent Sales
- ***11.7*** Title and Dealer Assignments
- ***11.8*** Notarized Documents and Forms
- ***11.9*** One Document for Multiple Transactions
- ***11.10*** Acknowledgment


## 11.1 Names

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 title;*

*(2) an application for a certified copy of an original 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.

### Legal Name and Signature Consistency

The owner's legal name and signature, as shown on the face of the application, should agree with each other and with the purchaser's name on the supporting evidence. The application must be made in the legal name as shown on the identification. If any part of the name needs to be shortened due to character limitations, shorten the middle name by truncation.

For example, the legal name John Tom Doe may appear on the identification however the name on the transfer assignment or the signature may appear as John T. Doe, J. T. Doe, John Doe, or J. Doe.

**Note: The surname must agree in all cases. There must not be a discrepancy.**

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) must appear on an application as the legal name of both owners as it appears on their identification and each 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 on 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.

**Note: It is recommended that the Legal Name as it appears on the Survivor's identification is used, however the ID of the Survivor is not required at the time their name is placed on the title record and the name is not required to match the ID.**

A number of factors affect how persons may enter into a Rights of Survivorship agreement and how VTR may issue certificates of title to the survivor(s). Refer to Chapter 17, "Rights of Survivorship" for a more detailed discussion.

## 11.2 Signature Formats

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/Miscellaneous

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*<br>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 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.

### Business Entities

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. (Refer to Chapter 16, “Operation of Law”)

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

### Miscellaneous

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)* |

21. Electronic, digital or signature stamps are not acceptable.

22. If an owner loses the ability to sign documents a legal guardian must be appointed.

## Application for Title Signed by a Trustee and Authority Required

Refer to Table 11-1 for 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.

**23.** A leased vehicle should always be titled in the name of the lessor (person or firm who actually owns the vehicle). The legal name and address of the lessor should appear in Block 14, Applicant's/Owners's Legal 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 14c, 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/Owner's Legal Name(s): | 14c. Registrant's Name: |
| American Fleet Corporation (Lessor) | Tom McWright |
| 14800 Central Street | 1811 Oakland Drive |
| Houston, Texas 77060 | Houston, 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.

## 11.3 Powers of Attorney

Legal authority for one person to sign for another.

### Power of Attorney

A power of attorney (POA) is defined as the written authority for one person to act for another. Refer to Acknowledgment 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.

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 (See Vehicles Exempt from Disclosure in Chapter 15). 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.

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.

A general or limited POA assuming it includes language such as "transfer" and "vehicle" can be used for title assignments. However, if the form or document requires the named person to swear to or certify it, then a POA can not be used. Another individual can't swear for or certify a document or form for the named individual. For example, a POA could not be used for an heirship affidavit to claim as heir. However, once the heir has signed the affidavit, the heir could give another individual POA to transfer the vehicle.

### Returning a Power-of-Attorney

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.

## 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 if the principle becomes incapacitated, is not mentally competent or not physically able to make decisions, 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 is effective until it is revoked by the grantor, or until 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.

### 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 by *William B. Long, POA*

JOHN SMITH by *Robert J. Brown,* Executor

## 11.4 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. (See Chapter 15, “Odometers”)

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 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.

### 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**.

## 11.5 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 deputized to perform vehicle registration functions as authorized by rules adopted under Section 502.0071, a licensed 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

Transportation Code 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.

## Use of Limited POAs with E-Titles

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.

# 11.6 Issuance of New Certificate of Title Because of Subsequent Sales

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**

# 11.7 Title and Dealer Assignments

Refer to Chapter 9, Section 9.3 Title Assignments and Chapter 9, Section 9.4 Dealer Assignments

# 11.8 Notarized Documents and Forms

## 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 (unless a spouse waiving claim to a vehicle is involved) |
| 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 |
| Manufacturers' Certificates of Origin<br>Affidavits of Fact<br>Bills of Sale for Motor Vehicles Issued In Accordance with Court Orders*<br>Certifications of Certain Documents that are Attached to Title Transfers Certifying that the Copies are "True and Correct of the Original"<br>Bills of Sale from Mexico and other Foreign Countries*<br>Out-of-state Documents<br>Limited Powers of Attorney Specifically for the Transfer of Ownership of Motor Vehicles<br>Odometer Disclosure Statements printed by other than our department | |

# 11.9 One Document for Multiple Transactions

If one document (power of attorney, heirship affidavit, will, etc.) is used to support the applications of more than one transaction, applicants should staple all affected transactions together with the document and a note attached stating, "These transactions must be kept together." Furthermore, 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.

## 11.10 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:


- ***12.1*** Definitions
- ***12.2*** Perfection of Security Interest
- ***12.3*** Sale or Security Interest Not Created by Certain Vehicle Leases
- ***12.4*** Recordation of Security Interest
- ***12.5*** Lien Information on Application for Title (Form 130-U)
- ***12.6*** Income Tax Liens
- ***12.7*** Accessories Liens
- ***12.8*** Restitution Liens
- ***12.9*** Landowner's Lien
- ***12.10*** Child Support Liens
- ***12.11*** Transfer of Equity
- ***12.12*** Release of Liens
- ***12.13*** Liens Over 10 Years Old
- ***12.14*** Electronic Lien Title (ELT)


## 12.1 Definitions

Transportation Code Section 501.002 (12)

*(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.

## 12.2 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 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.*

## 12.3 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 of origin, 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.

## 12.4 Recordation of Security Interest

Transportation Code Section 501.113

*(a) Recordation of a lien under this chapter is considered to occur when:*

*(1) the department's titling system is updated; or*

*(2) the county assessor-collector accepts the application of title that discloses the lien with the filing fee.*

*(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 title.*

## 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.**

## 12.5 Lien Information on Application for Title (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 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.

#### Name

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 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. For information regarding the effect of liens on CCO applications see Title Records Recording a 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.

## 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.

## 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.)

### Liens on Component Parts

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.

## 12.6 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.

## 12.7 Accessories Liens

Accessories liens are not valid (Transportation Code Section 501.004).

## 12.8 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 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.

## 12.9 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.

## 12.10 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 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.

## 12.11 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 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 acknowledged by the assignee.*

*(e) On receipt of the completed application and fee, the department may:*

*(1) amend the department's records to substitute the assignee for the recorded lienholder; and*

*(2) issue a new title as provided by this chapter.*

*(f) The issuance of a title under Subsection (e) is recordation of the assignment.*

*(g) Regardless of whether application is made for the assignee to be named as lienholder on the 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 or the owner’s identification**.** 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 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.
2. 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. Complete 16a, 16b, and 16c as applicable.
3. 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.
4. Number 18 - The odometer reading should be the same as reflected on the surrendered negotiable certificate of title or certified copy. 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.
5. Number 22 (and 23, if applicable) – Lien Transfer/ No Change in Ownership should be indicated in the seller's signature area.
6. Number 24 - 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.**

## 12.12 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 the owner's designee, a discharge of the lien in a manner prescribed by the department.*

*(b) The owner may submit the discharge and title to the department for a new 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**, the prescribed release of lien space located on the certificate of title, or on the lienholder's official 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 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.

### 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.

### Multiple 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.

### Electronic Lien

A paper release of lien is not acceptable with an active ELT. E-lienholders are required, as part of their Service Level Agreement with the department, to electronically release all liens filed with the department. Customers need to contact their lending institution that holds the electronic lien and request an electronic release. Once the ELT is released, a paper title will automatically be generated and mailed to the owner address on file. If the electronic release is due to a refinance, trade in, or insurance payout, the paper title will be sent directly to the third party recipient (e.g. Lender, Dealer, Insurance Company, etc.).

## 12.13 Liens Over 10 Years Old

Transportation Code Section 501.116

*The department may cancel a discharged lien that has been recorded on a title for 10 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 10 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 10 years.

A tax collector hearing, bonded title or court order would be necessary to clear a lien less than 10 years old if the owner cannot locate the lienholder.

## 12.14 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. The department may establish categories of lienholders that may participate in the system and, except as provided by this section, may require a lienholder to participate in the system.*

*(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.*

*(d) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system if the department has issued fewer than 100 notifications of security interests in motor vehicles to the depository institution during a calendar year.*

*(e) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system:*

*(1) during 2011, if the department issues fewer than 200 notifications of security interests in motor vehicles to the depository institution between September 1, 2011, and December 31, 2011; and*

*(2) during 2012, if the depository institution was exempt under Subdivision (1) and the department issues fewer than 200 notifications of security interests in motor vehicles to the depository institution in 2012.*

*(f) This subsection and Subsection (d-1) expire January 1, 2013.*

*(g) The department by rule shall establish a reasonable schedule for compliance with the requirements of Subsection (a) for each category of lienholder that the department requires to participate in the system.*

*(h) The department may not:*

*(1) prohibit a lienholder from using an intermediary to access the system; or*

*(2) require a lienholder to use an intermediary to access the system.*

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 service level agreement provides the financial institution, their vendor, and the department with a contract that describes the responsibilities of each signee.

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 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 Texas 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.

## ELT Remarks

The motor vehicle record remarks field accommodates two remarks associated with ELT.

- E-Title (Paperless Title)
- Paper Title (Printed Title)

## 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 title record without a lien and the new title is mailed to the owner of record
- 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 the new title is mailed to the dealer, insurance company, etc.
- Title print request from lienholder, with lien intact (owner moving out-of-state before lien is paid), the lienholder can specify a mailing address. The paper title is mailed to the lienholder or address specified by the lienholder.

If a lienholder has questions concerning how to make a specific request, they should contact the department at (512) 302-2020 or by email at e-Liens@txdmv.gov.

## Identifying a prior ELT Title

Use the following to identify a title previously issued by the ELT system:

- The document number always begins with the numerals **286**;
- The remark "E-TITLE PRINT DATE: [MM/DD/YYYY];
- Page 2 of **Form 500**, *Electronic Title Lien Release Evidence* contains a "**c/o *third party name*"** (care of).

**Note: The E-TITLE PRINT DATE remark also displays when an E-Title record has been converted to paper with the lien still in tact. In these situations the title is printed with the original document number.**

Previously, if a vehicle was paid off by a third party (such as a dealer, insurance company, etc), the new title contained the original owner's name but also included a "**c/o *third party name*"** (care of) in the mailing address. As of February 25, 2013, when an electronic release of lien to a third party is received, the third party "c/o name and address" information no longer appears in the owner's name and address fields of the department's Motor Vehicle Record nor prints on the face of the title. Instead, the c/o information only prints on the mail tab portion of the title document and on page 2 of the **Form 500**, *Electronic Title Lien Release Evidence*. The **Form 500** is immediately placed into title history following an electronic release of lien.

## Owners Obtaining a Printed Title

Once a lien has been paid off, a paper title is automatically generated and mailed to the owner on record, or to a third party as specified by the financial institution who released the lien. This was implemented by RTS release 6.9.0 on February 13, 2012

Prior to that date, when an e-Title lien had been paid off and released, a paper title was not automatically printed and sent to the owner, it remained an e-title. If a lien was released prior to February 13, 2012, and the owner requests a paper title, or Certified Copy of Title afterwards, they should be allowed to get one at no charge.

Chapter 13

# VEHICLE IDENTIFICATION NUMBERS

This chapter contains the following sections:


- ***13.1*** Definitions
- ***13.2*** Motor Numbers
- ***13.3*** Serial Numbers
- ***13.4*** Motorcycles and Motor Scooters
- ***13.5*** House Trailers, Trailers, and Semitrailers
- ***13.6*** Vehicle Identification Number (VIN) Quick Reference
- ***13.7*** Assignment of Identification Number by Department
- ***13.8*** Rightful Owner / Right of Possession
- ***13.9*** Reassigned Vehicle Identification Number (VIN)
- ***13.10*** Recovered Out-of-State Stolen Vehicles
- ***13.11*** Assigned Vehicle Identification Numbers (TEX Prefix Numbers)
- ***13.12*** Homemade/Shopmade House Trailers, (HT Prefix Numbers) Trailers, and Semitrailers (TR Prefix Numbers)
- ***13.13*** Number Assigned by Another State
- ***13.14*** VIN Standards (Processing of 'I' and 'O')
- ***13.16*** Exempt Agency Vehicles
- ***13.17*** Cancellation of Assigned Number
- ***13.18*** Assigned Numbers
- ***13.19*** Placement of Serial Number With Intent to Change Identity
- ***13.20*** Violation by County Assessor-collector; Penalty


## 13.1 Definitions

Transportation Code Section 501.002 (15) (24)

*(15) "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.*

*(24)"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.

## 13.2 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.

### Motor Number Required for Vehicle Registration

Transportation Code Section 501.0331

*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.*

### Application for Motor Number Record

Transportation Code Section 501.0332

*(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 record of each motor number assigned by the department that includes:*

*(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.*

## 13.3 Serial Numbers

On 1956 and later model motor vehicles (1949 and later model Ford products), the serial number of the body or frame 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.

**Note: The National Highway Traffic Safety Administration (NHTSA) regulates motor vehicles manufactured primarily for use on public streets, roads, or highways. Vehicles that are regulated by NHTSA are required to have 17-digit VINs. However, Texas requires titling of ROVs, ATVs and some trailers, which are not regulated by NHTSA; therefore, these vehicles may not have a 17-digit VIN. For ROVs, ATVs and trailers that do not have a 17-digit VIN, a serial number is acceptable in lieu of a VIN.**

## 13.4 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.

## 13.5 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. (See Non-Titled Vehicles)

## 13.6 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 of 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 Volkswagen Beetle).

#### 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 a 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 *Component Part(s) 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.

# 13.7 Assignment of Identification Number by Department

Transportation Code Section 501.033

*(a) A person determined by law enforcement or a court to be the owner of a motor vehicle, travel trailer, semitrailer, or trailer, a part of a motor vehicle, travel trailer, semitrailer, or trailer, a frame, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment may apply to the department for an assigned vehicle identification number that has been removed, altered, obliterated, or has never been assigned.*

*(b) An application under this section must be in a manner prescribed by the department and accompanied by valid evidence of ownership as required by the department.*

*(c) A fee of $2 must accompany each application under this section to be deposited in the Texas Department of Motor Vehicles fund.*

*(d) The assigned vehicle identification number shall be die-stamped or otherwise affixed 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, obliterated or had never been assigned 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 waive the fee if the person applying for the inspection is the current registered owner.

**Note: Tax assessor-collector hearing orders are acceptable for issuance of assigned numbers. However, for reassigned numbers only a court order is valid.**

## 13.8 Rightful Owner / Right of Possession

Refer to Chapter 21, Section 21.4 Rightful Owner/Right of Possession.

## 13.9 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.

### Reissuing 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.

### Inspection

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 Special Investigations Section; 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.

**Note: As a result of a reorganization in 2009, the Texas Department of Public Safety's Motor Vehicle Theft Service is now known as the Special Investigations Section.**

### Issuance and Installation

If the manufacturer's VIN is verified, the application, evidence of ownership, and the vehicle must be taken to the nearest Regional Service Center 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 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, Semitrailers and House (Travel 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, proof of ownership and the trailer, semitrailer, or house (travel) trailer to the nearest TxDMV

Regional Service Center. 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 the Texas Department of Motor Vehicles.

### 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.

## 13.10 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 Service Center. The Regional Service Center then issues the assigned or reassigned VIN at no charge to the law enforcement agency. The Regional Service Center 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

Refer to Chapter 21, Section 21.5 Justice of the Peace Orders.

## 13.11 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 were 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 as described in Inspection.

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 TxDMV Regional Service Center.

## Approval and Installation

Upon approval of the application, the Regional Service Center 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 returns 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. (See Assigned Numbers)

### Non-Titled Vehicles

Non-titled homemade or shop made trailers, semitrailers, farm trailers, and farm semitrailers are not required to obtain an assigned serial number or VIN. However, owners of these non-titled trailers and semitrailers are encouraged to obtain an assigned serial number to aid in the identification of their property in the event it is stolen. An assigned serial number can be processed by a Regional Service Center as outlined above.

When processing a non-titled homemade or shop made vehicle, that does not have a VIN or an assigned serial number, leave the VIN field blank, do not insert zeros or other "filler" numbers or letters in the field. The license plate number will be the appropriate identifier for these vehicles. If the vehicle is sold, and the license plate number is to be changed, the new owner may either apply for an assigned serial number at a Regional Service Center, or use the new license plate number as the appropriate identifier for the vehicle.

**Note: Trailers with a GVW under 4,000 lbs may be optionally titled. Owners desiring to exercise the option to title, must have a manufacturer's assigned VIN or have one assigned by the Department**

## 13.12 Homemade/Shopmade House Trailers, (HT Prefix Numbers) Trailers, and Semitrailers (TR Prefix Numbers)

Transportation Code Section 501.032

*(a) On proper application, the department shall assign a vehicle identification number to a travel trailer, a trailer or semitrailer, a frame, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment:*

*(1) on which a vehicle identification number was not die-stamped by the manufacturer; or*

*(2) on which a vehicle identification number die-stamped by the manufacturer has been lost, removed, or obliterated; or*

*(3) for which a vehicle identification number was never assigned.*

*(b) The applicant shall die-stamp the assigned vehicle identification number at the place designated by the department on the travel trailer, trailer, semitrailer, frame, or equipment.*

*(c) The manufacturer's vehicle identification number or the vehicle identification number assigned by the department shall be affixed on the carriage or axle part of the travel trailer, trailer, or semitrailer. The department shall use the number as the major identification of the vehicle in the issuance of a title.*

*(d) Only the department may issue vehicle identification 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.**

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 TxDMV Regional Service Center.

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.

**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 as described in Inspection.

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 TxDMV Regional Service Center. 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**, providing the assigned number to the applicant.

- Assigned house 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 “TR” 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.

## 13.13 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.

## 13.14 VIN Standards (Processing of ‘I’ and ‘O’)

VIN standards were adopted by the National Highway Traffic Safety Administration in 1981. It required all highway legal vehicles to contain a 17-character VIN, which does not include the letters I (i), O (o), or Q (q) to avoid confusion with the numbers 1 and 0.

RTS is programmed to conform to the above VIN Standards. RTS will allow the letter Q in the VIN; however, if the letters I (i) or O (o) is entered in the VIN, RTS automatically changes these to 1 or 0. For example if NEWBOGUSVIN123456 or OLDSHORTVIN are entered into RTS, they will be changed to NEWB0GUSV1N123456 or 0LDSH0RTV1N. This feature of RTS generally helps reduce the number of errors entered into the system since it conforms to standards after 1981.

There are two small subsets of vehicles where this is not an advantage. The first is vehicles manufactured prior to the 1981 standards that may have a legitimate I (i) or O (o) in the VIN by the manufacturer. The second is assigned VINs from another state that may include the letters I (i) or O (o) in the VIN. Since RTS changes these characters, all titles and all receipts will only print 1 (one) and 0 (zero) in these cases.

## 13.15 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, Conflict of Laws; Effect on Other Laws, 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 issues the selling or disposing agency an assigned number at no charge.

## 13.16 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.

## 13.17 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.

## 13.18 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 evidence 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 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 Regional Service Center on the equipment.

### 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.

### Trailers, Semitrailers, and House (Travel) Trailers

For trailers, semitrailers, and house (travel) trailers on which a manufacturer's serial number has never been assigned, the applicant must take the completed *Application for Assigned or Reassigned Number*, **Form VTR-68-A**, $2.00 fee, and proof of ownership to the nearest TxDMV Regional Service Center. The trailer, semitrailer, or house (travel) trailer does not be to taken to the Regional Service Center. On trailers and semitrailers, affix the assigned VIN to the permanent part of the trailer on the lower front right side. On house (travel) trailers, affix the assigned VIN on the right front of the frame, on an open part and in an accessible place, which extends beyond the body.

## 13.19 Placement of Serial Number With Intent to Change Identity

See Transportation Code Section 501.151

## 13.20 Violation by County Assessor-collector; Penalty

Transportation Code Section 502.480

*(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 or vehicle identification number removed, erased, or destroyed; and*

*(2) does not bear a motor number or vehicle identification 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:


- ***14.1*** Definitions
- ***14.2*** Multi Purpose Type Vehicles
- ***14.3*** Motorcycle
- ***14.4*** Moped
- ***14.5*** Neighborhood Electric Vehicles
- ***14.6*** Farm Tractor/Road Tractor
- ***14.7*** Implements of Husbandry
- ***14.8*** Trailer/Semitrailer
- ***14.9*** Homemade/Shopmade Trailers or Semitrailers
- ***14.10*** Farm Trailer/Farm Semitrailer
- ***14.11*** Machinery/Permit Vehicle Plates
- ***14.12*** Trailer Jockey
- ***14.13*** House, Camper, and Travel Trailers
- ***14.14*** Park Model Trailers
- ***14.15*** Mobile Office Trailers
- ***14.16*** Motor Homes
- ***14.17*** Former Military Vehicle
- ***14.18*** Golf Carts and Other Miniature Type Vehicles
- ***14.19*** Off-Highway Use Vehicles


## 14.1 Definitions

Transportation Code Section 501.002 (17)

*In this chapter:*

*(1) "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 travel 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.*

Transportation Code Section 502.001 (7) (39-a)

*(7) "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.*

*(39-a) "Shipping weight" means the weight generally accepted as the empty weight of a vehicle.*

Transportation Code Section 548.001 (1)

*(1) "Commercial motor vehicle" means a self-propelled or towed vehicle, other than a farm vehicle with a gross weight, registered weight, or gross weight rating of less than 48,000 pounds, that is used on a public highway to transport passengers or cargo if:*

*(A) the vehicle, including a school activity bus as defined in Section 541.201, or combination of vehicles has a gross weight, registered weight, or gross weight rating of more than 26,000 pounds;*

*(B) the vehicle, including a school activity bus as defined in Section 541.201, is designed or used to transport more than 15 passengers, including the driver; or*

*(C) the vehicle is used to transport hazardous materials in a quantity requiring placarding by a regulation issued under the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.).*

Transportation Code Section 541.201 (7) (12)

*(7)"Light truck" means a truck, including a pickup truck, panel delivery truck, or carryall truck, that has a manufacturer's rated carrying capacity of 2,000 pounds or less.*

*(12)"Passenger car" means a motor vehicle, other than a motorcycle, used to transport persons and designed to accommodate 10 or fewer passengers, including the operator.*

## 14.2 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.

## 14.3 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.

Transportation Code Section 501.002 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

## 14.4 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 551.351, 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 *Dealer's Reassignment of Title for a Motor Vehicle*, **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.

### 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.

## 14.5 Neighborhood Electric Vehicles

A Neighborhood Electric Vehicle (NEV) is a motor vehicle that can attain a maximum speed of 35 miles per hour on a paved level surface and otherwise complies with Federal Motor Vehicle Safety Standard 500 (49 C.F.R. Section 571.500).

### 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 of insurance as a vehicle when operating as a motor vehicle. As of September 1, 2013, a NEV no longer requires the same financial responsibility or liability insurance as a vehicle when operated as a golf cart.

The NEV must meet Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500) for low-speed vehicles and have a 17-digit VIN.

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.

### Neighborhood Transportation 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.

## 14.6 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.

## 14.7 Implements of Husbandry

The term “motor vehicle” does not apply to implements of husbandry and cannot be titled**.**

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.

## 14.8 Trailer/Semitrailer

The owner (except Texas licensed dealers) 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. Owners of trailers under 4,000 pounds have the option to title their trailers but are not required to do so.

### 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 to aid in the identification of their property in the event it is stolen, but it is not required. (See Non-Titled Vehicles in Chapter 13, Section 13.11 Assigned Vehicle Identification Numbers (TEX Prefix Numbers))

### Lack of Serial Number

If a serial number is missing on a trailer or semitrailer, the owner should apply for an assigned serial number (Refer to Chapter 13, "Vehicle Identification Numbers").

### Trailers Without Frames

Refer to Trailers Without Frames in Chapter 13, "Vehicle Identification Numbers".

## Evidence of Ownership

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. A copy of the registration receipt should also be attached.

Applicants should include an *Out-of-state Vehicle Identification Certificate*, **VI-30**, issued by a state Safety Inspection Station, with each application for Texas title for out of state trailers and semitrailers except as provided in Transportation Code 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.

### Empty Weight

The space for weight on **Form 130-U** should record the empty weight of a trailer or semitrailer.

## 14.9 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. Trailers under 4,000 pounds may be titled at the owner's discretion. All vehicles requiring (or choosing to have) 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.** (See Chapter 13, "Vehicle Identification Numbers")

### Titled Homemade Trailers and Semitrailers

Owners should sign the *Prescribed Form for Statement of Fact for Ownership of Homemade/Shopmade Trailer, Semitrailer, or Travel Trailer*, **Form VTR-305-A**. If the trailer is shopmade for the owner (by someone else to the owner's specifications) the following should show on or accompany the form:

- The name of the person who built the trailer or semitrailer,
- The make of trailer or semitrailer is listed as "Homemade" on **Form 130-U**,
- The year model of the trailer or semitrailer (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.

### Non-Titled Homemade Trailers and Semitrailers:

The owner is not required to complete the **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, or
- are over 4,000 lbs but less than 34,000 lbs and being used as a vehicle operated solely for the transportation of farm products (not for hire) as provided for under the provisions of Section 502.433.

However, owners of these non-titled trailers and semi-trailers are encouraged to obtain an assigned serial number to aid in the identification of their property in the event it is stolen. (See Non-Titled Vehicles in Chapter 13, Section 13.11 Assigned Vehicle Identification Numbers (TEX Prefix Numbers))

**Note: If the vehicle ceases to operate in accordance with provisions of Section 502.443, the owner must obtain title as outlined in Titled Homemade Trailers and Semitrailers. 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.**

### Optional Title for Trailers under 4,000 Pounds

Transportation Code Section 501.037

*(a) Notwithstanding any other provision of this chapter, the department may issue a title for a trailer that has a gross vehicle weight of 4,000 pounds or less if all other requirements for issuance of a title are met.*

*(b) To obtain a title under this section, the owner of the trailer must:*

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

*(2) pay the fee required by Section 501.138.*

Effective September 1, 2013, the department may issue a title for a trailer that has a gross vehicle weight of 4,000 pounds or less, if all other requirements for issuance of a title are met, including assignment of VIN. The application for title is optional for the owner. The owner must apply for the title in the usual manner, in accordance with Texas Transportation Code, Sections 501.023 and 501.138.

## 14.10 Farm Trailer/Farm Semitrailer

Transportation Code Section 501.036

*(a) Notwithstanding any other provision of this chapter, the department may issue a 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 502.146; and*

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

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

*(1) apply for the 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.*

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 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;
  - 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).**

### 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 $5.00 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.

## Trailer Sales

If a farm trailer or semitrailer is not issued a certificate of title (non-titled trailer), these trailers may be sold on a bill of sale. If sold to a:

- Farmer, the $5.00 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**.
- Non-farmer, the $5.00 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 title for a farm semitrailer (not a farm trailer) with a gross weight of more than 4,000 pounds if:

- Under Transportation Code, Section 502.146, 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 only and retain the assigned title.

### Trailers In Excess of 34,000 Pounds

Farm trailers and semitrailers in excess of 34,000 lbs are required to be titled and registered.

### 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.

## 14.11 Machinery/Permit Vehicle Plates

VTR issues the $5.00 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 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.

## 14.12 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. VTR also requires proof of insurance in the title applicant's name unless the vehicle was purchased from a dealer.

## 14.13 House, Camper, and Travel Trailers

### 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. These trailers are titled as travel trailers

House trailer means a trailer designed for human habitation. The term does not include manufactured housing. All camper trailers, new or used, purchased on and after September 1, 1967, are titled as travel trailers. VTR issues these vehicles Travel Trailer license plates. See the "Motor Vehicle Registration Manual" for more information.

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 are required to be registered and titled as travel trailers. The term "house trailer" refers to travel trailers that meet the above size criteria.

### 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.

## 14.14 Park Model Trailers

A "Park Model type" trailer is "recreational vehicle" by federal standards which 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
- Not designed primarily 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). If requested, Title Only can be issued.

### Evidence of Ownership

An application for title on a new "Park Model" type trailer should include a secure MCO and a "*Travel Trailer" or "Park Model Trailer" Verification*, **Form VTR-141**. A 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 normal title transfer (includes registration). 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.

## 14.15 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, a weight certificate is required. 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.

## 14.16 Motor Homes

Motor vehicles adapted or designed for habitation.

## 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 final stage MCO.

## 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 and 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 be titled 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

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 of origin covering the van. A weight certificate verifying the weight and a photo of the interior are required to support the transaction.

**Note: If the transaction is also accompanied by a second stage manufacturer's certificate of origin from the firm making the conversion, VTR may waive the requirement of a photo and weight certificate. In order for the weight certificate to be waived, the weight of the completed vehicle must be shown on the second stage manufacturer's certificate of origin. The weight should be greater than the weight shown on the first stage manufacturer's certificate of origin.**

### Chopped, Cutaway, or Incomplete

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.**

## 14.17 Former Military Vehicle

Transportation Code Section 501.035

*(a) Notwithstanding any other law, the department shall issue a title for a former military vehicle if all requirements for issuance of a title are met.*

*(b) In this section, "former military vehicle" has the meaning assigned by Section 504.502(i).*

## 14.18 Golf Carts and Other Miniature Type Vehicles

Transportation Code, Section 502.001 (18), defines "golf cart" as a motor vehicle designed by the manufacturer primarily for use 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 select counties, allows for the issuance of 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 designed to operate at speeds in excess of 25 miles per hour do not qualify as slow moving vehicles.

### 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.

## 14.19 Off-Highway Use Vehicles

Motorcycles, trail bikes, mini bikes, mini-motorcycles (gas and/or electric), all-terrain vehicles, recreational off-highway vehicles, etc., designed and equipped for off highway use.

# Off-Highway Use Motorcycles

## 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 be titled. 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 *Recreational Off-Highway Vehicle Statement of Ownership*, **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.

## Application

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.”

### Modified Off-Highway 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 verification of a DPS safety inspection and a copy of the current registration receipt with the application for title.

## All-Terrain Vehicle (ATV)

### Definition

All-terrain vehicle means a motor vehicle that is equipped with a seat or seats 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, not designed by the manufacturer primarily for farming or lawn care, and not more than 50 inches in width.

**Note: ROVs and ATVs are defined in the same manner except that ATVs are vehicles that are not more than 50 inches in width, may have only 3 wheels and accommodate a rider and one passenger, while ROVs are vehicles that have at least 4 wheels and can accommodate a rider and multiple passengers.**

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.

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 are still required to be titled.**

Direct questions concerning ATV operation on public land in Texas to Texas Parks and Wildlife Department's "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)

### Definition

Recreational off-highway vehicle means a motor vehicle that is not a golf cart, equipped with a seat or seats 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. Effective September 1, 2009, (HB 2553 passed by the 81st Legislature) the definition of "motor vehicle" was amended to include the recreational off-highway vehicle.

**Note: ROVs and ATVs are defined in the same manner except that ATVs are vehicles that are not more than 50 inches in width, may have only 3 wheels and accommodate a rider and one passenger, while ROVs are vehicles that have at least 4 wheels and can accommodate a rider and multiple passengers.**

## Title Requirements

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 before September 1, 2009. In a case of a vehicle in stock before 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 and not used strictly on a farm should obtain a certificate of title before the vehicle can transfer to another owner. Applicants must submit the following documents with the application for Texas title:

- *Recreational Off-Highway Vehicle Statement of Ownership*, **Form VTR-330**,
- *Application for Texas Title*, **Form 130-U**. Indicate “NOT REG” in the license number space on **Form 130-U**.
- Sales from an Individual must also include:
  - An invoice dated prior to September 1, 2009, signed by an agent of the company/business that sold the ROV, or
  - A bill of sale dated prior to September 1, 2009, properly signed by the seller.
- Sales from a Licensed Dealer must also include:
  - An Invoice or bill of sale - applies to ROVs in stock before September 1, 2009, for which a dealer cannot obtain a MCO. The bill of sale must include a statement that the ROV was in the dealer's stock prior to September 1, 2009.
  - *Dealer's Reassignment of Title for a Motor Vehicle*, **VTR-41-A**.

**Note: Manufacturer Certificate of Origin (MCO) - applies to new ROVs sold on or after September 1, 2009.**

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 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.

## Title Exemption for ATVs and ROVs

An ATV or ROV may be exempted from the title requirement if the purchaser certifies that the vehicle will be used primarily for farming or lawn care and has at least four wheels in contact with the ground. The purchaser makes the certification by completing *Recreational Off-Highway or All-Terrain Vehicle Used for Farming or Lawn Care*, **Form VTR-329**. However, an ATV or ROV that has multiple rows of seats, contains food or beverage equipment, is equipped with specifically non-farm or non-lawn care equipment, or only has three wheels in contact with the ground is not eligible for the title exemption as these types of vehicles are most commonly associated with use at sporting events, use by apartment and large living communities, or primarily for recreational purposes. A licensed dealer is to provide a photocopy of the completed **Form VTR-329**, along with the Manufacturer's Certificate of Origin (MCO), to the original purchaser. The dealer retains the original **Form VTR-329** in their records.

If the original purchaser of the exempt ATV or ROV sells the ATV or ROV, they must provide the photocopy of the **Form VTR-329** and the MCO to the subsequent purchaser. If the original purchaser wishes to obtain a Certificate of Title at a later date, the photocopy of the completed **Form VTR-329** must be submitted with **Form 130-U** and the MCO. Similarly, if a subsequent purchaser wishes to obtain a Certificate of Title, the photocopy of the completed **Form VTR-329** from the original purchaser must be submitted with **Form 130-U** and the MCO.

When presented with a **Form VTR-329** by an original purchaser who subsequently wishes to title the ATV or ROV, the Delinquent Transfer Penalty would not apply. If this situation occurs after the 30th day from the date of sale, the Registration and Title System (RTS) will calculate a Delinquent Transfer Penalty. The penalty should be manually changed to reflect no charge and will require a Supervisor Override. In the case of a subsequent purchaser, the delinquent transfer penalty would apply once the 30 day transfer period has passed from the date of the subsequent purchase since there is an actual change in ownership.

# Chapter 15

# ODOMETERS

This chapter contains the following sections:


- ***15.1*** Odometer Disclosure Statement
- ***15.2*** Vehicles Exempt from Disclosure
- ***15.3*** Application for Title/Title Assignment
- ***15.4*** Odometer Title Brand
- ***15.5*** Operation of Law Title Transfers
- ***15.6*** Odometer Issues
- ***15.7*** Power of Attorney to Transfer Ownership and Disclose Mileage


## 15.1 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 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. If there is not an actual buyer and seller, record odometer information directly on the *Application for Texas Title,* Form 130-U.**

## 15.2 Vehicles Exempt from Disclosure

For vehicles exempt from the odometer disclosure requirements, indicate the word "EXEMPT" in the Odometer Reading field (Block 18) on the *Application for Texas 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;
- 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.

## 15.3 Application for Title/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 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.

## 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's Reassignment of Title for a Motor Vehicle*, **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. (See Inspection Information in Chapter 18.)

## 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 or on a separate odometer disclosure statement. This applies regardless of whether or not the Manufacturer’s Certificate of Origin contains an odometer disclosure statement.

## Applications for Registration Purposes Only

The title applicant must note the current odometer reading on the *Application for Certificate of 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 on 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 Certificate of Title*, **Form 130-U**.

### 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.

## 15.4 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).”

## 15.5 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 Texas 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.

# 15.6 Odometer Issues

## Vehicles Having No Odometers

Indicate the word "EXEMPT" in the Odometer Reading field (block 18) of the application for title, **Form 130-U**, and title reassignment for assembled vehicles, 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 Vehicles Exempt from Disclosure), 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, inoperable, or 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 a 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.

## 15.7 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:


- ***16.1*** Transfer of Vehicle by Operation of Law
- ***16.2*** Definitions and Distinctions
- ***16.3*** Transfers Originating Out-of-State
- ***16.4*** Estates of Decedents
- ***16.5*** Trusts
- ***16.6*** Bankruptcies
- ***16.7*** Bank Liquidations
- ***16.8*** Repossessions
- ***16.9*** Judicial Sale
- ***16.10*** Seized and Forfeited Vehicles
- ***16.11*** U.S. Bill of Sale
- ***16.12*** Change of Name (Texas Family Code - Chapter 45)
- ***16.13*** Divorce Suits
- ***16.14*** Judgments and Decrees
- ***16.15*** Judicial Declaration of Incompetence
- ***16.16*** Rights of Survivorship Agreement for a Motor Vehicle
- ***16.17*** Texas Uniform Gifts or Transfers to Minors Act
- ***16.18*** Judicial Orders


## 16.1 Transfer of Vehicle by Operation of Law

Transportation Code Section 501.074

*(a) The department shall issue a new title for a motor vehicle registered in this state for which the ownership is transferred by operation of law, 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 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 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 or by Section 59.0445, 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.*

This Chapter 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.

Refer to Table 11-1 Application for Title Signed By A Trustee And Authority Required for relevant information.

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.**

## 16.2 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.
- trustee - 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.”

## 16.3 Transfers Originating Out-of-State

Transfers with an out-of-state operation of law document should be cleared by the state in which it occurred. Some out-of-state repossessions and heirship transactions are acceptable when there is a direct Texas tie.

## 16.4 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

#### 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:

- without 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”.

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.”

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 a 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 Tax Assessor-Collector Hearing or a Bonded Title, if they meet the requirements of Transportation Code Section 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. The administrator or executor of the deceased lienholders estate (or by all heirs if no administration) must provide lawful authority (Letters of Administration, Letters Testamentary, Heirship Affidavit, etc.) for the application.

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 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.**

**Note: The deceased owner’s death certificate is not required and should not be requested to transfer ownership when Form VTR-262 is submitted.**

### 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 VTR-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 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, 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.**

## 16.5 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.

## 16.6 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. The trustee liquidates 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. 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.

## Recorded Lien

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.

## 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 (Refer to Judicial Sale), 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.

## 16.7 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 Title*, **Form VTR-34**, or repossession affidavit. No evidence of authority is required to accompany the document.

### Repossessions

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" 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 Title*, **Form VTR-34**.

## 16.8 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 its 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
- 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 a copy of the security agreement must be attached and the vehicle must be 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.

Valid proof of financial responsibility is required.

**Note: A "Title Only" transaction is not acceptable.**

### 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.

**Note: When processing a title transfer involving a repossession the following should be selected as surrendered ownership evidence in RTS:**

- **"Repossession" when a verification of the title record is being used; or**

- **“Texas Title”/“Out-of-State Title,” as applicable, when those are submitted instead of the verification.**

### “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**.

**Note: (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.

**Note: “Title Only” transactions should not be accepted under this repossession.**

### Repossession Affidavit Evidence

Any indication of “repossession” in a transaction requires that the application be supported by a repossession affidavit.

## Judicial Sale/Writs of Sequestration

See Judicial Sale and Writs of Sequestration.

## 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.

## 16.9 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.

### 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.

## 16.10 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 TxDMV Regional Service Center 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 Investigations 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.

## 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.

## Seizure and Sale by Texas Alcoholic Beverage Commission

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.

### 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.

## 16.11 U.S. Bill of Sale

Any vehicle sold under forfeiture proceedings, which meets U.S. safety standards, 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.

## 16.12 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.

## 16.13 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 a vehicle 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.

**Note: Due to the personal and confidential nature of divorce decrees, copies of the front page, page that describes the vehicle and confers ownership, and the signature page are required to be made of the certified copy.**

- 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 Transportation Code 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.

## 16.14 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 or the judgement award the vehicle free and clear of all liens.
- 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.**

## 16.15 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.

## 16.16 Rights of Survivorship Agreement for a Motor Vehicle

See Chapter 17, "Rights of Survivorship".

## 16.17 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.

## 16.18 Judicial Orders

Transportation Code Section 501.0521

*(a) A justice of the peace or municipal court judge may not issue an order related to a title except as provided by Chapter 47, Code of Criminal Procedure, or Section 27.031(a)(3), Government Code.*

*(b) A county or district court judge may not order the department to change the type of title for:*

*(1) a nonrepairable vehicle titled after September 1, 2003; or*

*(2) a vehicle for which the department has issued a certificate of authority under Section 683.054.*

### 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. However, any order from a JP or Municipal Judge in this situation 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.

## County or District Court Judge Order

A county or district court judge may award ownership of a vehicle. The order must confer ownership, not just possession, of the vehicle, before it may be titled. A county or district court judge may not order the Department to change the type of title for a Nonrepairable Title issued after September 1, 2003 or for a vehicle which was issued a Certificate of Authority.

Chapter 17

# RIGHTS OF SURVIVORSHIP

This chapter contains the following sections:


- ***17.1*** Rights of Survivorship Agreement
- ***17.2*** Rights of Survivorship Agreement Between a Husband and Wife
- ***17.3*** Corrected Title to Add Rights of Survivorship
- ***17.4*** Survivorship Rights remark not Shown on the Title
- ***17.5*** Persons That are Not Married
- ***17.6*** Includes a Married Person but not Their Spouse
- ***17.7*** Title Does Not Show Rights of Survivorship
- ***17.8*** Includes the Seller of the Vehicle
- ***17.9*** Rights of Survivorship Agreement Represents Joint Ownership
- ***17.10*** Rights of Survivorship Agreement Signed in Error
- ***17.11*** Revoking the Rights of Survivorship Agreement
- ***17.12*** Certificate of Title Requirements for the Survivor(s)
- ***17.13*** Entry of Rights of Survivorship into RTS


## 17.1 Rights of Survivorship Agreement

Transportation Code Section 501.031

*(a) The department shall include on each title an optional rights of survivorship agreement that:*

*(1) provides that if the agreement is between two or more eligible persons, the motor vehicle will be owned by the surviving owners when one or more of the owners die; and*

*(2) provides for the acknowledgment by signature, either electronically or by hand, of the persons.*

*(b) If the vehicle is registered in the name of one or more of the persons who acknowledged the agreement, the title may contain a:*

*(1) rights of survivorship agreement acknowledged by all the persons; or*

*(2) remark if a rights of survivorship agreement is on file with the department.*

*(c) Ownership of the vehicle may be transferred only:*

*(1) by all the persons acting jointly, if all the persons are alive; or*

*(2) on the death of one of the persons, by the surviving person or persons by transferring ownership of the vehicle, in the manner otherwise required by law, with a copy of the death certificate of the deceased person.*

*(d) A rights of survivorship agreement under this section may be revoked only if the persons named in the agreement file a joint application for a new title in the name of the person or persons designated in the application.*

*(e) A person is eligible to file a rights of survivorship agreement under this section if the person:*

*(1) is married and the spouse of the 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 person's spouse that attests that the person's interest in the vehicle is the person's separate property.*

*(f) The department may develop an optional electronic rights of survivorship agreement for public use.*

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. A vehicle does not need to be titled in the names of all the persons in the rights of survivorship agreement, however all persons listed on the title and as survivors are considered joint owners.

**Note: 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.

**Note: A certified copy of the death certificate is not required.**

## 17.2 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 Survivorship Rights remark, the husband and wife may complete the *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 Survivorship Rights remark and upon the death of the husband or wife, the surviving spouse does not need a separate rights of survivorship form.

## 17.3 Corrected Title to Add Rights of Survivorship

If the original certificate of title does not have a Survivorship Rights 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. The certificate of title issues showing a Survivorship Rights remark and upon the death of the husband or wife, the surviving spouse does not need a separate rights of survivorship form.

## 17.4 Survivorship Rights remark not Shown on the 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 Survivorship Rights remark, 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 Ownership Agreement for a Motor Vehicle,* **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.

## 17.5 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 Survivorship Rights

If two or more persons that are not married wish to enter into a rights of survivorship agreement and want the certificate of title to show the Survivorship Rights 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 Survivorship Rights 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 Survivorship Rights

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 Survivorship Rights remark, they may execute a *Rights of Survivorship Ownership Agreement for a Motor Vehicle*, **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 Survivorship Rights 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.

## 17.6 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 Survivorship Rights 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.

## 17.7 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 Survivorship Rights 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 Survivorship Rights 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.

## 17.8 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.

## 17.9 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.

## 17.10 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.

## 17.11 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.

## 17.12 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 Survivorship Rights remark, or
- the rights of survivorship agreement is on file with the department (imaged records on file with the department indicate that the Survivorship Rights 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 Ownership Agreement for a Motor Vehicle*, **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.

## 17.13 Entry of Rights of Survivorship into RTS

In April 2012, the ability to enter up to two names or select "Multiple Survivors," when there are more than two survivors, for individuals who enter into a Rights of Survivorship Agreement, was added to the Registration and Title System (RTS).

**Note: Up to two names or "Multiple Survivors" will print on the Certificate of Title under the "Survivorship Rights" remark.**

The following examples should be used as a guide when determining how to process the entry of a rights of survivorship agreement in RTS. These examples apply regardless of marital status.

When an application for Certificate of Title is presented and there are two owners who are entering into a rights of survivorship agreement with one another, counties should enter both names in the TTL010 screen. This is the only situation in which an owner's name would also be entered into the TTL010 screen to appear under the "Survivorship Rights" remark.

**Example 1:**

Owner(s): John Doe, Jane Doe

Survivor(s): John Doe, Jane Doe

Situation: John and Jane are assigning ROS to one another.

RTS Entry: John Doe and Jane Doe are entered on screen TTL007 and again on TTL010.

When an application for Certificate of Title is presented, counties should only enter the survivor name(s) listed on the ROS or check "Multiple Survivors" (if there are more than two survivors) on TTL010. Since the owner's name is already captured on the record (TTL007) there is no need to repeat it in the ROS agreement.

**Example 2:**

Recorded Owner(s): John Doe

Survivor(s): Jane Doe

ROS Situation: John enters into ROS with Jane.

RTS Entry: John Doe is entered on TTL007. Jane Doe is entered on TTL010.

**Example 3:**

Recorded Owner(s): John Doe, Jane Doe

Survivor(s): Jack Doe

ROS Situation: John enters into ROS with Jack.

RTS Entry: John Doe and Jane Doe are entered on TTL007. Jack Doe is entered on TTL010.

**Example 4:**

Recorded Owner(s): John Doe, Jane Doe

Survivor(s): Jack Doe, Jim Doe

ROS Situation: John and Jane are entering into a ROS with Jack and Jim.

RTS Entry: John Doe and Jane Doe are entered on TTL007. Jack Doe and Jim Doe are entered on TTL010.

**Example 5:**

Recorded Owner(s): John Doe, Jane Doe

Survivor(s): Jack Doe, Jim Doe

ROS Situation: John enters into ROS with Jack. Jane enters into ROS with Jim.

RTS Entry: John Doe and Jane Doe are entered on TTL007. Jack Doe and Jim Doe are entered on TTL010.

**Note: Certificate of Titles issued prior to April 2012 will only carry the Rights of Survivorship or Survivorship Rights remark and not include the printed names. Records that do not feature the printed names on the title or indicate "Multiple Survivors" will need to verify the names of survivors through TxDMV Regional Service Centers. (See Vehicle Record (History) in Chapter 2, "Administration")**

Chapter 18

# OUT OF STATE REQUIREMENTS

This chapter contains the following sections:


- ***18.1*** Motor Vehicles Brought Into State
- ***18.2*** Requirement for Title
- ***18.3*** Evidence of Ownership
- ***18.4*** Electronic Lien and Title (ELT) System
- ***18.5*** VIN Inspection
- ***18.6*** Vehicles Not Subject to Inspection
- ***18.7*** Vehicles from Indian Reservations
- ***18.8*** Trailers and Semitrailers Last Registered or Titled Out of State
- ***18.9*** Apprehended Out Of State Vehicles
- ***18.10*** Out of State Miscellaneous
- ***18.11*** Certificate of Title Information for Each State


## 18.1 Motor Vehicles Brought Into State

Refer to Transportation Code Section 501.030.

## 18.2 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.

## 18.3 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 Title Information for Each State Chart)

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," as used in this manual, refers to states which exclude certain year motor vehicles from the title requirements.

Canada and Mexico are considered "non-titled". 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:

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.**

**Note: 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.)

**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.**

### 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 *Dealer's Reassignment of Title for 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.

# 18.4 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.

## 18.5 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 gives 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 (with the error), 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 Section 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 Refer to Transportation Code Section 501.030. 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 and 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 and ROVs.
- 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 registered with Hotrod or Streetrod license plates. (These vehicles have a separate inspection process.)

- 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 (exemption is applicable to the recreational vehicle only).

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.

## 18.6 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, custom vehicle license, street rod 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 **Form VTR-270**.
- A Title Only Texas Certificate of Title, the owner must complete and submit a **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.

## 18.7 Vehicles from Indian Reservations

Native American Tribal titles from tribes that are federally recognized 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.

For the latest information on federally recognized Tribal Nations see:

http://www.ncsl.org/issues-research/tribal/list-of-federal-and-state-recognized-tribes.aspx

## 18.8 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 Section 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.**

## 18.9 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: The department or a Law Enforcement Officer is authorized to waive the requirements of a weight certificate for commercial vehicles.**

**Note: When a vehicle is being registered as the result of an apprehension, the county tax assessor-collector must check the box to indicate apprehension.**

## 18.10 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*, **VI-30**, 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 Vehicle Statement*, **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.

## 18.11 Certificate of Title Information for Each State

Table 18-1 (Current as of 1/12).

**Table 18-1 Title Information for Each State**

| State | Applicable To And Exceptions |
|---|---|
| Alabama | Every motor vehicle not more than 35 model years old and travel trailers not more than 20 model years old. 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. |

| State | Applicable To And Exceptions |
|---|---|
| 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 1986 and newer year model vehicles except ATVs, mopeds, off-road vehicles, homemade trailers, and utility trailers weighing less than 2,000 lbs. |
| Hawaii | All year model vehicles, except trailers of all sizes, ATVs, off-road vehicles, and mopeds. |
| Idaho | All year model vehicles, all trailers over 2,000 lbs. unladen, certain mopeds, and new all new purchases of ATVs or off-road vehicles. |
| 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, trailers over 2,000 lbs. gross weight, farm trailers over 6,000 lbs. or more. |
| 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, mopeds, and motorcycles with less than 300 cc. |
| 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, off-road vehicles, and trailers weighing more than 2,500 lbs., except 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 manufactured or assembled after July 1, 1969 and all user car transactions 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. |
| Montana | All year model vehicles and off-highway vehicles, except mopeds. |
| Nebraska | All year model vehicles, ATVs (purchased new after 1-1-04), UTVs (purchased after 1-1-12), low speed vehicles (purchased after 1-1-12), except mopeds, utility 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. |
| New Jersey | All year model vehicles, except certain non-conventional type vehicles. |
| 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, and off-highway vehicles except luggage and utility trailers. |
| Ohio | All year model vehicles, except all trailers with a GVW of 4,000 lbs. or less, mopeds, off-road vehicles. |
| 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. Trailers with a loaded with of 1,800 lbs. or less and 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. |
| 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 and off-road 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. |

| State | Applicable To And Exceptions |
|---|---|
| Vermont | All vehicles 15 years old or newer, and ATVs/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 3,000 lbs. or less unladen weight or ATVs and off-road vehicles. |
| Wyoming | All year model vehicles. |

Chapter 19

# IMPORTED VEHICLES

This chapter contains the following sections:


- ***19.1*** Motor Vehicles Brought Into State
- ***19.2*** Evidence of Ownership
- ***19.3*** Additional Documentation
- ***19.4*** Proof of Compliance with USDOT Safety Requirements
- ***19.5*** United States Customs Entry/Clearance Documentation
- ***19.6*** Registration Purposes Only (RPO) for Foreign Vehicles
- ***19.7*** Tax Collectors Hearing or Bonded Title for Foreign Vehicles
- ***19.8*** List of Manufacturers to Notify For Proof of Compliance


## 19.1 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. Section 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 department, 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 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 title in a manner 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 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 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.**

## 19.2 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 most recently registered and/or titled 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 TxDMV Regional Service Center 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.

## 19.3 Additional Documentation

Additional documentation required on a foreign/imported vehicles includes:

- An *Out-of-State Identification Certificate*, **VI-30**, 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 as described in Chapter 13, "Vehicle Identification Numbers" under Inspection. The completed **VTR-68-A** must accompany any title documentation supported by foreign evidence 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 is required.
- A weight certificate on all imported commercial motor vehicles in excess of 10,000 lbs.
- 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 Section 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.

## 19.4 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 these 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 on NHTSA’s Web page at `www.nhtsa.dot.gov/cars/rules/import`.**

## Vehicles Imported Under Bond

If the vehicle is imported under 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 manufacturer's contact information see Table 19-1. 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 *Application for Registration Purposes Only*, **Form VTR-272**.
- 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").
- Salvage vehicles that have been rebuilt.
- 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 is not 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 that 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 TxDMV Regional Service Center 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.

## 19.5 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 forms may be represented as CBP Form (Customs and Border Patrol) rather than CF (Customs Form).**

## 19.6 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 Texas 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.**

## 19.7 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.

## 19.8 List of Manufacturers to Notify For Proof of Compliance

Table 19-1 is (Revision 1-07)

**Table 19-1 List of Manufacturers to Notify For Proof of Compliance**

| Manufacturer | Contact Information |
|---|---|
| Acura Division American Honda<br>1919 Torrance Boulevard<br>Torrance, CA 90501-2746<br>Consumer Affairs | USA: 1-800-999-1009<br>CANADA: 1-800-999-1009 |
| Alfa Romeo/Fiat | USA: (810) 488-5600<br>CANADA: (810) 488-5600 |
| Audi<br>Audi Customer Relations<br>3800 Hamlin Road<br>Auburn Hills, MI 48326 | USA: 1-800-822-2834<br>CANADA: 1-800-822-2834 |
| BMW of North America<br>1 BMW Plaza<br>Montvale, NJ 07645 | USA: (201) 573-2041<br>Environmental Engineering Dept. |
| BMW Headquarters<br>920 Champlain Court<br>Whitby, Ontario<br>Canada L1N 6K9 | CANADA: (905) 683-1200 |
| Chrysler Corporation<br>National Owner Relations Dept.<br>26001 Lawrence Avenue<br>Center Line, MI 48015-1231 | USA: 1-800-992-1997<br>Customer Center<br>CANADA: (519) 973-2000 |

| Manufacturer | Contact Information |
|---|---|
| Ferrari North America | USA: (201) 816-2601<br>CANADA: (201) 816-8683 |
| Fiat Auto R & D USA<br>39300 Country Club Drive<br>Farmington Hill, MI 48331 | USA: (248) 488-5600<br>FAX: (248) 488-5820<br>CANADA: (810) 488-5600 |
| Ford-Ford Motor Company<br>P. O. Box 43360<br>Detroit, MI 48242 | USA: 1-800-392-3673<br>Lincoln:<br>USA: 1-800-521-4140 |
| Ford-Ford Motor Company Canada<br>The Canadian Road<br>P. O. Box 2000<br>Oakville, Ontario<br>Canada L6J 5E4 | CANADA: 1-800-565-3673 |
| General Motors<br>Environmental Activities Staff<br>Room 12-204<br>3044 West Grand Boulevard<br>Detroit, MI 48202 | USA: (905) 644-5843<br>FAX: (905) 644-5436 |
| General Motors of Canada Limited<br>1908 Colonel Sam Drive<br>Oshawa, Ontario<br>Canada L1H 8P7 | CANADA: (905) 440-7689<br>FAX: (905) 440-7644 |
| Harley Davidson<br>Milwaukee, WI | USA: (414) 343-4056<br>CANADA: (414) 343-4056 |
| Honda-American Honda Motor Co., Inc.<br>1919 Torrance Boulevard<br>Torrance, CA 90501-2746 | USA: 1-800-999-1009<br>CANADA: 1-800-999-1009<br>(Ask for Consumer Affairs) |
| Hyundai Motor America<br>10555 Talbert Avenue<br>Fountain Valley, CA 92728 | USA: 1-800-633-5151 |
| Hyundai Auto Canada<br>Markham, Ontario<br>Canada L3R 6H2 | CANADA: (905) 477-0202<br>(Ask for Customer Service) |
| Infiniti (Division of Nissan Motor Corp)<br>P. O. Box 47038<br>Gardena, CA 90247-6838 | USA: 1-800-662-6200<br>CANADA: (615) 725-1000 |
| Isuzu | USA: 1-800-255-6727<br>CANADA: 1-800-255-6727 |
| Jaguar-Jaguar Cars, Inc.<br>555 MacArthur Boulevard<br>Mahwah, NJ 07430-2327 | USA: (201) 818-8171 |
| Jaguar Canada Inc.<br>#8 Indell Lane<br>Bramalea, Ontario L6T 4H3 Canada | CANADA: (905) 792-9400<br>Ext. 242 |
| Kawasaki Motors Corp<br>9950 Jeronimo Road<br>Irvine, CA 92718-2016 | (949) 460-5688 |
| Lamborghini<br>27 Jayson Avenue<br>Great Neck, NY 11021 | USA: (516) 829-8694<br>CANADA: (516) 829-8694<br>Michael J. Grossman |
| Land Rover North America<br>555 MacArthur Blvd<br>Mahwah, NJ 07430 | USA: 1-800-637-6837 |
| Land Rover Canada<br>8 Indell Lane<br>Bramalea, ON<br>L6T 4H3 Canada | CANADA: 1-800-346-3493 |

| Manufacturer | Contact Information |
|---|---|
| Lexus<br>One Toyota Place<br>Scarborough, Ontario<br>Canada M1H 1H9 | CANADA: (416) 438-6535 |
| Mazda North American Operations<br>Attn: International Imports/Exports<br>7755 Irvine Center Drive<br>Irvine, CA 92618-2922 | USA: (949) 727-1990 extension 1114<br>FAX: (949) 727-6703 E-MAIL:<br>intl.imports.exports@mazdausa.com<br>CANADA: (949) 727-1990 |
| Mercedes-Benz of North America<br>1 Mercedes Drive<br>Montvale, NJ 07645 | USA: (201) 573-2632 |
| Mercedes-Benz Canada<br>849 Eglinton Avenue East<br>Toronto, Ontario<br>Canada M4G 2L5 | CANADA: 1-800-387-0100 |
| Mitsubishi Motors of America<br>6400 Kalella Avenue<br>Cypress, CA 90630 | 866-876-3018 |
| Nissan Motor Corporation | 615-725-1000 |
| Porsche Cars of North America | 1-800-767-7243 |
| Saab | USA: (770) 279-6364<br>CANADA: (770) 279-6364 |
| Subaru of America, Inc.<br>Subaru Plaza<br>P. O. Box 6000<br>Cherry Hill, NJ 08034-6000 | USA: 1-800-782-2783<br>FAX: (609) 488-0485<br>CANADA: 1-800-782-2783 |
| Suzuki-American Suzuki Motor Corp.<br>3251 East Imperial Highway<br>Post Office Box 1100<br>Brea, CA 92622-1100 | USA: (714) 996-7040<br>CANADA: (905) 889-2677<br>FAX: (714) 970-6005 |
| Toyota-Toyota Motor Sales, Inc.<br>19001 South Western Avenue<br>P. O. Box 2991<br>Torrance, CA 90509-2991 | 800-331-4331<br>FAX: (310) 468-7814 |
| Volkswagen of America, Inc.<br>Customer Relations Department<br>3800 Hamlin Road<br>Auburn Hills, MI 48326 | USA: 1-800-822-8987<br>CANADA: 1-800-822-8987 |
| Volvo Cars of North America, Inc.<br>Volvo Drive<br>Rockleigh, NJ 07647 | USA: (201) 768-7300<br>FAX: (201) 784-4525 |
| Volvo Canada Ltd.<br>175 Gordon Baker Road<br>North York, Ontario<br>Canada M2H 2N7 | CANADA: 1-800-663-8255<br>FAX: (416) 493-8754 |
| Yamaha Motor Corporation<br>6555 Katella Avenue<br>Cypress, CA 90630-5101<br>Mike Schmitt | USA: (714) 761-7710<br>CANADA: (714) 761-7710 |

# Chapter 20

# MILITARY

This chapter contains the following sections:


- ***20.1*** Persons on Active Duty in Armed Forces of United States
- ***20.2*** Entry of Motor Vehicles into the United States
- ***20.3*** Deployed Military Protections


## 20.1 Persons on Active Duty in Armed Forces of United States

Transportation Code Section 502.457

*(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 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 501.0721, 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

Required is the negotiable evidence of ownership, release of lien (if applicable), etc., a *Application for Title Only*, **Form VTR-131,** and an *Application for Texas Title*, **Form 130-U**.

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, ATVs, or ROVs.

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 Section 548.052.

**Note: For additional information on other Title Only applications, refer to Chapter 6, "Application and Issuance of Motor Vehicle Title".**

## 20.2 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, sell 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 Assessor-Collector Hearing, Bonded Title, or Court Order are the applicant's available options.

## 20.3 Deployed Military Protections

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.

Chapter 21

# THEFT AND FRAUDULENT ACTIVITIES

This chapter contains the following sections:


- ***21.1*** Definitions
- ***21.2*** Record of Stolen or Concealed Motor Vehicle
- ***21.3*** Placement of Serial Number With Intent to Change Identity
- ***21.4*** Rightful Owner/Right of Possession
- ***21.5*** Justice of the Peace Orders
- ***21.6*** Sale or Offer Without Title Receipt or Title
- ***21.7*** Application for Title for Stolen or Concealed Vehicle
- ***21.8*** Alteration of Certificate or Receipt
- ***21.9*** False Name, False Information and Forgery
- ***21.10*** Penalties
- ***21.11*** Seizure of Stolen Vehicle or Vehicle With Altered Vehicle Identification Number


## 21.1 Definitions

- "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.

## 21.2 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.*

*(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.*

## 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 is 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 are advised that title will not be issued until the “Stolen” remark is removed by the applicable law enforcement agency.

## Titles Marked Stolen

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:

### 1. Stolen After the Date of Transfer

A Texas Title to a vehicle on which a “Stolen” remark appears in the vehicle record issues only when the vehicle was stolen after the date of transfer to the person from whom it was stolen. In this instance, a title issues 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 carries forward to the new title record.

### 2. Corrected Title

A corrected title to record a lien for a vehicle with a “Stolen” remark appears on the vehicle record 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.

### 3. 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 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 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, **VI-30**, 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 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 nonrepairable vehicle, the insurance company must apply for the appropriate salvage ownership document (refer to Chapter 26, “Salvage and Nonrepairable Vehicles” for the applicable procedure).

# 21.3 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.*

## 21.4 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 as described in Inspection under Chapter 13, Section 13.9 Reassigned Vehicle Identification Number (VIN).

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 to prove ownership. They must attach the court order to the application to receive an assigned number. A Justice of the Peace court order for title and ownership of a vehicle should be accepted in the same way that all county and district court orders are accepted.

## 21.5 Justice of the Peace Orders

See Transportation Code Section 501.0521

When a Justice of the Peace (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 Justice of the Peace or Municipal Judge cannot not award vehicle ownership; therefore, a Justice of the Peace or Municipal Judge Order is not acceptable to support application for title unless provided for in Chapter 47, Code of Criminal Procedure (Stolen Vehicle) or Section 27.031(a)(3), Government Code. The vehicle owner may pursue a county tax assessor-collector's hearing, or obtain a district or county court order when the vehicle does not fall into the purview of Chapter 47, Code of Criminal Procedure.

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.

## 21.6 Sale or Offer Without Title Receipt or Title

Refer to Sale or Offer without Title Receipt or Title under Chapter 9, Section 9.2 Sale of Vehicle; Transfer of Title.

## 21.7 Application for Title for Stolen or Concealed Vehicle

Transportation Code Section 501.153

*A person commits an offense if the person applies for a 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.

## 21.8 Alteration of Certificate or Receipt

Refer to Chapter 6, Section 6.11 Alteration of Certificate or Receipt.

## 21.9 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 title;*

*(2) an application for a certified copy of an original 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.*

## 21.10 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.*

## 21.11 Seizure of Stolen Vehicle or Vehicle With Altered Vehicle Identification 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 vehicle identification 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:


- ***22.1*** Definitions
- ***22.2*** Taking Custody of Abandoned Motor Vehicle
- ***22.3*** Auction or Use of Abandoned Items; Waiver of Rights
- ***22.4*** Garagekeeper's Duties: Abandoned Motor Vehicles
- ***22.5*** Disposal of Vehicle Abandoned in Storage Facility
- ***22.6*** Disposal to Demolisher
- ***22.7*** Vehicles Abandoned in Coastal Waters
- ***22.8*** Public Nuisance Vehicles
- ***22.9*** Miscellaneous: Statutes, Uses, Offense, Etc.


## 22.1 Definitions

Transportation Code Section 683.001

*In this chapter:*

*(1) "Department" means the Texas Department of Motor Vehicles.*

*(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.*

*(11) "Aircraft" has the meaning assigned by Section 24.001.*

## 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 defines an abandoned motor vehicle.

**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.**

## Junked Vehicle

Transportation Code Section 683.071 (Two Versions HB 787 82nd Legislature)

*(a) In this subchapter, "Junked Vehicle" means a vehicle that:*

*(1) is self-propelled 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.*

*(b) For purposes of this subchapter, "junked vehicle" includes a motor vehicle, aircraft, or watercraft. This subchapter applies only to:*

*(1) a motor vehicle that does not have lawfully attached to it:*

*(A) an unexpired license plate; and*

*(B) a valid motor vehicle inspection certificate;*

*(2) an aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; or*

*(3) a watercraft that:*

*(A) does not have lawfully on board an unexpired certificate of number; and*

*(B) is not a watercraft described by Section 31.055, Parks and Wildlife Code.*

Transportation Code Section 683.071 (Two Versions HB 1376 82nd Legislature)

*In this subchapter, "junked vehicle" means a vehicle that is self-propelled and:*

*(1) displays an expired license plate or invalid motor vehicle inspection certificate or does not display a license plate or 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.*

## 22.2 Taking Custody of Abandoned Motor Vehicle

Transportation Code Section 683.011

*(a) A law enforcement agency may take into custody an abandoned motor vehicle, aircraft, 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, aircraft, watercraft, or outboard motor taken into custody by the agency under this subchapter.*

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, aircraft, 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:*

*(A) under Chapter 501 for the motor vehicle;*

*(B) with the Federal Aviation Administration or the secretary of state for the aircraft; or*

*(C) under Chapter 31, Parks and Wildlife Code, for the watercraft or outboard motor.*

*(a) A law enforcement agency that takes into custody an aircraft shall contact the Federal Aviation Administration in the manner described by Section 22.901 to attempt to identify the owner of the aircraft before sending the notice required by Subsection (a).*

*(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, aircraft, 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, aircraft, 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, aircraft, 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.*

When an abandoned vehicle is taken into Custody by a Law Enforcement Agency (Transportation Code Section 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

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, aircraft, 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, aircraft, watercraft, or outboard motor is removed.*

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 Section 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 Section 683.031, Transportation Code Section 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.

## 22.3 Auction or Use of Abandoned Items; Waiver of Rights

Transportation Code Section 683.014

*(a) If an abandoned motor vehicle, aircraft, 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, aircraft, 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, aircraft, watercraft, or outboard motor with and receive a certificate of title from the appropriate authority.*

*(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, aircraft, 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, aircraft, 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 or, if the vehicle, aircraft, watercraft, or outboard motor was located in a county of less than 150,000, by the attorney representing the state.*

*(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.*

*(f) A law enforcement agency may use funds transferred under Subsection (d) to compensate property owners whose property was damaged as a result of a pursuit involving the law enforcement agency, regardless of whether the agency would be liable under Chapter 101, Civil Practice and Remedies Code.*

*(g) Before a law enforcement agency may compensate a property owner under Subsection (f) using funds transferred to a county under Subsection (d), the sheriff or constable must submit the proposed payment for compensation for consideration, and the commissioners court shall consider the proposed payment for compensation, at the next regularly scheduled meeting of the commissioners court.*

*(h) In this section, "attorney representing the state" means a district attorney, criminal district attorney, or county attorney performing the duties of a district attorney.*

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 *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, (*Receipt for Surrendered Titles and Other Evidence of Ownership*, **Form VTR-340**) and surrendered to the department in place of the certificate of title. (Transportation Code Section 501.1003, Transportation Code Section 683.056, Transportation Code Section 683.057, and Occupations Code Section 2302.257 )

## Application for Title

The purchaser must file an *Application for Texas 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.

1. 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.

2. An odometer disclosure statement is required unless exempted (Refer to Chapter 15, Section 15.2 Vehicles Exempt from Disclosure)
3. An *Out-of-state Identification Certificate*, **Form VI-30**, is required if the vehicle was last registered and titled or registered out-of-state.
4. 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".
5. A copy of current proof of liability insurance in the applicant's name is also required, if registering.

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.

## 22.4 Garagekeeper's Duties: 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.*

The provisions of Transportation Code Section 683.031 deems "abandoned" as 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 Section 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.)

## 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.*

## 22.5 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.*

## 22.6 Disposal to Demolisher

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.*

**Forms:** *Application for Authority to Dispose of a Motor Vehicle to a Demolisher*, **Form VTR-71-2** and *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 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 only, 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 as authorization to dispose of a motor vehicle to a demolisher for demolition, wrecking, or dismantling only.

**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.

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 branded "Certificate of Authority" will be issued.

## 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 Texas Department of Motor Vehicles 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."

House Bill 3588, enacted by the 78th Texas Legislature, 2003, 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,** branded "Certificate of Authority" instead of an Application for 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.

### 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.*

## 22.7 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.

## 22.8 Public Nuisance Vehicles

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.*

Transportation Code Section 683.072 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.

Transportation Code Section 683.071 (Two Versions HB 787 82nd Legislature), defines a junked vehicle as a vehicle that is self-propelled and 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.

The term junked vehicle includes a motor vehicle, aircraft, or watercraft (see both the fine and confinement.).

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**.

## 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 of a motor vehicle 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.*

*(h) On receipt of notice of removal of a watercraft under Subsection (b)(3), the department shall notify the Parks and Wildlife Department of the removal. On receipt of the notice from the department, the Parks and Wildlife Department shall immediately cancel the certificate of title issued for the watercraft.*

## 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:*

*(1) for a motor vehicle, the vehicle's:*

*(A) description;*

*(B) vehicle identification number; and*

*(C) license plate number;*

*(2) for an aircraft, the aircraft's:*

*(A) description; and*

*(B) federal aircraft identification number as described by Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; and*

*(3) or a watercraft, the watercraft's:*

*(A) description; and*

*(B) identification number as set forth in the watercraft's certificate of 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.*

## 22.9 Miscellaneous: Statutes, Uses, Offense, Etc.

### 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.*

### 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 other municipal or county agency, a groundwater conservation district governed by Chapter 36, Water Code, or a 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, groundwater conservation district, 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 3.3 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).*

### 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 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.*

## 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.*

## 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.*

Chapter 23

# FORECLOSURE OF MISCELLANEOUS LIENS

This chapter contains the following sections:


- ***23.1*** Mechanics' Lien Procedures
- ***23.2*** Storage Lien
- ***23.3*** Storage Lien for Licensed Vehicle Storage Facility (VSF)
- ***23.4*** Landlord's Lien
- ***23.5*** Self-service Storage Facility Lien
- ***23.6*** Deployed Military Protections
- ***23.7*** Statutory Foreclosure Procedures Charts


## 23.1 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 signed 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 additional universal procedures, see Requirements Applicable to all Mechanic Liens.

**Table 23-1 Mechanic Lien Procedural Chart**

| Time Vehicle Obtained | Dealer Type | Appropriate Procedure |
|---|---|---|
| **After Sept. 1, 1999** | Non Franchised Dealers | See Procedure One or |
| | Franchised Dealers | See Procedure Two (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. The last registered owner and lienholder are considered the owner of record, however VTR also recommends that the owner and lienholder located in the E-tags and permit database be notified.

### 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 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

This section pertains to non franchised dealers. 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 15th business day after receiving notification, the county tax assessor-collector must send, 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.

**Note: Unless it is necessary to resend the notifications due to incorrect information provided by the mechanic, such as owner, lienholder or vehicle information, an additional $25 fee should not be collected if a transaction is rejected either by the county or the department.**

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

This section pertains to franchised dealers.

### 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:

1. the motor vehicle is registered in another state, and:

- 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, and
- 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.

2. the identity of the last known registered owner cannot be determined,
3. the registration does not contain an address for the last known registered owner, and
4. 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 date stamped receipts for certified mail and return receipt, together with any unopened certified letter(s) returned as undeliverable, unclaimed, or 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 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. (The bonded title process is only available to an innocent purchaser. A mechanic's only option is a court order).

### 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 Nonrepairable Vehicle Title to dispose of the vehicle to a demolisher for demolition, wrecking, or dismantling only. Applicants must complete the *Junked Vehicle Purchased at a Foreclosure Sale*, **Form VTR-70**, accompanied by the *Mechanic's Lien Foreclosure*, **Form VTR-265-M,** and all related documents necessary to support the foreclosure transaction.

## Financial Agreements

A mechanic's lien cannot be filed if a customer enters into a financial agreement with a company, a financial institution, or with the mechanic for the cost of the repairs. This includes agreements that the mechanic subsequently sells to another financial institution. Companies or financial institutions that finance or purchase existing contractual financial agreements from mechanics are ineligible to file a mechanic's lien under Texas Property Code, Chapter 70. Applications for mechanic's liens that are supported by a financial agreement should not be accepted and will be rejected.

### Mechanics Filing to Junk a Vehicle

A mechanic must pay the $25 administrative fee to the county even if the vehicle is junk and the mechanic will be applying for a Nonrepairable Vehicle Title. The only exemption from paying the fee is for franchise dealers. In situations where a *Mechanic's Lien Foreclosure*, **VTR-265-M**, is submitted with a *Junked Vehicle Purchased at a Foreclosure Sale*, **VTR-70**, the mechanic is responsible for the $25 and $10 fees associated with both applications.

## 23.2 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, Section 22.4 Garagekeeper's Duties: Abandoned Motor Vehicles.**

### Storage Lien Procedures

This section relates to possessions obtained on or after September 1, 1999.

**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:

1. the motor vehicle is registered in another state, and

- 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, and
- 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.

2. the identity of the last known registered owner cannot be determined

3. 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.**

### Evidence Required to Support an Application for Title

The statutory lienholder must complete a *Storage Lien for Abandoned Vehicle or Private Tow*, **Form VTR-265-S**.

### 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 Verified Mail – Verified mail means any method of mailing that provides evidence of mailing. Proof submitted to must consist of an official evidence of mailing issued by the USPS or a common carrier (such as a receipt, copy of receipt, green card, or web site tracking printout). In lieu of this, unopened letter(s) returned as undeliverable, unclaimed or no forwarding address will 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 *Junked Vehicle Purchased at a Foreclosure Sale*, **Form VTR-70**, accompanied by the *Storage Lien Abandoned Vehicle or Private Tow*, **Form VTR-265-S** and all related documents necessary to support the foreclosure transaction.

## 23.3 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 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 Section 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 15th 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 vehicle title in their name or the authority to demolish the vehicle using a *Junked Vehicle Purchased at a Foreclosure Sale*, **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*

Proof of notifications is required for both first and second notices and, if applicable, with requests sent to the state of record.

- Notices by Verified Mail – Verified mail means any method of mailing that provides evidence of mailing. Proof submitted to must consist of an official evidence of mailing issued by the USPS or a common carrier (such as a receipt, copy of receipt, green card, or web site tracking printout). In lieu of this, unopened letter(s) returned as undeliverable, unclaimed or no forwarding address will be accepted.

### *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*

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.

*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 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.

*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. The applicant must use the *Junked Vehicle Purchased at a Foreclosure Sale*, **Form VTR-70**, 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 the Motor Carrier Division (since it was 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:

- 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), and
- 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 must apply for a vehicle title in their name or the authority to demolish the vehicle using a *Junked Vehicle Purchased at a Foreclosure Sale*, **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 (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:

- *Out of State Vehicle 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 *Junked Vehicle Purchased at a Foreclosure Sale*, **Form VTR-70**, 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.

## 23.4 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 will 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 *Landlord's Foreclosure Lien Affidavit*, **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.

## 23.5 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.

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

Lessors must send the first notice to the last known owner(s) of record by verified mail, return receipt requested, or if applicable, notice by newspaper publication.

### Second Notice

If the tenant fails to satisfy the claim on or before the 14th day after the date the notice is delivered, the lessor must publish or post notices advertising the sale. If the notice is by publication, the lessor may not sell the property until the 15th day after the date the notice is first published. If notice is by posting, the lessor may sell the property after the 10th day after the date the notices are posted. See Notifications to the Owner(s) and any Lienholder(s).

### Contents and Delivery of Notice of Claim

In accordance with Section 59.043, the lessor's notice to the tenant must contain all of the following:

- 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

- A statement that the if the tenant fails to satisfy the claim on or before the 14th day after the date the notice is delivered, the property may be sold at public auction
- A statement underlined or printed in conspicuous bold print requesting a tenant who is in military service to notify the lessor of the status of the tenant's current military service immediately

A lessor may require written proof of a tenant's military service in the form of documentation from the United States Department of Defense or other documentation reasonably acceptable to the lessor.

The lessor must deliver the notice in person or by e-mail or verified mail to the tenant's last known e-mail or postal address. Notice by verified mail is considered delivered when the notice, properly addressed with postage prepaid, is deposited with the United States Postal Service or a common carrier. Notice by e-mail is considered delivered when sent to the last know e-mail address of the tenant. The notice may not be sent by e-mail unless a written rental agreement between the lessor and the tenant contains language underlined or in conspicuous bold print that notice may be given by e-mail if the tenant elects to provide an e-mail address.

## 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)

In addition to the notices required by Sections 59.042 and 59.044, no later than 30 days after the lessor takes possession of the motor vehicle, the lessor must give written notice of sale to the last known owner and each holder of a lien recorded on the motor vehicle title. If the vehicle is registered or titled in another state, the lessor must provide notice to the owner and each lienholder of record in that state.

The lessor must send notice by verified mail. The notice must include the amount of the charges secured by the lien, a request for payment, and a statement that if the charges are not paid in full before the 31st day after the date the notice is mailed or published, the property may be sold at public auction.

Instead of verified mail, the lessor may publish the notice once in a print or electronic version of a newspaper of general circulation in the county where the vehicle is stored. The lessor may use publication as a notification process if:

- the lessor submits a written request by verified mail to the TxDMV or other registering or titling entity requesting the identity of the last known owner of record and any lienholder of record. Either of the following resulting responses qualifies for publication:

  - the entity advises the lessor in writing that they are unwilling or unable to provide information on the last known owner of record or any lienholder of record
  - the lessor does not receive a response from the entity on or before the 21st day after the date the lessor submits the request
- the lessor cannot determine the identity of the last known owner of record
- the lessor cannot determine the identities and addresses of the lienholders of record

The lessor 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 or the forwarding address has expired.

After receiving notice the owner of or lienholder on the vehicle may take possession of the vehicle by paying all charges due to the lessor before the 31st day after the date the notice is mailed or published. If the charges are not paid before the 31st day, the lessor may sell the vehicle at public sale and apply the proceeds to their charges.

## 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 Verified Mail*

Verified mail means any method of mailing that provides evidence of mailing. Proof submitted to must consist of an official evidence of mailing issued by the USPS or a common carrier (such as a receipt, copy of receipt, green card, or web site tracking printout). In lieu of this, unopened letter(s) returned as undeliverable, unclaimed or no forwarding address will 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.

### 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".

## Self Service 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 liens occurring in other states should be cleared by the state in which the lien was created.

## Service Members

Under Section 59.010, servicemember has the meaning assigned by Section 101, Servicemembers Civil Relief Act (50 U.S.C. App. Section 511). A member of the Texas State Guard or Texas National Guard who is in military service is entitled to the same protections and rights relating to the enforcement of storage liens under the Servicemembers Civil Relief Act (50 U.S.C. App. Section 501 et seq.) to which a servicemember is entitled.

# 23.6 Deployed Military Protections

Refer to Chapter 20, Section 20.3 Deployed Military Protections.

## 23.7 Statutory Foreclosure Procedures Charts

1. Abandoned Nuisance Vehicles Disposal Chart

- 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 for vehicles stored **on and after September 1, 1999**.

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 for vehicles stored **prior to September 1, 1999**.

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. Franchised Dealer Mechanic Lien Chart Property Code, Chapter 70

- Procedures to acquire a lien on a motor vehicle for unpaid repair charges.
- Procedures effective for vehicles repaired **on and after September 1, 1999**.

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 for vehicles repaired **prior to September 1, 1999**.

7. Mechanic Lien Chart Property Code, Chapter 70

8. Self-service Storage Chart Property Code, Chapter 59 & Chapter 70 Effective on or after Sept 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 Since Sept 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 for vehicles stored **on and after September 1, 2005**.

### 11. Licensed Vehicle Storage Facility Chart, Vehicle Storage Facility Act, Effective prior to Sept 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 for vehicles stored **prior to September 1, 2005**.

## 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.

**Type:** Vehicle Storage Facility for Non-Consent Tows Only

**Forms:** Application for Authority to Dispose of an Abandoned Nuisance Vehicle to a Demolisher, **VTR-71-6**

**Storage Location:** Facility

**Authorization:**

- 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

**Table 23-2 Abandoned Nuisance Vehicles Disposal Chart**

| Statute | Details |
|---|---|
| Occupations Code<br>2303.002 (1)<br><br>2303.002 (8)<br><br>2303.101<br><br>2303.003 (a) | **1. Definitions:**<br>• Abandoned Nuisance Vehicle - A motor vehicle that is: at least 10 years old; and of a condition only to be demolished, wrecked, or dismantled.<br>• 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.<br>• 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).<br>• 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<br>2303.151 (a)<br><br>2303.151 (b) | **2. Notification:**<br>• 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.<br>• 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. |

| Statute | Details |
|---|---|
| Occupations Code<br>2303.151 (d)<br>2303.153 (a) | **3. Written Notification Contents:**<br>The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain:<br>• the date the vehicle was accepted for storage;<br>• the first day for which a storage fee is assessed;<br>• the daily storage rate;<br>• the type and amount of all other charges to be paid when the vehicle is claimed;<br>• the full name, street address, and telephone number of the facility;<br>• the hours during which the owner may claim the vehicle; and<br>• the facility license number preceded by “Vehicle Storage Facility License Number”. |
| Occupations Code<br>2303.153 (d)<br>2303.152 (c) | **4. Newspaper Publication Option:**<br>Notice by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if:<br>1. the vehicle is registered in another state or does not display a license plate or a vehicle inspection certificate indicating the state of registration;<br>2. the storage facility submitted a request for owner information to the governmental entity which registered the vehicle and received no response, or insufficient information;<br>3. the registration does not contain an address for the registered owner or the identify of the registered owner cannot reasonably be determined by the operator of the storage facility; or<br>4. the operator of the storage facility cannot reasonably determine the identity and address of each lienholder.<br>Notice by publication in a newspaper may include a list of more than one vehicle.<br>Notice by publication in a newspaper is not required if all correctly addressed notices sent were returned because the notices were unclaimed or refused or the addressee(s) moved without leaving a forwarding address. |
| Occupations Code<br>2303.153 (b) | **5. Newspaper Publication Contents:**<br>The publication must contain:<br>• the vehicle description;<br>• the total charges;<br>• the full name, street address, and telephone number of the facility; and<br>• the facility license number preceded by “Vehicle Storage Facility License Number”. |
| Transportation Code<br>683.031 (a) | **6. Vehicle Abandoned in Storage Facility:**<br>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<br>683.031 (c)<br><br>683.032 (b) | **7. Report to Law Enforcement:**<br>• 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.<br>• 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<br>2303.1545<br>2303.157 (a), (b)<br><br>2303.157 (c) | **8. Disposal of the Abandoned Nuisance Vehicle:**<br>• VSF must allow 30 days to elapse from the date of the notification.<br>• A second notification is not required to be mailed or published.<br>• 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.<br>• 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. |

| Statute | Details |
|---|---|
| | **9. Application Process:**<br>• A completed Form VTR-71-6, Application for Authority to Dispose of an Abandoned Nuisance Vehicle to a Demolisher.<br>• 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.<br>• 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.<br>• Verified mail receipts (originals).<br>• Any unopened returned certified or registered mail returned by the US Post Office or other common carrier as undeliverable, unclaimed or no forwarding address, if applicable.<br>• If the services of an electronic certified mail vendor are used for vehicles towed on or after September 1, 2003, a verifiable copy of an electronic listing indicating when the notice was mailed, delivered and/or returned to the sender is acceptable.<br>• Copy of newspaper publication, if applicable. The form, fee, and all applicable documentation should be submitted to the:<br>**Texas Department of Motor Vehicles**<br>**Vehicle Titles and Registration Division**<br>**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.

**Type:** Consent/Private Property Storage

**Forms:** Storage Lien for Abandoned Vehicle or Private Tow, **VTR-265-S (Rev. on or after 9/1/1999)**

**Storage Location:** Vehicle Storage Facility

**Authorization:** Contract

**Table 23-3 Consent Private Property on and after September 1, 2001**

| Statute | Details |
|---|---|
| Property Code, §70.003 | **1. Lien**:<br>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**:<br>A person is entitled to fees for:<br>• towing, impoundment, preservations, and notification;<br>• reasonable storage fees for up to five days before the day that the notice is mailed or published, as applicable; and<br>• 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. |

**Table 23-3 Consent Private Property on and after September 1, 2001**

| Statute | Details |
|---|---|
| Property Code, §70.004(a) | **3. Notification**:<br>• Upon expiration of the contract, the garage man is required to notify the last known owner and each lienholder of record by certified mail.<br>• 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.<br>• 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 Verified Mail**:<br>The notice must be sent by certified or registered mail with return receipt requested. (see Proof of Notifications)<br>The notice must contain:<br>• a request to remove the motor vehicle;<br>• a request for payment;<br>• the location of the motor vehicle; and<br>• the amount of accrued charges. |
| Property Code, §70.004 (c)<br><br>70.004 (d) | **5. Published Notice**:<br>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:<br>• the motor vehicle is registered in another state;<br>• 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;<br>• the holder of the lien:<br>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<br>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;<br>• the identity of the last known registered owner cannot be determined;<br>• the registration does not contain an address for the last known registered owner; and<br>• the holder of the lien cannot determine the identities and addresses of the lienholders of record.<br>• 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)<br><br>70.006 (f)<br>Transportation Code, §501.074 (c)<br>Property Code, §70.006 (f) | **6. Sale of Vehicle**:<br>• The garage man must allow 30 days from the date of the 1st notice. (See # 3.)<br>• On the 31st day, the second notice is required to be sent (refer to # 4 and 5).<br>• If not reclaimed by the 31st day after the date of the second notice, the vehicle may be sold at public sale.<br>• 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.<br>• The possessory lienholder shall apply the proceeds to the payment of charges and shall pay the balance to the person entitled to it. |

**Table 23-3 Consent Private Property on and after September 1, 2001**

| Statute | Details |
|---|---|
| Transportation Code, §501.074 (c)<br>501.023<br><br>501.023<br><br>§601.051<br><br>§501.074<br><br>Transportation Code §501.030 (a), (e), §548.256 | **7. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**:<br>• Verification of Title and Registration<br>If registered in Texas<br>Verification of Texas title and registration is required.<br>If registered outside of Texas<br>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:<br>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<br>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.<br>• Application for Texas Title, Form 130-U<br>• Release of Lien - A release of lien is required for any lien properly recorded in Texas or out of state, if applicable.<br>• Liability Insurance - A copy of current proof of liability insurance in the title applicant's name.<br>• Document Authorizing Possession - A copy of the document authorizing possession, or Item 4 or 5 of B completed on Form VTR-265-S.<br>• Form VTR-265-S - A properly completed Form VTR-265-S, Storage Lien for Abandoned Vehicle or Private Tow, executed by the statutory lienholder.<br>• Proof of Notifications<br>**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.<br>• Pencil Tracing<br>A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity.<br>• Out-of-state Vehicles<br>If the vehicle was last registered outside of Texas, the following documentation is also required:<br>• 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.

**Type:** Consent/Private Property Storage

**Forms:** Storage Lien for Abandoned Vehicle or Private Tow, **VTR-265-S (Rev. prior to 9/1/1999)**

**Storage Location:** Vehicle Storage Facility

**Authorization:** Contract

**Table 23-4 Consent Private Property Prior to September 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §70.003 | **1. Lien**:<br>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)<br><br>Property Code, §70.006 (a)<br>§70.006 (b) | **2. Notification:**<br>• 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.<br>• The garage man must allow 30 more days of storage fees to accrue from the date of the 1st notice.<br>• If storage fees remain unpaid 30 days after the 1st notice is sent, the garage man must send a second notice by certified mail.<br>• 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**:<br>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**:<br>The possessory lienholder shall apply the proceeds to the payment of charges and shall pay the balance to the person entitled to it. |

**Table 23-4 Consent Private Property Prior to September 1, 1999**

| Statute | Details |
|---|---|
| Transportation Code, §501.023<br><br>§501.074 (c)<br><br>Transportation Code, §601.051<br><br>§501.030(a), (e)<br>§548.256 | **5. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**:<br>• Verification of title and registration.<br>• Application for Texas Title, Form 130-U.<br>• Release of lien for any lien properly recorded in Texas or out of state, if applicable.<br>• A copy of the document authorizing possession unless Item 5 of B on the Form VTR-265-S is completed.<br>• A properly completed Form VTR-265-S, Storage Lien for Abandoned Vehicle or Private Tow, executed by the statutory lienholder.<br>• Proof of Verified Mail – Verified mail means any method of mailing that provides evidence of mailing. Proof submitted to must consist of an official evidence of mailing issued by the USPS or a common carrier (such as a receipt, copy of receipt, green card, or web site tracking printout). In lieu of this, unopened letter(s) returned as undeliverable, unclaimed or no forwarding address will be accepted.<br>• Liability Insurance – A copy of current proof of liability insurance in the title applicant's name.<br>• Pencil Tracing – A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity.<br>• Out-of-state Vehicles – If the vehicle was last registered outside of Texas, the following documentation is also required:<br>1. Identification Certificate; and<br>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.

**Type:** Landlord Lien

**Forms:** Landlord's Foreclosure Lien Affidavit, **VTR-265-L (Rev. on or after 9/1/1999)**

**Storage Location:** Lease or Rental Property

**Authorization:** Landlord or the Landlord's Agent

**Table 23-5 Landlord Lien Chart Property Code, Chapter 54 Effective on September 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §54.041 | **1. Lien**:<br>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**:<br>A lien under this subchapter does not attach to:<br>• One automobile and one truck;<br>• 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<br>• 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)<br>§54.044. Seizure of Property (a)<br>§54.044 (b) | **3. Requirements**:<br>• A contractual landlord's lien is not enforceable unless it is underlined or printed in conspicuous bold print in the lease agreement.<br>• 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.<br>• 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.<br>• 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. |
| 54.045. Sale of Property (a)<br>§54.045 (b)<br><br>54.044. Seizure of Property (c)<br><br>§54.044 (d)<br>Sale of Property (a)<br><br>§54.045 (c) | **4. Sale Requirements**:<br>• 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.<br>• The notice must be sent by both first class mail and certified mail, return receipt requested, to the tenant's last known address.<br>The notice must contain:<br>• the date, time, and place of the sale;<br>• an itemized account of the amount owed by the tenant to the landlord; and<br>• 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). |

**Table 23-5 Landlord Lien Chart Property Code, Chapter 54 Effective on September 1, 1999**

| Statute | Details |
|---|---|
| §54.045 (d) | **5. Seizure of Property**:<br>• Unless authorized in a written lease, the landlord is not entitled to collect a charge for packing, removing, or storing property seized.<br>• 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**:<br>Property may not be sold or otherwise disposed of unless the sale or disposition is authorized in a written lease.<br>• A sale under this section is subject to a recorded chattel mortgage or financing statement.<br>• The property shall be sold to the highest cash bidder.<br>• 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.<br>• 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.<br>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**:<br>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. |
| 4.046. Violation by Landlord | **8. Landlord Violation**:<br>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<br><br>§501.030 (a), (e)<br>§548.256<br><br>§502.046 (c), §601.051 | **9. Evidence Required to Transfer a Motor Vehicle Subject to a Landlord Lien Foreclosure**:<br>• A copy of a contract signed by the tenant and the landlord, which addresses the sale and disposition of the property.<br>• A copy of the written notice left for tenant when the property was removed.<br>• An Application and *Landlord's Foreclosure Lien Affidavit,* **Form VTR-265-L**, executed by the landlord or landlord's agent.<br>• Application for Texas Title, Form 130-U.<br>• A copy of the title record in the tenant's name.<br>• If the vehicle was last registered outside of Texas, the following documentation is also required:<br>1. Identification Certificate; and<br>2. Weight certificate on a commercial vehicle.<br>• A copy of current proof of liability insurance in the title applicant's name.<br>• A release of lien, if applicable. |

## Franchised Dealer Mechanic Lien Chart Property Code, Chapter 70

Table 23-6 lists procedures for a franchised dealer to acquire a lien on a motor vehicle for unpaid repair charges.

**Type:** Mechanic's Lien

**Forms:** Mechanic's Lien Foreclosure, **VTR-265-M (Rev. on or after 9/1/1999)**

**Storage Location:** Repair Shop

**Authorization:** Owner or lienholder of record or operator of vehicle

**Table 23-6 Mechanic Lien Chart Property Code, Chapter 70**

| Statute | Details |
|---|---|
| Property Code, §70.001, Worker's Lien | **1. Lien:**<br>A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until:<br>• The amount due under the contract for the repairs is paid; or<br>• If no amount is specified by contract, the reasonable and usual compensation is paid. |
| Property Code, §70.001 (c) | **2. Possession**:<br>Must have been authorized by a signed work order or contract stating the vehicle would be subject to repossession and the charges due have not been paid. |
| Property Code, §70.006 (a), (b) | **3. Foreclosure Notice:**<br>Within thirty 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 or verified 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). |
| Property Code,<br>§70.006 (c)<br>70.006 (d) | **4. Notification to the Owner(s) and any Lienholder(s):**<br>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:<br>1. the motor vehicle is registered in another state;<br>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;<br>3. the holder of a lien:<br>(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<br>(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.<br>4. the identity of the last known registered owner cannot be determined:<br>5. the registration does not contain an address for the last known registered owner; and<br>6. the holder of the lien cannot determine the identities and addresses of the lienholders of record.<br>**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. |

**Table 23-6 Mechanic Lien Chart Property Code, Chapter 70**

| Statute | Details |
|---|---|
| Property Code,<br>§70.006 (b) | **5. Storage Notice, if applicable**:<br>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.<br>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,<br>§70.006 (f) | **6. Public Sale**:<br>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,<br>§501.074 (c) | **7. Application for Title**:<br>The highest bidder must apply for title. |
| Transportation Code,<br>§501.071 and §501.074 (c)<br><br>Transportation Code,<br>§501.023<br>501.074 (c) | **8. Evidence Required to Transfer a Motor Vehicle Subject to a Mechanic's Lien Foreclosure**:<br>• Verification of Title and Registration<br>**If registered in Texas** – Verification of Texas title and registration is required.<br>**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:<br>• 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<br>• 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.<br>• Application for Texas Title, Form 130-U<br>• A properly completed Mechanic's Lien Foreclosure, Form VTR-265-M, executed by the statutory lienholder<br>• Proof of Notifications |

**Table 23-6 Mechanic Lien Chart Property Code, Chapter 70**

| 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.<br>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.<br>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. |
| §502.046 (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.<br>• Work Order - Attach a copy of the work order or complete Item 4 of B on the Form VTR-265-M.<br>• Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity.<br>• Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required:<br>• Identification Certificate; and Weight certificate on a commercial vehicle.<br>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.

**Type:** Mechanic's Lien

**Forms:** Mechanic's Lien Foreclosure, **VTR-265-M (Rev. prior to 9/1/1999)**

**Storage Location:** Repair Shop

**Authorization:** Owner or lienholder of record or operator of vehicle

**Table 23-7 Mechanic Lien Chart Property Code, Chapter 70 Effective Prior to Sept 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §70.001, Worker's Lien | **1. Lien**:<br>A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until:<br>• The amount due under the contract for the repairs is paid; or<br>• If no amount is specified by contract, the reasonable and usual compensation is paid. |
| Property Code, §70.006 (a) | **2. Possession**:<br>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**:<br>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**:<br>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**:<br>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) | **6. Application for Title**:<br>The highest bidder must apply for title. |

**Table 23-7 Mechanic Lien Chart Property Code, Chapter 70 Effective Prior to Sept 1, 1999**

| Statute | Details |
|---|---|
| Transportation Code, §501.071 and §501.074 (c) | **7. Evidence Required to Transfer a Motor Vehicle Subject to a Mechanic's Lien Foreclosure**:<br>• A copy of the Title and Registration, if applicable.<br>**If registered in Texas** – Verification of Texas title and registration is required.<br>**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. |
| §501.023<br>§501.074 (c) (1) | • Application for Texas Title, Form 130-U.<br>• A properly completed Mechanic's Lien Foreclosure application, Form VTR-265-M, executed by the statutory lienholder. |
| §501.074 (c) (2) | • 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.<br>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.<br>• 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. |
| §502.046 (c), §601.051 | • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name.<br>• Work Order - Attach a copy of the work order or complete Item 4 of B on the Form VTR-265-M. |
| §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.<br>• Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required:<br>1. Identification Certificate; and<br>2. Weight certificate on a commercial vehicle.<br>• 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

Table 23-8 lists procedures for a non franchised dealer to acquire a lien on a motor vehicle for unpaid repair charges.

**Type:** Mechanic's Lien

**Forms:** Mechanic's Lien Foreclosure, **VTR-265-M (Rev. after 9/1/1999)**

**Storage Location:** Repair Shop

**Authorization:** Owner or lienholder of record or operator of vehicle

**Table 23-8 Mechanic Lien Chart Property Code, Chapter 70**

| Statute | Details |
|---|---|
| Property Code, §70.001, Worker's Lien<br><br>Property Code, §70.006 (a) | **1. Lien**:<br>A worker in this state, who by labor, repairs a motor vehicle, may retain possession of the vehicle until:<br>• The amount due under the contract for the repairs is paid; or<br>• If no amount is specified by contract, the reasonable and usual compensation is paid. |
| Property Code, §70.006 (a), | **2. Possession**:<br>Must have possession and the charges due have not been paid. |
| (b)<br>Property Code, §70.006 (b) | **3. Foreclosure Notice:**<br>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. The notification must include:<br>• the address where the repairs were made<br>• the legal name of the person that holds the possessory lien<br>• the taxpayer or employer identification number of the person that holds the possessory lien<br>• a signed copy of the work order authorizing repairs.<br>• amount due<br>The person filing the lien must also submit to the local county tax assessor-collector's office:<br>• an administrative fee of $25<br>• a copy of their notification<br>• a signed copy of the work order.<br>Not later than the 15th day after receiving notification, the county tax assessor-collector must send copies of work order and notification to the owner(s) and lienholder(s) of record. |
| | **4. Work Order:**<br>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. |

**Table 23-8 Mechanic Lien Chart Property Code, Chapter 70**

| Statute | Details |
|---|---|
| Property Code, §70.006 (f)<br>Transportation Code, §501.074 (c) | **5. Public Sale**:<br>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.<br>• 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.<br>• 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**:<br>The highest bidder must apply for title. |

## Self-service Storage Chart Property Code, Chapter 59 & Chapter 70 Effective on or after Sept 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.

**Type:** Self-Service Storage Facility Liens

**Forms:** Application and Affidavit for Foreclosure of a Self-Service Storage Facility Lien, **VTR-265-SSF (Rev. after 3/2002)**

**Storage Location:** Self-Service Storage Facility

**Authorization:** Owner, lessor, sub-lessor, or agent of a self-service storage facility

**Table 23-9 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective after September 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §59.021. Lien; Property Attached | **1. Lien**:<br>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. |

**Table 23-9 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective after September 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §59.001. Definitions | **2. Definitions**:<br>• "Lessor" means an owner, lessor, sub-lessor, or managing agent of a self-service storage facility.<br>• "Rental agreement" means a written or oral agreement that establishes or modifies the terms of use of a self-service storage facility.<br>• "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.<br>• "Tenant" means a person entitled under a rental agreement to the exclusive use of storage space at a self-service storage facility.<br>• "Military Service" means military service as defined by Section 101, Servicemembers Civil Relief Act (50 U.S.C. App. Section 511) and active duty service for a period of more than 30 consecutive days as a member of the Texas State Guard or Texas National Guard under the call of the governor.<br>• "Verified Mail" means any method of mailing that provides evidence of mailing. |
| Property Code, §59.002. Applicability | **3. Applicability**:<br>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**:<br>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**:<br>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. |
| Property Code, §59.008. Redemption | **6. Redemption**:<br>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**:<br>A lessor may enforce a lien by seizing and selling the property to which the lien is attached if:<br>• 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<br>• the seizure and sale are made in accordance with Chapter 59.<br>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, §59.042 | **8. First Notice:**<br>The lessors must send the first notice to the last known owner(s) of record by verified mail, return receipt requested, or if applicable, notice by newspaper publication. |
| Property Code, 59.042 | **9. Second Notice:**<br>If the tenant fails to satisfy the claim on or before the 14th day after the date the notice is delivered, the lessor must publish or post notices advertising the sale. If the notice is by publication, the lessor may not sell the property until the 15th day after the date the notice is first published. If notice is by posting, the lessor may sell the property after the 10th day after the date the notices are posted. |

**Table 23-9 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective after September 1, 1999**

| Statute | Details |
|---|---|
| Property Code,<br>59.0445 | **10. Notification**<br>In addition to the notices required by Sections 59.042 and 59.044, no later than 30 days after the lessor takes possession of the motor vehicle, the lessor shall give written notice of sale to the last known owner and each holder of a lien recorded on the motor vehicle title. If the vehicle is registered or titled in another state, the notice shall be given to the owner and each lienholder of record in the location in which the vehicle is registered or titled.<br>The notice must be sent by verified mail. The notice must include the amount of the charges secured by the lien; a request for payment; and a statement that if the charges are not paid in full before the 31st day after the date the notices is mailed or published, the property may be sold at public auction.<br>Instead of verified mail, the notice may be given by publishing the notice once in a print or electronic version of a newspaper of general circulation in the county in which the vehicle is stored. This notification process can be used if:<br>• the lessor submits a written request by verified mail to the registering and titling entity requesting the identity of the last known owner of record and any lienholder of record;<br>the entity advises in writing that they are unwilling or unable to provide information on the last known owner of record or any lienholder of record; or<br>the lessor does not receive a response from the governmental entity on or before the 21st day after the date the lessor submits the request;<br>• the identity of the last known owner or record cannot be determined;<br>• the lessor cannot determine the identities and addresses of the lienholders of record.<br>The lessor 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 or the forwarding address has expired.<br>After notice is given under this section to the owner of or lienholder on the vehicle, the owner or lienholder may take possession of the vehicle by paying all charges due to the lessor before the 31st day after the date the notice is mailed or published as provided by this section. If the charges are not paid before the 31st day, the lessor may sell the vehicle at public sale and apply the proceeds to the charges. |
| Transportation Code,<br>§501.074 (c) | **11. Application for Title**:<br>The highest bidder must apply for title. |
| Transportation Code,<br>§501.071<br>§501.074 (c) | **12. Evidence Required to Transfer a Motor Vehicle Title Subject to a Self-service Storage Facility Lien Foreclosure**:<br>• A copy of the title and registration verification, if applicable.<br>**If registered in Texas** – Verification of Texas title and registration is required.<br>**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:<br>(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<br>(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. |

**Table 23-9 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 Effective after September 1, 1999**

| Statute | Details |
|---|---|
| §501.074 (c) (1)<br>§501.023<br>§502.046 (c), §601.051<br><br>Property Code, 59.042<br><br>§501.030(a), (e)<br>§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).<br>• Form VTR-265-SSF, Application and Affidavit for Foreclosure of a Self-service Storage Facility Lien, executed by the landlord.<br>• Application for Texas Title, Form 130-U.<br>• A copy of current proof of liability insurance in the title applicant's name.<br>• Proof of notifications is required.<br>• **Notices by Verified Mail** – Verified mail means any method of mailing that provides evidence of mailing. Proof submitted to must consist of an official evidence of mailing issued by the USPS or a common carrier (such as a receipt, copy of receipt, green card, or web site tracking printout). In lieu of this, unopened letter(s) returned as undeliverable, unclaimed or no forwarding address will be accepted.<br>• **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.<br>• A pencil tracing of the motor and serial numbers may be required to establish the vehicle's<br>• correct identity.<br>• If the vehicle was last registered outside of Texas, the following documentation is also required:<br>1. Identification Certificate; and<br>2. Weight certificate on a commercial vehicle.<br>• 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.

**Type:** Self-Service Storage Facility Liens

**Forms:** Application and Affidavit for Foreclosure of a Self-Service Storage Facility Lien, **VTR-265-SSF (Prior to 9/99)**

**Storage Location:** Self-Service Storage Facility

**Authorization:** Owner, lessor, sub-lessor, or agent of a self-service storage facility

**Table 23-10 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 prior to September 1, 1999**

| Statute | Details |
|---|---|
| Property Code, §59.021. Lien; Property Attached | **1. Lien**:<br>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:**<br>• "Lessor" means an owner, lessor, sub-lessor, or managing agent of a self-service storage facility.<br>• "Rental agreement" means a written or oral agreement that establishes or modifies the terms of use of a self-service storage facility.<br>• "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.<br>• "Tenant" means a person entitled under a rental agreement to the exclusive use of storage space at a self-service storage facility.<br>• "Military Service" means military service as defined by Section 101, Service members Civil Relief Act (50 U.S.C. App. Section 511) and active duty service for a period of more than 30 consecutive days as a member of the Texas State Guard or Texas National Guard under the call of the governor.<br>• "Verified Mail" means any method of mailing that provides evidence of mailing. |
| Property Code, §59.002. Applicability | **3. Applicability**:<br>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**:<br>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**:<br>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. |
| Property Code, §59.008. Redemption | **6. Redemption**:<br>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**:<br>A lessor may enforce a lien by seizing and selling the property to which the lien is attached if:<br>• 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<br>• the seizure and sale are made in accordance with Chapter 59.<br>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**:<br>• 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.<br>• If the tenant fails to satisfy the claim on or after the 14th day after the date the notice is delivered, the lessor must publish or post notices advertising the sale.<br>• If notice is by publication, the lessor may not sell the property until the 15th day after the date the notice is published. If notice is by posting, the lessor may sell the property after the 10th day after the date that the notice is posted. |

**Table 23-10 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 prior to September 1, 1999**

| Statute | Details |
|---|---|
| 59.043. Contents and Delivery of Notice of Claim; Information Regarding Tenant's Military Service | **9. Notification to Tenant**:<br>The lessor's notice to the tenant of the claim must contain:<br>* an itemized account of the claim;<br>* the name, address, and telephone number of the lessor or the lessor's agent;<br>* a statement that the contents of the self-service storage facility have been seized under the contractual landlord's lien;<br>* a statement that if the tenant fails to satisfy the claim on or before the 14th day after the date that the notice is delivered, the property may be sold at public auction; and<br>* a statement underlined or printed in conspicuous bold print requesting a tenant who is in military service to notify the lessor of the status of the tenant's current military service immediately<br>* a lessor may require written proof of a tenant's military service in the form of documentation from the United States Department of Defense or other documentation reasonably acceptable to the lessor.<br>* Subject to Subsection (d), the lessor must deliver the notice in person or by e-mail or verified mail to the tenant's last known e-mail or postal 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 verified mail is considered delivered when the notice, properly addressed with postage prepaid, is deposited with the United States Postal Service or a common carrier. Notice by e-mail is considered delivered when sent to the last known e-mail address of the tenant.<br>* the notice may not be sent by e-mail unless a written rental agreement between the lessor and the tenant contains language underlined or in conspicuous bold print that notice may be given by e-mail if the tenant elects to provide an e-mail address. |
| §59.044. Notice of Sale | **10. Notice of Sale**:<br>The notice advertising the sale must contain:<br>• a general description of the property;<br>• a statement that the property is being sold to satisfy a landlord's lien;<br>• the tenant's name;<br>• the address of the self-service storage facility; and<br>• the time, place, and terms of the sale.<br>Published Notice<br>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.<br>Posted Notice<br>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**:<br>A sale must be:<br>• a public sale at the self-service storage facility or a reasonably near public place;<br>• conducted by the lessor according to the terms specified in the notice advertising the sale; and<br>• sold to the highest bidder. |
| 59.046. Excess Proceeds of Sale | **12. Proceeds of Sale**:<br>If the proceeds of a sale are greater than the amount of the lien and the reasonable expenses of the sale, the lessor:<br>• 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.<br>• shall retain the excess and deliver it to the tenant if the tenant requests it before two years after the date of the sale.<br>• owns the excess, if the tenant does not request the excess before two years after the date of the sale. |

**Table 23-10 Self-service Storage Chart Property Code, Chapter 59 and Chapter 70 prior to September 1, 1999**

| Statute | Details |
|---|---|
| | **13. Evidence Required to Transfer a Motor Vehicle Title Subject to a Self-service Storage Facility Lien Foreclosure**:<br>• A copy of the contract, which addresses the sale and disposition of the property and is signed by the tenant (lessee) and landlord (lessor).<br>• Copy of the written notice of the claim delivered to the tenant.<br>• Copy of publication or posting of notice advertising sale.<br>• An Application and Affidavit for Foreclosure of a Self-service Storage Facility Lien,<br>• Form VTR-265-SSF, executed by the landlord.<br>• A copy of the title and registration verification, if applicable.<br>• Application for Texas Title, Form 130-U.<br>• A copy of current proof of liability insurance in the title applicant's name.<br>• A release of lien is not required. |

## Licensed Vehicle Storage Facility Chart, Vehicle Storage Facility Act, Effective Since Sept 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.

**Type:** Vehicle Storage Facility Lien For Non-Consent Tows Only

**Forms:** Storage Lien for License Vehicle Storage Facility, **VTR-265-VSF (Rev. after 9/01/05)**

**Storage Location:** Vehicle Storage Facility

**Authorization:**

- Law enforcement and anyone other than the owner or lien holder of record,
- Operator of the vehicle, or
- Person having possession, custody or control of the vehicle.

**Table 23-11 Disposal of Vehicles Towed on and after September 1, 2005**

| Statute | Details |
|---|---|
| Occupations Code, §2303.002 (8) | **1. Definitions**:<br>• Vehicle Storage Facility (VSF)<br>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. |
| §2303.101 | • License<br>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<br>This article does not apply to a vehicle parked or stored at a VSF with the consent of the vehicle's owner. |

**Table 23-11 Disposal of Vehicles Towed on and after September 1, 2005**

| Statute | Details |
|---|---|
| Occupations Code,<br>§2303.151 (a)<br><br><br><br><br><br><br>§2303.151 (b) | **2. First Notification**:<br>Vehicle registered in Texas<br>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.<br>Vehicle registered out-of-state<br>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. |
| Occupations Code,<br>§2303.151 (d)<br>§2303.153 (a) | **3. 1st Notification Contents**:<br>The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain:<br>• (1) the date the vehicle was accepted for storage;<br>• (2) the first day for which a storage fee is assessed;<br>• (3) the daily storage rate;<br>• (4) the type and amount of all other charges to be paid when the vehicle is claimed;<br>• (5) the full name, street address, and telephone number of the facility;<br>• (6) the hours during which the owner may claim the vehicle; and<br>• (7) the facility license number preceded by “Vehicle Storage Facility License Number”. |
| Occupations Code,<br>§2303.152<br><br><br><br><br><br>

**Table 23-11 Disposal of Vehicles Towed on and after September 1, 2005**

| Statute | Details |
|---|---|
| Transportation Code, §683.031 (a) | **6. Report to Law Enforcement**:<br>• 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.<br>• 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**:<br>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. |
| Transportation Code, §683.034 (a)<br><br>§683.034 (e) | **8. Custody by Law Enforcement**:<br>• 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).<br>• 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).<br>**NOTE**: See VSF Storage Lien: After September 1, 2005. |
| Occupations Code, §2303.154 (a) | **9. Second Notification:**<br>If law enforcement does not take custody of the vehicle or a person permitted to claim the vehicle before the 15th 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)<br><br>2303.154 (c) (1), (2) | **10. Second Notice Contents**:<br>**Written**<br>The notice must contain:<br>• the information required in the 1st notification (#3 above);<br>• a statement of the right of the facility to dispose of the vehicle;<br>• 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.<br>**Publication**<br>If publication is required for the second notice, the published notice must contain:<br>(1) the vehicle description;<br>(2) the total charges;<br>(3) the full name, street address, and telephone number of the facility;<br>(4) the facility license number preceded by “Vehicle Storage Facility License Number”; and<br>(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:<br>• a waiver by that person of all right, title, and interest in the vehicle; and<br>• a consent to the sale of the vehicle at a public sale. |
| Occupations Code, §2303.157 (a), (b) | **11. Disposal by the VSF**:<br>• VSF must allow 30 days to elapse from the date of the second notification.<br>• 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.<br>• 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. |

**Table 23-11 Disposal of Vehicles Towed on and after September 1, 2005**

| Statute | Details |
|---|---|
| Transportation Code, §501.023 | **12. Evidence Required to Transfer a Motor Vehicle Subject to a Storage Lien Foreclosure**:<br>• Verification of Title and Registration<br>If registered in Texas – Verification of Texas title and registration is required.<br>If registered outside of Texas – Verification of title and registration from the state of record, if available.<br>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<br>• A properly completed Application for Texas Title, Form 130-U.<br>• A properly completed Form VTR-265-VSF, Storage Lien for Licensed Vehicle Storage Facility, executed by the statutory lienholder.<br>• Proof of Notifications |
| Transportation Code, §501.074 | **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.<br>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.<br>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.<br>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. |
| §601.051 | **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. |
| §501.030 (a), (e)<br>§548.256 | • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name.<br>• 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.<br>• Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity.<br>• Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required:<br>(1) Vehicle Identification Certificate; and<br>(2) Weight certificate on a commercial vehicle.<br>• A release of lien is not required. |

## Licensed Vehicle Storage Facility Chart, Vehicle Storage Facility Act, Effective prior to Sept 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.

**Type:** Vehicle Storage Facility Lien For Non-Consent Tows Only

**Forms:** Storage Lien for License Vehicle Storage Facility, **VTR-265-VSF (Rev. prior 9/01/05)**

**Storage Location:** Vehicle Storage Facility

**Authorization:**

- Law enforcement and anyone other than the owner or lien holder of record,
- Operator of the vehicle, or
- Person having possession, custody or control of the vehicle.

**Table 23-12 Procedures for Disposal of Vehicles Towed Prior to Sept. 1, 2005**

| Statute | Details |
|---|---|
| Occupations Code, §2303.002 (8)<br><br>§2303.101<br><br>§2303.003 (a) | **1. Definitions**:<br>• Vehicle Storage Facility (VSF)<br>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.<br>• License<br>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).<br>• Non-consent Only<br>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)<br><br>§2303.151 (b) | **2. First Notification**:<br>Vehicle registered in Texas<br>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.<br>Vehicle registered out-of-state<br>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. |

**Table 23-12 Procedures for Disposal of Vehicles Towed Prior to Sept. 1, 2005**

| Statute | Details |
|---|---|
| Occupations Code,<br>§2303.151 (d)<br>§2303.153 (a) | **3. 1st Notification Contents**:<br>The written notice must be correctly addressed, with sufficient postage, sent by certified mail, return receipt requested or electronic certified mail, and must contain:<br>• (1) the date the vehicle was accepted for storage;<br>• (2) the first day for which a storage fee is assessed;<br>• (3) the daily storage rate;<br>• (4) the type and amount of all other charges to be paid when the vehicle is claimed;<br>• (5) the full name, street address, and telephone number of the facility;<br>• (6) the hours during which the owner may claim the vehicle; and<br>• (7) the facility license number preceded by "Vehicle Storage Facility License Number". |
| Occupations Code,<br>§2303.152 | **4. Newspaper Publication Option**:<br>Notice by publication in a newspaper of general circulation in the county in which the vehicle is stored may be used if **all apply.**<br>• the vehicle is registered in another state;<br>• 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;<br>• the identify of the last known registered owner cannot be determined;<br>• the registration does not contain an address for the last known registered owner;<br>• the operator of the storage facility cannot reasonably determine the identity and address of each lienholder; or<br>• 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). |
| §2303.153 (b)<br><br><br><br><br><br><br><br><br><br>2303.153 (d)<br>§2303.152 (c) | The publication must contain:<br>• the vehicle description;<br>• the total charges,<br>• the full name, street address, and telephone number of the facility; and<br>• the facility license number preceded by "Vehicle Storage Facility License Number".<br>The publication may include a list of more than one vehicle.<br>Notice by publication in a newspaper is not required if all correctly addressed notices sent were returned because:<br>1. the notices were unclaimed or refused; or<br>2. the addressee(s) moved without leaving a forwarding address. |
| Transportation Code,<br>§683.031 (a) | **5. Vehicle Abandoned in Storage Facility:**<br>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,<br>§683.031 (c)<br><br><br>683.032 (b) | **6. Report to Law Enforcement**:<br>• 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.<br>• 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,<br>§683.012 | **7. Notification by Law Enforcement**:<br>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. |

**Table 23-12 Procedures for Disposal of Vehicles Towed Prior to Sept. 1, 2005**

| Statute | Details |
|---|---|
| Transportation Code, §683.034 (a)<br><br>§683.034 (e) | **8. Custody by Law Enforcement**:<br>• 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).<br>• 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).<br>**NOTE**: See VSF Storage Lien: After September 1, 2005. |
| Occupations Code, §2303.154 (a) | **9. Second Notification:**<br>If law enforcement does not take custody of the vehicle or a person permitted to claim the vehicle before the 15th 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**:<br>**Written**<br>The notice must contain:<br>• (1) the information required in the 1st notification (#3 above);<br>• (2) a statement of the right of the facility to dispose of the vehicle;<br>• (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. |
| 2303.154 (c) (1), (2) | **11. Publication**<br>If publication is required for the second notice, the published notice must contain:<br>• the vehicle description;<br>• the total charges;<br>• the full name, street address, and telephone number of the facility;<br>• the facility license number preceded by “Vehicle Storage Facility License Number”; and<br>• 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:<br>1. a waiver by that person of all right, title, and interest in the vehicle; and<br>2. a consent to the sale of the vehicle at a public sale. |
| Occupations Code, §2303.157 (a), (b) | **12. Disposal by the VSF**:<br>• VSF must allow 30 days to elapse from the date of the second notification.<br>• 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.<br>• 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**:<br>• Verification of Title and Registration<br>**If registered in Texas** – Verification of Texas title and registration is required.<br>**If registered outside of Texas** – Verification of title and registration from the state of record, if available.<br>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<br>• A properly completed Application for Texas Title, Form 130-U.<br>• A properly completed Form VTR-265-VSF, Storage Lien for Licensed Vehicle Storage Facility, executed by the statutory lienholder.<br>• Proof of Notifications |

**Table 23-12 Procedures for Disposal of Vehicles Towed Prior to Sept. 1, 2005**

| Statute | Details |
|---|---|
| Transportation Code, §501.074 | **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.<br>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.<br>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.<br>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.<br>**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. |
| §601.051 | • Liability Insurance - A copy of current proof of liability insurance in the title applicant's name.<br>• 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.<br>• Pencil Tracing - A pencil tracing of the motor and serial numbers may be required to establish the vehicle's correct identity.<br>• Out-of-state Vehicles - If the vehicle was last registered outside of Texas, the following documentation is also required: |
| 501.030 (a), (e)<br>§548.256 | (1) Vehicle Identification Certificate; and<br>(2) Weight certificate on a commercial vehicle.<br>• A release of lien is not required. |

Chapter 24

# CERTIFIED COPIES

This chapter contains the following sections:


- ***24.1*** Lost or Destroyed Certificate of Title
- ***24.2*** Certified Copy of Title
- ***24.3*** Certified Copy of Duplicate Original Title (CCDO)
- ***24.4*** Safety Responsibility Act
- ***24.5*** Owner Verification Procedures/Acceptable Identification
- ***24.6*** Title Records Recording a Lien
- ***24.7*** Verifiable Proof for Lienholders Applying for Certified Copies of Titles
- ***24.8*** Business Owner(s) of Record/Verified Agent of Business
- ***24.9*** Vehicles Titled in the Name of a Trust
- ***24.10*** Retention of Documentation Returned
- ***24.11*** Certified Copy of Title Denial Alternatives
- ***24.12*** Title Transfers Involving Fraudulent/Questionable Certified Copies of Title
- ***24.13*** CCO Requests for Electronic Lien Records


## 24.1 Lost or Destroyed Certificate of Title

Transportation Code Section 501.134

*(a) If a printed title is lost or destroyed, the owner or lienholder disclosed on the title may obtain, in the manner provided by this section and department rule, a certified copy of the lost or destroyed title directly from the department by applying in a manner prescribed by the department and paying a fee of $2. A fee collected under this subsection shall be deposited to the credit of the Texas Department of Motor Vehicles fund and may be spent only as provided by Section 501.138.*

*(b) If a lien is disclosed on a title, the department may issue a certified copy of the original title only to the first lienholder or the lienholder's verified agent.*

*(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section. 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 title.*

*(e) Repealed January 1, 2012*

*(f) Repealed January 1, 2012*

*(g) The department may issue a certified copy of a title 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 as required by department rule.*

*(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.*

## 24.2 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 Title*, **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."

### 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 TxDMV Regional Service Center.

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 TxDMV Regional Service Center 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.
- A photo copy of an "Acceptable Form of Current Identification" is required.
- 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 a Certified Copy of Title with a legible copy of the owner's government-issued photo ID | Attach completed Form Application for Texas Title, 130-U |
| 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<br>Vehicle Titles and Registration Division<br>Attn: Title Control Systems Branch<br>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.

## Multiple CCO Requests

As of November 2010 there is a 30 day waiting period for persons requesting a 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.

## 24.3 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 TxDMV Regional Service Center.

## 24.4 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.

## 24.5 Owner Verification Procedures/Acceptable Identification

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 an "Acceptable Form of Current Identification". Required proof for an agent of the owner or lienholder is an acceptable form of current identification, along with a letter of signature authority on letterhead or printed business card (letterhead or printed business card may be copies), or the agent's employee ID. A photocopy of the acceptable form of current identification presented should be attached to the *Application for a Certified Copy of Title*, **Form VTR-34** to be included in the title history record.

### Acceptable Form of Current Identification

**Note: This section and references to this section in this chapter on acceptable forms of current identification is only applicable to applications for Certified Copy of Title.**

Acceptable forms of current identification for an Application for a Certified Copy of Title are:

- A driver's license or state identification certificate issued by a state or territory of the United States;
- United States (U.S. passport card is acceptable) or foreign passport ;
- United States military identification card;
- North Atlantic Treaty Organization (NATO) identification or identification issued under a Status of Forces Agreement (SOFA);

- United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document;
- Enhanced Tribal Card (U.S Customs and Border Protection);
- Form I-872 American Indian Card for the Texas and Oklahoma Kickapoo American and Mexican members (Immigration and Naturalization Service).

The acceptable identification documents listed above must include:

- a photo of the applicant;
- a unique identification number; and,
- an expiration date.

**Note: Within this subsection, "Current identification" is defined as not expired more than six (6) months from the expiration date of the identification document.**

## Requirements

If the applicant is the individual owner of record the required documentation is:

1. A completed signed **Form VTR-34** along with applicable fees.
2. A photocopy of the owner of record's acceptable form of current identification.
3. If the record indicates a lien, 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.

**Note: If the record indicates Joint Owners and/or a Survivorship Rights remark, each owner and/or survivor must also sign the application and provide a photo ID (Refer to** Rights of Survivorship Agreement Represents Joint Ownership**).**

## 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's acceptable form of current ID.
4. If an individual has POA, a photocopy of the acceptable form of current ID of the individual signing the **Form VTR-34**.

5. If a business has POA, a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID, and a photocopy of the acceptable form of current 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 acceptable form of current ID.**

## 24.6 Title Records Recording a Lien

If a motor vehicle record reflects a lienholder or lienholders (encumbered status), the first lienholder must complete **Form VTR-34** for a certified copy of title. Previously encumbered owner(s) must complete **Form VTR-34** and provide a release of lien for certified copy of title. (Refer to Chapter 12, "Liens" for more information).

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.

### Multiple Lienholders

A second lienholder has no authority to apply for a certified copy of title without a release of lien from the first lienholder.When dealing with a vehicle record with a first and second lienholder:

- The first lienholder may apply for a CCO without a release of lien from the second lienholder
- The owner(s) may apply for a CCO with a release of lien from **both** lienholders
- The second lienholder may apply for CCO with a release of lien from the first lienholder

### Missing Lienholders

If a lien has been recorded on a Texas title for 10 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) (see Chapter 12, Section 12.13 Liens Over 10 Years Old), a certified copy of title may not be issued (refer to Chapter 10, "Evidence 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 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 Title*, **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").

## 24.7 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 "Acceptable Form of Current Identification" 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 acceptable form of current 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 acceptable form of current 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 TxDMV Regional Service Center.**

## 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 **Form VTR-34**.
4. A business card of the purchasing lienholder agent, or a photocopy of the purchasing lienholder agent's employee ID.
5. A photocopy of the "Acceptable Form of Current Identification" 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 "Acceptable Form of Current Identification" for the individual signing the POA for the individual, business-recorded lienholder, or purchasing lienholder.
4. If an individual has POA, a photocopy of the acceptable form of current ID of the individual signing the **Form VTR-34**.
5. If a business has POA, a letter of signature authority on original letterhead, a business card, or a photocopy of the employee's ID, and a copy of the acceptable form of current ID of the business agent signing the **Form VTR-34**.
6. Any additional documentation required for the specific scenario as applicable.

## 24.8 Business Owner(s) of Record/Verified Agent of Business

If the applicant for a certified copy of title is a verified agent of a business owner of record the required documentation is:

1. A completed and signed **Form VTR-34**, along with applicable fees.
2. A photocopy of the "Acceptable Form of Current Identification" 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 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.
4. If the record indicates a lien, a release of lien on original letterhead from the recorded lienholder.

### 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 "Acceptable Form of Current Identification" for the verified agent of the business owner of record signing the **Form VTR-34**.
4. If an individual has POA, a photocopy of the acceptable form of current ID of the individual signing the **Form VTR-34**.
5. If a business has POA, a letter of signature authority on original letterhead, a business card, or a copy of the employee's ID, and a photocopy of the acceptable form of current ID of the business agent signing the **Form VTR-34**.

6. Any additional documentation required for the specific scenario, as applicable.

## 24.9 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 Title*, **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.

### Individual Trustees

If 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

If 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 "Acceptable Form of Current Identification" of the verified agent of the business trustee for the individual or business trust owner of record signing the **Form VTR-34**.

## 24.10 Retention of Documentation Returned

The department destroys certified copies of title issued by a TxDMV Regional Service Center returned as undeliverable by the U.S. Post Office.

## 24.11 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 Chapter 8, Section 8.3 Tax Assessor-Collector Hearing.

As an alternative to an appeal at a tax collector's hearing, an applicant may pursue the bonding privileges available in Chapter 8, Section 8.4 Bonded Title.

## 24.12 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 Service Center, 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 record. Upon completion of the VIN inspection, instruct the customer that the Regional Service Center 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 Service Center. If a title history has not previously been ordered on the vehicle in question, the Regional Service Center 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 Service Center conducts an inspection of the VIN.

4. If a customer visits a Regional Service Center 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 Service Center immediately orders a title history on the vehicle in question. Upon receipt of the title history, the Regional Service Center 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 Service Center notifies TCS to place a legal restraint on the vehicle record and notify the prior owner. TCS will contact VDM to reinstate the true owner's title record and record the notation "VIN IN ERROR" on the later title record. The Regional Service Center 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 Service Center notifies the county of the results of the investigation.

### DPS SIS Investigation

The Regional Service Center also notifies DPS Special Investigations Section (SIS) about this title problem/situation. Notifications can be sent to the following address:

Texas Department of Public Safety

Criminal Investigations Division

Special Investigations Section (SIS) - Major

P.O. Box 4087, Austin, Texas 78773.

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 SIS conducts an investigation regarding the fraudulent/questionable certified copy of title used to complete the title transaction. The Regional Service Center retains the file containing the paperwork on the questionable certified copy of title until contacted by DPS SIS regarding the results of their investigation. If the Regional Service Center is instructed to revoke the title issued due to the title transfer supported by the fraudulent certified copy of title, the Regional Service Center mails the file to the Title Control Systems (TCS) Section 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 Service Center 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 Service Center 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 Service Center notifies them that once the vehicle record is reinstated, vehicle registration can be obtained at the county. The Regional Service Center also notifies the county regarding the reinstatement of the title record.

### Stolen Notices

Refer to Titles Marked Stolen under Chapter 21, Section 21.2 Record of Stolen or Concealed Motor Vehicle.

## 24.13 CCO Requests for Electronic Lien Records

### A Paper Release of Lien is Not Acceptable

A CCO should not be issued for a vehicle with an active ELT on record regardless if the requestor is the owner of record or an authorized third party. E-lienholders are required, as part of their Service Level Agreement with the department, to electronically release all liens filed with the department. Customers need to contact their lending institution that holds the electronic lien and request an electronic release. Once the ELT is released, a paper title will automatically be generated and mailed to the owner address on file. If the electronic release is due to a refinance, trade in, or insurance payout, the paper title will be sent directly to the third party recipient (e.g. Lender, Dealer, Insurance Company, etc.).

### Prior ELT Records Released to a Third Party

As of February 13, 2012, when an e-lienholder releases an ELT, a paper title is printed. There are two ways to identify if a record showing PAPER TITLE was previously an ELT:

1. The Document Number beings with ‘286’, and
2. The remark “E-TITLE PRINT DATE: [MM/DD/YYYY}.”

An e-lienholder may release an e-title to print to the owner on record, or a third party. In these circumstances, the record is identified in the manner described above; however, for a third party release, page 2 of **Form 500**, *Electronic Title Lien Release Evidence* contains a “c/o third party name” (care of).

When processing a CCO application for a record that displays a “C/O” on page 2 of **Form 500**, *Electronic Title Lien Release Evidence* from an individual **who is not** the third party or a representative of the third party, the CCO should not be immediately issued. Austin Headquarters must be contacted for further research.

When processing a CCO application for a record that displays a “C/O” on page 2 of **Form 500**, *Electronic Title Lien Release Evidence* for an individual **who is** the third party or a representative of the third party, the CCO can be issued 14 calendar days after the E-Title Print Date.

Chapter 25

# RECONSTRUCTED OR ASSEMBLED VEHICLES

This chapter contains the following sections:


- ***25.1*** Rebuilder to Possess Title or Other Documentation
- ***25.2*** Basic Component Parts
- ***25.3*** Recognized VINs and Acceptable Evidence of Ownership
- ***25.4*** Title Correction
- ***25.5*** Motor Homes
- ***25.6*** Glider Kits
- ***25.7*** Cab Changes on Pickups and Trucks
- ***25.8*** Vehicles (Other Than Motor Homes) Manufactured by First and Second-Stage Manufacturers
- ***25.9*** Motor Change
- ***25.10*** Frame Change
- ***25.11*** Body Change
- ***25.12*** Rebuilt Vehicle
- ***25.13*** Assembled Vehicle
- ***25.14*** Replica
- ***25.15*** Motorcycles
- ***25.16*** Trailers and Semitrailers


## 25.1 Rebuilder to Possess Title or Other Documentation

Transportation Code Section 501.104

*(a) This section applies to a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles, regardless of whether the person is licensed to engage in that business.*

*(b) A person described by Subsection (a) must possess:*

*(1) an acceptable ownership document or proof of ownership 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 *Component Part(s) 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.

## 25.2 Basic Component Parts

The three basic component parts of a motor vehicle for which ownership evidence is required are the motor, the frame, and the body. Evidence of ownership is required for 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 titling purposes.

## 25.3 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 is 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”).

## 25.4 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.with the following documentation:

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: A refund will not be issued if the gross weight of a commercial vehicle is lowered during a registration year.**

## 25.5 Motor Homes

Refer to Chapter 14, Section 14.16 Motor Homes.

## 25.6 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 was 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 was 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.
- 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 the 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."

**Note: A "Reconstructed" brand will be added to the motor vehicle record and printed on the certificate of title and all subsequent titles.**

## 25.7 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 TxDMV Regional Service Center 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).

**Note: A "Reconstructed" brand will be added to the motor vehicle record and printed on the certificate of title and all subsequent titles.**

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.

**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.**

## 25.8 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 MCO and the VIN as determined by the first-stage MCO. 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.

If the vehicle is to be titled and registered under the make designated by the first-stage manufacturer, then only the first-stage MCO 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 MCO. If, however, a year model is not designated on the first-stage MCO, 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.

## 25.9 Motor Change

If a new or different motor has been installed in a motor vehicle which records the motor number as the identifying number (Refer to Chapter 13, Section 13.2 Motor Numbers), a corrected title application must be filed.

## Application for Corrected Title

The method of filing an application to correct a title resulting from a vehicle being reconstructed is the same as discussed under Title Correction. Other requirements are as follows:

1. The application for corrected title must be supported by evidence of ownership (title) to the vehicle
2. A bill of sale to the applicant for the motor. A bill of sale is not required to be notarized.
3. 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.
4. 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.
5. 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 different motor numbers stamped on the block and 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.

**Note: 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).

## 25.10 Frame Change

Frame changes on vehicles, which have the identifying number on the frame, require a corrected title to record the frame change.

### Application for Corrected Title

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. Other requirements are as follows:

1. The application for corrected title must be supported by evidence of ownership (title) to the vehicle
2. A bill of sale to the applicant for the frame. A bill of sale is not required to be notarized.
3. A completed *Rebuilt Vehicle Statement*, **Form VTR-61**
4. 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.
5. Pencil tracing of the new frame number.

**Note: A “Reconstructed” brand is added to the motor vehicle record and prints on the Certificate Of Title and all subsequent titles.**

The application for corrected title should show the same make, year model, and body style as shown on the 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.

### 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”).

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

## 25.11 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.

**Note: 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 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.

**Note: A “Reconstructed” brand appears in the motor vehicle record and prints on the Certificate Of Title and all subsequent titles.**

**Note: If the 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 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.

**Note: A "Reconstructed" brand is added to the motor vehicle record and prints on the 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 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.

## 25.12 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 certificate of 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 *Component Part(s) Bill of Sale*, **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 title should be used to transfer the floorpan (frame) or floorpan and chassis. In the event a Texas or out-of-state title covering the body or Volkswagen Beetle floorpan or floorpan and chassis is not attached to the transaction, the following evidence is acceptable:

1. A completed *Rebuilt Vehicle Statement*, **Form VTR-61**.
2. Registration receipt if from a non title state. Such receipt must be properly assigned or a bill of sale must be attached.
3. 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.
4. Pencil tracings of the frame number, body number, and (die-stamped) motor number.
5. If an assigned number is obtained, the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR-68-N**.
6. If an assigned number is obtained, a photocopy of the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.
7. Photograph of vehicle.
8. Certified weight certificate.
9. A copy of the registration receipt showing that such vehicle was registered at the same time as application for title.
10. 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.
11. Valid proof of financial responsibility, covering the described vehicle, in the applicant's name.
12. Proof that the vehicle has passed a safety inspection after the date the vehicle was rebuilt.

**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.**

13. If the vehicle is from out of state, only than is an *Out-of-state Vehicle Identification Certificate,* **VI-30,** issued by a State appointed Safety Inspection Station required.

### 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.

## 25.13 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 the same as for a “rebuilt” vehicle.

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 (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. A copy of the registration receipt showing that the vehicle was registered at the time the application for title was filed.
7. Certified weight certificate.
8. Valid proof of financial responsibility, covering the described vehicle in the applicant's name.
9. If the vehicle is from out of state, only than is an *Out-of-state Vehicle Identification Certificate*, **VI-30**, issued by a State appointed Safety Inspection Station required.

**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.**

### Eligibility for Title

A vehicle created by merging two or more vehicles from different vehicle classes that were never engineered or manufactured to be combined with one another by the original manufacturers of those vehicles (such as a motorcycle front and the rear of a Volkswagon Beetle) or vehicles that do not have all three major component parts (a body, frame and motor) are not eligible for title.

Vehicles can be assembled from two vehicles when they are from the same general vehicle class (such as a Ford Sedan front and a Honda sedan rear), but there is no guarantee that these types of vehicles will be considered 'road worthy' and eligible for registration. If the vehicle can be titled, but is not eligible for registration, the vehicle could be considered for titling as a off-highway branded vehicle.

## 25.14 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.
- 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.
- 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 by recording 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. A MCO is required as evidence of ownership.

**Note: Enter “*Replica*” in the remarks field.**

## Replica Vehicles Applying for Street Rod or Custom Vehicle Plates

Replica vehicles applying for Street Rod or Custom Vehicle license plates must be titled in the same manner as any other assembled vehicle but MUST ALSO carry the replica brand of the year and make they resemble. For example, 2012 ASVE with a REPLICA: 1935 FORD brand if applying for the Street Rod plates. If a Texas Certificate of Title has already been issued that does not contain a REPLICA brand, the title must be corrected in order to obtain the plates. The customer is responsible for any associated title fees as a result of a title correction. Refer to the TxDMV Registration Manual for more of the requirements regarding these two speciality plates.

**Note: If the vehicle used as an example above was a true 1935 FORD, it would (in this case) be eligible for the Street Rod plates, but a true vehicle does not have to carry the REPLICA brand. Only vehicles that would otherwise be considered an assembled vehicle should carry the REPLICA brand.**

Assembled vehicles applying for Street Rod or Custom Vehicle specialty plates must still meet all of the requirements and provide all the necessary documentation as any other assembled vehicle. When applying for the specialty plates, the applicant would also be submitting the **VTR-852** and the four photos in addition to all the other assembled documentation.

**Note: Although vehicles displaying Street Rod or Custom Vehicle plates are exempt from an annual DPS safety inspection, they must be inspected by an ASE Certified Master Technician.**

**Note: Assembled vehicles applying for Street Rod or Custom Vehicle plates must meet all the documentation requirements of an assembled vehicle and have a frame, body and engine. Refer to Chapter 25, Section 25.2 Basic Component Parts.**

## 25.15 Motorcycles

### 1971 and Subsequent Year Model Motorcycles

Beginning with 1971 year models, the frame number is the identifying number for titling purposes. Therefore, the 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 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 certificate of title in the name of the applicant is submitted for the motor, and an assigned 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 obtained, the *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, **Form VTR 68-N**.
7. If an assigned number is obtained, a photocopy of the *Application for Assigned or Reassigned Number*, **Form VTR-68-A**.

## 25.16 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 **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 either the trailer body or 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 NONREPAIRABLE VEHICLES

This chapter contains the following sections:


- ***26.1*** Definitions
- ***26.2*** History of Salvage Ownership Document Issuance
- ***26.3*** General
- ***26.4*** Determination of the Condition of a Damaged Motor Vehicle
- ***26.5*** Requirement for Salvage or Nonrepairable Vehicle Title
- ***26.6*** Owner Retained Vehicles
- ***26.7*** Requirements of Governmental Entities
- ***26.8*** Application for Salvage or Nonrepairable Vehicle Title
- ***26.9*** Insurance and Paid Claim Vehicles
- ***26.10*** Registration and Operation Prohibited
- ***26.11*** Rights and Limitations of Holder of Salvage or Nonrepairable Motor Vehicle Documents or Records
- ***26.12*** Assignment and Reassignment of Salvage Ownership Documents
- ***26.13*** Sale, Transfer or Release
- ***26.14*** Casual Sales
- ***26.15*** Export-Only Salvage and Nonrepairable Motor Vehicles
- ***26.16*** Certified Copy of Salvage or Nonrepairable Vehicle Title
- ***26.17*** Metal Recyclers
- ***26.18*** Application for Salvage Ownership Document after Surrender of Ownership Evidence
- ***26.19*** Abandoned Vehicles
- ***26.20*** Salvage Document or Certificate of Authority to Dispose of A Motor Vehicle (COA) Issued In Error
- ***26.21*** Out-of-State Salvage or Rebuilt Salvage Vehicle
- ***26.22*** Offenses
- ***26.23*** Enforcement


## 26.1 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 five or fewer 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;*

*(B) a sale to an insurance company, out-of-state buyer, or governmental entity; or*

*(C) 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:*

*(A) gradual damage from any cause;*

*(B) sudden damage caused by hail;*

*(C) any damage caused only to the exterior paint of the motor vehicle; or*

*(D) theft, unless the motor vehicle was damaged during the theft and before recovery.*

*(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 vehicle with a gross vehicle weight of 10,000 pounds or less, 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 engaged in the business of obtaining, converting, or selling ferrous or nonferrous 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 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.*

*(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 comparable ownership document that indicates that the vehicle is nonrepairable.*

*(10) "Nonrepairable vehicle title" means a printed document issued by the department that evidences ownership of a nonrepairable motor vehicle.*

*(11) "Nonrepairable record of title" means an electronic record of ownership of a nonrepairable motor vehicle.*

*(12) "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.*

*(13) "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 title for the motor vehicle. The term does not include any title or certificate issued by the department.*

*(14) "Public highway" has the meaning assigned by Section 502.001.*

*(15) "Rebuilder" means a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway, more than five salvage motor vehicles in a calendar year.*

*(16) Salvage motor vehicle" means a motor vehicle that:*

*(A) 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*

*(B) comes into this state under an out-of-state salvage motor vehicle title or similar out-of-state ownership document.*

*(17) "Salvage vehicle title" means a printed document issued by the department that evidences ownership of a salvage motor vehicle.*

*(18) "Salvage record of title" means an electronic record of ownership of a salvage motor vehicle.*

*(19) "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 regardless of whether the person holds a license issued by the department to engage in that business. The term does not include an unlicensed person who:*

*(A) casually repairs, rebuilds, or reconstructs not more than five salvage motor vehicles in the same calendar year while dealing in nonrepairable motor vehicles or salvage motor vehicles; or*

*(B) buys not more than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year; or*

*(C) is a licensed used automotive parts recycler if the sale of repaired, rebuilt, or reconstructed salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.*

*(20) "Self-insured motor vehicle" means a motor vehicle for which the owner or a governmental entity assumes full financial responsibility for motor vehicle loss claims 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.*

## 26.2 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."
- 95% 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 are considered salvage and may 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.**

**Note: 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.**

### 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%).

## 26.3 General

Transportation Code Section 501.09112

*(a) The nonrepairable vehicle title must clearly indicate that it is the negotiable ownership document for a nonrepairable motor vehicle.*

*(b) A nonrepairable vehicle title must clearly indicate that the motor vehicle:*

*(1) may not be:*

*(A) issued a regular 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's printed salvage vehicle title must clearly show that it is the ownership document for a salvage motor vehicle.*

*(d) A salvage vehicle title or a salvage record of title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood must bear a notation 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) An electronic application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title must clearly advise the applicant of the same provisions required on a printed title.*

*(f) A nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title in the department's electronic database must include appropriate remarks so that the vehicle record clearly shows the status of the vehicle.*

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. Effective September 1, 2003 these are the only title documents issued in Texas for salvage and nonrepairable 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.

## 26.4 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: See Flood Damaged Vehicles.**

## 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.

## 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.

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.**

## 26.5 Requirement for Salvage or Nonrepairable Vehicle Title

If the motor vehicle is damaged to the extent that it is salvage or nonrepairable, 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

A person, other than an insurance company, licensed used auto recycler, or salvage vehicle dealer, that acquires ownership of a salvage or nonrepairable motor vehicle that has not been issued a nonrepairable vehicle title, 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. (See Damaged but Not Salvaged Vehicles for exceptions.)

#### Owner Retained Motor Vehicles

An owner who retains a salvage or nonrepairable motor vehicle after accepting an insurance claim payment, must obtain a Salvage or Nonrepairable Vehicle Title, before selling or otherwise transferring ownership of the vehicle.

#### Salvage Vehicle Dealers

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

#### Insurance Option

Transportation Code Section 501.1001

*(a) Except as provided by Section 501.0925, 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, and receive a salvage vehicle title or a nonrepairable vehicle title without obtaining a properly assigned 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 ti 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 or salvage record of title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title or nonrepairable record of title.*

*(c) An insurance company or other person who acquire ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title for the vehicle.*

*(d) This subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to the extent it becomes a nonrepairable or salvage motor vehicle. The owner of a motor vehicle to which this subsection applies shall submit to the department before the 31st business day after the date of the damage, in a manner prescribed by the department, a statement that the motor vehicle was self0insured and damaged. When the owner submits a report, the owner shall surrender the ownership document and apply for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title.*

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 to a person or at a casual sale. (See Damaged but Not Salvaged Vehicles 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.

### Self-insured Motor Vehicles

*Refer to Transportation Code Section 501.094* ***(Repealed January 1, 2012)***

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.

### 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.

## 26.6 Owner Retained Vehicles

Transportation Code Section 501.1002

*(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:*

*(1) 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:*

*(A) has paid a claim on the motor vehicle; and*

*(B) has not acquired ownership of the motor vehicle; and*

*(2) provide notice to the owner of the motor vehicle of:*

*(A) the report required under Subdivision (1); and*

*(B) the requirements for operation or transfer of ownership of the motor vehicle under Subsection (b).*

*(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, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.*

## Required Reporting by Insurance Companies

Form: *Owner Retained Report*, **Form VTR-436** (Rev. 9/2011 or later).

Reporting Period: Within 30 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

## Required Notice to Owner

Effective September 1, 2011, Transportation Code Section 501.097 was amended requiring insurance companies to provide notice to the vehicle owner of submission of the Owner Retained Report to the department and the requirements for operation or transfer of ownership of an Owner Retained vehicle.

## 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 **Form VTR-436** 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 salvage vehicle is retitled as a rebuilt salvage motor vehicle and properly registered. If the vehicle is nonrepairable it may never be rebuilt, registered or operated.

## Department Processing of Owner Retained Reports

Upon receipt of an Owner Retained Report, the department will:

- 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).

## Owner Retained Non-Titled Trailers/Semitrailers

Insurance companies are required to follow the same reporting procedures for non-titled trailers/semitrailers and the department will process these records in the same manner as other titled vehicles.

If the owner wishes to register the non-titled trailer/semitrailer, they will be required to submit a *Rebuilt Vehicle Statement*, **Form VTR-61**, but will not be required to pay the $65 Rebuilt Salvage Fee or obtain an inspection. According to statute, the rebuilt fee applies only to titled vehicles. The **Form VTR-61** will be faxed to the Title Control Services (TCS) Section for removal of the legal restraint and to replace it with the Rebuilt Salvage brand that will be carried forward on all future transactions.

For semitrailers between 4,001 and 34,000lbs which were previously registered with farm trailer plates or may qualify for farm plates but the owner either must apply for title or chooses to apply for title, they must submit complete the rebuilt process, including the payment of the $65 Rebuilt Salvage Fee.

## 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 and obtain the appropriate salvage ownership document as indicated on the *Owner Retained Report*, **Form VTR-436** 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 applicable.

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 any other vehicle title, or
- registered or operated in Texas.

Once an owner retained motor vehicle has been issued a Salvage Vehicle Title and been rebuilt, 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 follow the procedures as outlined in Chapter 27, Section 27.3 Application for Texas Certificate of Title Branded "Rebuilt Salvage" .

## 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. (See False Name, False Information and Forgery for relevant penalty information).

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 may apply for a Texas Title branded "Rebuilt Salvage" without first obtaining the appropriate salvage ownership document.

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 Title*, **Form 130-U**
3. *Rebuilt Vehicle Statement*, **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 years (12 months) registration fee;
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 TxDMV Regional Service Center 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 less than 100% 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 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 Salvage or Nonrepairable Vehicle Title,* **Form VTR-441** signed by the recorded owner(s) selecting the option for a CCO of the original vehicle title;
2. the applicable $10 fee ($2 for issuance of a certified copy of title and the $8 application fee for the Nonrepairable or Salvage Vehicle Title); and
3. 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 must be carried forward to the new salvage ownership document, but must be shown on the Form VTR-441.**

## 26.7 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. See Sale Without Salvage or Nonrepairable Vehicle Title for further information.

### 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. Obtained the Buyer's Identification;
3. Obtain the Buyer's Certification;
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 date of sale of the motor vehicles listed on the form; and maintain records of all export-only salvage or nonrepairable motor vehicle sales as outlined in Records of Export Only Sales.

## 26.8 Application for Salvage or Nonrepairable Vehicle Title

Transportation Code Section 501.097

*(a) An application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title must:*

*(1) be made in a manner 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; and*

*(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number; 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) Except as provided by Sections 501.0925 and 501.0935, 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 printed 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 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.*

*(c-1) The department's titling system must include a remark that clearly identifies the vehicle as a salvage or nonrepairable motor vehicle.*

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

Form: *Application for Salvage or Nonrepairable 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 (or $10 if also applying for a Certified Copy of the original vehicle title)

## 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 Salvage or Nonrepairable 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 and Paid Claim Vehicles)**

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 as outlined in Out-of-State Motor Vehicles below.

**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. If applicable, a photocopy of the inventory receipt (**Form VTR-340**), a CCO receipt issued by VTR Title Control Systems, or a title and registration verification evidencing the negotiable evidence of ownership for a motor vehicle was surrendered to the department by a licensed salvage vehicle dealer; or licensed used automotive parts recycler, and if the evidence of ownership surrendered was from another state, a photocopy of the front and back of the surrendered evidence of ownership.

4. 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 is no longer required on applications for Nonrepairable Vehicle Titles.

5. 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.

6. 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, the county tax collector deputy, or regional employee.**

## 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 *Statement of Fact for Out-of-state Evidence*, **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.**

### 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

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 Salvage or Nonrepairable Vehicle Title,* **Form VTR-441**.

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

A new lien may be recorded or an existing recorded lien may be carried forward to a Salvage Vehicle Title. However, only an existing recorded lien may be carried forward to a Nonrepairable Vehicle Title. A new lien may not be recorded on a Nonrepairable Title.

## 26.9 Insurance and Paid Claim Vehicles

### Insurance Companies and Paid Claim Vehicles

Transportation Code Section 501.0925

*(a) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title that the company is unable to obtain may obtain from the department not earlier than the 30th day after the date of payment of the claim:*

*(1) a salvage vehicle title for a salvage motor vehicle;*

*(2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or*

*(3) a regular certificate of title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.*

*(b) An application for a title under Subsection (a) must be submitted to the department on a form prescribed by the department and include:*

*(1) a statement that the insurance company has provided at least two written notices attempting to obtain the certificate of title for the motor vehicle; and*

*(2) evidence acceptable to the department that the insurance company has made payment of a claim involving the motor vehicle.*

*(c) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title for which the company is unable to obtain proper assignment of the certificate may obtain from the department not earlier than the 30th day after the date of payment of the claim:*

*(1) a salvage vehicle title for a salvage motor vehicle;*

*(2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or*

*(3) a regular certificate of title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.*

*(d) An application for a title under Subsection (c) must be submitted to the department on a form prescribed by the department and include:*

*(1) a statement that the insurance company has provided at least two written notices attempting to obtain a proper assignment of the certificate of title; and*

*(2) the certificate of title.*

*(e) A title issued under Subsection (a) or (c) must be issued in the name of the insurance company.*

*(f) An insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by an out-of-state ownership document may obtain from the department a salvage vehicle title or nonrepairable vehicle title if:*

*(1) the motor vehicle was damaged, stolen, or recovered in this state;*

*(2) the motor vehicle owner from whom the company acquired ownership resides in this state; or*

*(3) otherwise allowed by department rule.*

*(g) A title may be issued under Subsection (f) if the insurance company:*

*(1) surrenders a properly assigned title on a form prescribed by the department; or*

*(2) complies with the application process for a title issued under Subsection (a) or (c).*

*(h) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.*

*(i) The department by rule may provide that a person required by this section to provide notice may provide the notice electronically, including through the use of e-mail or an interactive website established by the department for that purpose.*

*(j) Sections 501.1001(c) applies to a motor vehicle acquired by an insurance company as described in Subsection (a), (c), or (f).*

*(k) The department may adopt rules to implement this section.*

Effective September 1, 2011, the Texas Transportation Code was amended by adding Transportation Code Section 501.0925 . This statute allows a Texas licensed insurance company to obtain a regular, nonrepairable or salvage title on a paid claim vehicle if they are unable to secure the title from the original owner of record. A title issued under this section must be in the name of the insurance company.

### Lack of Evidence of Ownership

Under certain circumstances, an insurance company that acquires a paid claim vehicle may apply for a salvage or nonrepairable vehicle title **without** evidence of ownership or without proper assignment of the owner on the evidence of ownership. These circumstances include:

- the motor vehicle is covered by a vehicle title issued by this state or a manufacturer's certificate of origin;
- at least 30 days have passed since the date of payment of the claim;
- the insurance company signs a certified statement on **VTR-Form 331**, *Insurance Company or Salvage Pool Operator Statement of Facts*, that they provided at least two written notices to the last known address of each owner, and lienholder if applicable, to correctly assign or surrender the vehicle title.

### Title Evidence

The insurance company must submit an *Application for Salvage or Nonrepairable Vehicle Title*, **Form VTR-441** to the VTR - Title Control Services section, accompanied by:

- proof of a paid insurance claim for the motor vehicle;
- a fully completed and signed *Insurance Company or Salvage Pool Operator Statement of Fact*, **VTR-Form 331**;
- if the vehicle is titled in another state or jurisdiction, a fully completed and signed *Statement of Fact for Out-of-State Evidence*, **Form VTR-221**, as well as a valid vehicle and title registration verification from the other state's motor vehicle authority;
- the surrendered, but improperly or unassigned, vehicle title (if available);
- any other supporting documentation; and
- the appropriate application fee.

## Salvage Pool Operator and Insurance Claim Vehicles

Transportation Code Section 501.0935

*(a) In this section, "salvage pool operator" has the meaning assigned by Section 2302.001, Occupations Code.*

*(b) This section applies only to a salvage pool operator who, on request of an insurance company, takes possession of a motor vehicle that is the subject of an insurance claim and the insurance company subsequently:*

*(1) denies coverage with respect to the motor vehicle; or*

*(2) does not otherwise take ownership of the motor vehicle.*

*(c) An insurance company described by Subsection (b) shall notify the salvage pool operator of the denial of the claim regarding the motor vehicle or other disposition of the motor vehicle. The insurance company must include in the notice the name and address of the owner of the motor vehicle and the lienholder, if any.*

*(d) Before the 31st day after receiving notice under Subsection (b-1), a salvage pool operator shall notify the owner of the motor vehicle and any lienholder that:*

*(1) the owner or lienholder must remove the motor vehicle from the salvage pool operator's possession at the location specified in the notice to the owner and any lienholder not later than the 30th day after the date the notice is mailed; and*

*(2) if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle as described by Subsection (d).*

*(e) The salvage pool operator may include in the costs described by Subsection (c)(2) only costs actually incurred by the salvage pool operator that have not been reimbursed by a third party or are not subject to being reimbursed by a third party, such as costs of notices, title searches, and towing and other costs incurred with respect to the motor vehicle. The costs described by Subsection (c)(2):*

*(1) may not include charges for storage or impoundment of the motor vehicle; and*

*(2) may be deducted only from the proceeds of a sale of the motor vehicle.*

*(f) The notice required of a salvage pool operator under this section must be sent by registered or certified mail, return receipt requested.*

*(g) If a motor vehicle is not removed from a salvage pool operator's possession before the 31st day after the date notice is mailed to the motor vehicle's owner and any lienholder under Subsection (c), the salvage pool operator may obtain from the department:*

*(1) a salvage vehicle title for a salvage motor vehicle; or*

*(2) a nonrepairable vehicle title for a nonrepairable motor vehicle.*

*(h) An application for a title under Subsection (f) must:*

*(1) be submitted to the department on a form prescribed by the department; and*

*(2) include evidence that the notice was mailed as required by Subsection (c) to the motor vehicle owner and any lienholder.*

*(i) A title issued under this section must be issued in the name of the salvage pool operator.*

*(j) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.*

*(k) On receipt of a title under this section, the salvage pool operator shall sell the motor vehicle and retain from the proceeds of the sale the costs incurred by the salvage pool operator as permitted by Subsection (d) along with the cost of titling and selling the motor vehicle. The salvage pool operator shall pay any excess proceeds from the sale to the previous owner of the motor vehicle and the lienholder, if any. The excess proceeds must be mailed to the lienholder.*

*(l) If the previous owner of the motor vehicle and the lienholder, if any, cannot be identified or located, any excess proceeds from the sale of the motor vehicle under Subsection (j) shall escheat to the State of Texas. The proceeds shall be administered by the comptroller and shall be disposed of in the manner provided by Chapter 74, Property Code.*

Effective September 1, 2011, the Texas Transportation Code was amended by adding Transportation Code Section 501.0935 Under this statute a salvage pool operator that acquires possession of an insurance claim nonrepairable or salvage motor vehicle at the request of an insurance company, may then apply for a salvage or nonrepairable vehicle title, to be issued in their name for resale.

The operator may apply, without obtaining evidence of vehicle ownership, under the following conditions:

- the insurance company notifies the salvage pool operator that the claim has been denied, and/or the insurance company will not otherwise take ownership of the vehicle;
- the motor vehicle is covered by a vehicle title issued by this state or a manufacturer's certificate of origin;
- at least 30 days have passed since the date of the certified or registered mail notice from the salvage pool operator to the owner, and lienholder if any, to retrieve the vehicle; and
- neither the owner, nor any lienholder, removed the vehicle from the salvage pool operator’s facility within 31 days of the date of notification.

### Title Evidence

Operators must submit an *Application for Salvage or Nonrepairable Vehicle Title*, **Form VTR-441** to TxDMV's VTR - Title Control Services section, accompanied by:

- proof of insurance notice to salvage pool operator to take possession of motor vehicle, and a subsequent notice of claim denial or other decision by insurance company not to take ownership of the vehicle;
- a fully completed and signed *Insurance Company or Salvage Pool Operator Statement of Fact*, **VTR-Form 331**;
- any other supporting documentation; and
- the appropriate application fee.

### Subsequent Sale

A salvage pool operator issued a nonrepairable or salvage vehicle title under this section, must then sell the vehicle. They may only retain actual costs incurred from the proceeds of the sale. The costs retained may not include:

- storage
- impoundment
- towing
- any fee reimbursable by a third party.

The operator then must pay any excess proceeds from the sale to the previous vehicle owner, or lienholder, if any. The operator must mail any excess proceeds to the lienholder, if one exists. If the operator cannot find the owner or lienholder, then they must surrender any excess proceeds to the Texas State Comptroller, to be disposed of in accordance with Chapter 74, Property Code.

### Salvage or Nonrepairable Vehicle Title Issuance

Upon receipt of a completed **Form VTR-441**, accompanied by the appropriate 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.

## 26.10 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 remark; or
- "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.

**Note: A vehicle issued a Nonrepairable Vehicle Title after September 1, 2003 may not be rebuilt, retitled, or registered.**

## 26.11 Rights and Limitations of Holder of Salvage or Nonrepairable Motor Vehicle Documents or Records

Transportation Code Section 501.09111

*(a) A person who owns a nonrepairable 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; 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;*

*(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 is entitled to repair, rebuild, or reconstruct the motor vehicle.*

*(c) A person who owns a salvage 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, register, or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law.*

### Salvage Vehicles

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**:

- carry over their current lienholder from the previous title;
- possess, transport, dismantle, scrap, or destroy the motor vehicle;
- record a lien on and 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."

### Nonrepairable Vehicles

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; or
- carry over the current lienholder from the previous title record.

may **not**:

- repair, rebuild, or reconstruct the motor vehicle;
- operate or permit operation of the motor vehicle on a public highway;
- register or change the type of title for the motor vehicle.

## 26.12 Assignment and Reassignment of Salvage Ownership Documents

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

- If the vehicle has not been rebuilt, a salvage ownership document may be assigned or reassigned by anyone, including an individual.
- If the vehicle has been rebuilt, the owner of the rebuilt salvage vehicle (licensed salvage vehicle dealers excluded) must apply for a vehicle 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 vehicle will be required to obtain a vehicle 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.**

## 26.13 Sale, Transfer or Release

Transportation Code Section 501.095

*(a) If the department has not issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of 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; or*

*(3) a governmental entity.*

*(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, nonrepairable record of title, salvage vehicle title, salvage record of title, or a comparable ownership document issued by another state or jurisdiction shall, before selling the motor vehicle, surrender the properly assigned title for the motor vehicle to the department and apply to the department for the appropriate ownership document.*

*(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.*

A motor vehicle for which a Salvage or Nonrepairable Vehicle Title or record of 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.

## Sale Without Salvage or Nonrepairable Vehicle Title

If a Salvage or Nonrepairable Vehicle Title or comparable out-of-state ownership document has **not** been issued only the following entities may sell, transfer, or release a vehicle:

- a licensed salvage vehicle dealer;
- a used automotive parts recycler, licensed under Occupations Code Chapter 2309;
- a metal recycler licensed under Occupations Code Chapter 2302;
- an insurance company that has paid a claim on the salvage or nonrepairable motor vehicle; or
- a governmental entity.

These entities may only sell, transfer, or release one of these vehicles amongst themselves prior to the issuance of a salvage or nonrepairable vehicle title.

### 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.

### Purchases by Unlicensed Buyers

A person who does not hold a Salvage Vehicle Dealer License may only purchase five or less 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.

## 26.14 Casual Sales

Refer to Chapter 28, Section 28.8 Casual Sales.

## 26.15 Export-Only Salvage and Nonrepairable 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.*

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, Section 29.5 Export Only Requirements and Procedures** for detailed information on export-only sales for regular vehicles.

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, salvage pool operator acting as agent for an insurance company, or 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.

Out-of-state salvage and nonrepairable titles stamped 'for export only' or assigned to a foreign purchaser will be processed in accordance with Transportation Code Section 501.099. This section states that a foreign purchaser of a salvage or nonrepairable motor vehicle will remove the motor vehicle from the United States and not return the motor vehicle to any state as a motor vehicle titled or registered under its manufacturer's vehicle identification number.

Out-of-state salvage or nonrepairable vehicles marked ‘for export only’ or assigned to a foreign purchaser are not acceptable for title in Texas.

## 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.

## Stamping “For Export Only”

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

Refer to Chapter 28, Section 28.9 Export-Only Sales by Salvage Vehicle Dealers.

## Export Only Remark

A vehicle for which the motor vehicle record indicates the “EXPORT ONLY” 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 “EXPORT ONLY” remark; or
- the Texas motor vehicle salvage or nonrepairable record indicates a “EXPORT ONLY” remark.

**Note: A court order will also be required if a motor vehicle indicates a “EXPORT ONLY” 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 was issued 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 “EXPORT ONLY” 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 “EXPORT ONLY” remark be removed from the record;
2. a copy of the current Certificate of Salvage Vehicle Dealer License issued by the TxDMV Motor Vehicle Division, 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).
4. A court order will also be required if a motor vehicle record indicates a “EXPORT ONLY” remark.

## 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 VTR-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; and
5. a copy of the current *Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License*, **Form VTR-100** issued by the TxDMV Motor Vehicle Division; 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 Salvage or Nonrepairable 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 TxDMV Motor Vehicle Division, if applicable;
5. any other documentation required to accompany the transaction, such as an original power of attorney; and
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 "EXPORT ONLY" 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 "EXPORT ONLY" 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 a *Receipt for Surrendered Titles and 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 "EXPORT ONLY" remark, the remark is 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 division's 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 unless a valid court order is provided to a subsequent buyer of the salvaged vehicle. A Tax Assessor-Collector Hearing Order or Bond is not acceptable under these circumstances.

## Export Only Comparison Chart

**Table 26-1 Export-only Motor Vehicle Sales: Comparison**

| | Salvage/Nonrepairable Motor Vehicles (damaged) | Regular Motor Vehicles (undamaged) |
|---|---|---|
| Administering Division | VTR | MVD |
| Authority | Statute: Trans. Code §501.099<br>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. |

| | **Salvage/Nonrepairable Motor Vehicles (damaged)** | **Regular Motor Vehicles (undamaged)** |
|---|---|---|
| Requirement of Sellers | Seller (salvage vehicle dealer or governmental entity) must:<br>• obtain Salvage or Nonrepairable Vehicle Title prior to sale;<br>• obtain buyer's certification (Form VTR-902);<br>• obtain legible copy of buyer's foreign ID;<br>• maintain copies of the front and back of the stamped and assigned title; and<br>• report the sale within 30 days to department. | Licensed motor vehicle dealer must:<br>• stamp title with *For Export Only* and dealer # (P#) and<br>• verify the validity of the buyer's foreign motor vehicle dealer license;<br>• If the buyer is a Mexican Motor Vehicle Dealer, the seller must, in addition to the above:<br>• obtain a legible copy of Mexican buyer's dealer license and the buyer's ID;<br>• maintain copies of the front and back of the stamped and assigned title; and<br>• complete a Motor Vehicle Sales Tax Exemption form. |
| Restrictions | Foreign buyer must remove the salvage or nonrepairable motor vehicle from the United States.<br><br>The salvage or nonrepairable motor vehicle <u>may never be</u>:<br>retitled in the U.S.;<br>reregistered in the U.S.; or<br>operated on Texas public roads.<br>Note: Court Order would be required to issue a Texas title. | Foreign buyer must:<br>remove the motor vehicle from the United States, and<br>title or register the motor vehicle in a foreign jurisdiction prior to importing it back to the U.S.<br><br>The motor vehicle <u>may be</u>:<br>retitled in Texas and reregistered in Texas. |
| Reporting of Sales Required | Yes | No |
| Motor Vehicle Records Marked | Yes | No |
| Stamped in Error Procedures | The seller who stamped the title in error must apply for the appropriate salvage or nonrepairable document in their name.<br>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:<br>• a Form VTR-34-S, Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title;<br>• the appropriate verifiable proof documentation;<br>• the incorrectly stamped Nonrepairable or Salvage Vehicle Title;<br>• a statement of fact from the salvage vehicle dealer or governmental entity explaining why the assignment to the foreign purchaser was cancelled;<br>• 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<br>• 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.<br>If the incorrectly stamped title is issued in the seller's name, a certified copy of the title may be requested by submitting:<br>• a properly executed Form VTR-34, Application for a Certified Copy of a Texas Certificate of Title;<br>• the appropriate verifiable proof documentation;<br>• the incorrectly stamped title document;<br>• a statement of fact explaining why the assignment to the foreign purchaser was cancelled;<br>• a copy of the seller's current dealer license; and<br>• a $2 (mail) or $5.45 (walk-in) application fee. |

| | **Salvage/Nonrepairable Motor Vehicles (damaged)** | **Regular Motor Vehicles (undamaged)** |
|---|---|---|
| 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.<br>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:<br>• a properly completed Form VTR-441, Application for Salvage or Nonrepairable Vehicle Title;<br>• the incorrectly stamped Nonrepairable or Salvage Vehicle Title;<br>• a statement of fact explaining why the assignment to the foreign purchaser was cancelled;<br>• 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<br>• the $8 application fee.<br>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:<br>• a properly completed Application for Texas Title, Form 130-U;<br>• the incorrectly stamped title document;<br>• a statement of fact explaining why the assignment to the foreign purchaser was cancelled;<br>• a copy of the seller's current dealer license; and<br>• the appropriate $28/$33 application fee. |
| Certified Copy Issuance:<br>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 "EXPORT ONLY" remark:<br>• a certified copy of a Nonrepairable or Salvage Vehicle Title may not be issued; and<br>• a valid court order will be required to remove the "EXPORT ONLY" remark to allow further issuance of Texas Rebuilt Salvage title documents.<br>• A certified copy may only be issued when title was stamped in error (see above). | A Certified Copy of the title may be issued. |

| | **Salvage/Nonrepairable Motor Vehicles (damaged)** | **Regular Motor Vehicles (undamaged)** |
|---|---|---|
| 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).<br>• Examples of this situation include when an application for a Texas Certificate of Title is supported by a:<br>1. Nonrepairable or Salvage Vehicle Title, stamped "For Export Only;"<br>2. Foreign ownership document issued for the motor vehicle and the motor vehicle record indicates a "EXPORT ONLY" remark; or<br>3. The Texas motor vehicle record indicates a "EXPORT ONLY" remark.<br>• Tax collector hearings or bonded titles are not available options in these instances.<br>• Upon receipt of an appropriate court order, the export-only notation would be removed to allow processing of a Rebuilt Salvage Certificate of Title.<br>• All subsequent certificates of title will also indicate the appropriate "REBUILT SALVAGE" remark.<br>**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:<br>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<br>2. the title is or is not stamped "For Export Only."<br>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).<br>• The buyer must provide proper foreign evidence of ownership (i.e. a foreign title or registration document); or may pursue:<br>1. a Tax Collector's Hearing;<br>2. a Bonded title; or may<br>3. obtain a valid court order. |
| Programming | The EXPORT ONLY remark is a "hard stop" to prevent further Texas title or registration issuance. | None |

## 26.16 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 for owner retained salvage and nonrepairable motor vehicles (see Certified Copy of Title for Owner Retained Motor Vehicles), or salvage or nonrepairable motor vehicles sold for export-only (see Salvage or Nonrepairable Vehicle Titles Stamped "For Export-Only" in Error).

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 26-2 shows what type document will be issued upon application for a certified copy on or after September 1, 2003:

**Table 26-2 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) |

## Dealers as Sellers in the Last Completed 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 Salvage or Nonrepairable 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 TxDMV Motor Vehicle Division, if applicable;
- any other documentation required to accompany the transaction, such as an original power of attorney; and
- an $8 application fee.

## 26.17 Metal Recyclers

Transportation Code Section 501.091(7)

*A metal recycler is a person who:*

*(a) is engaged in the business of obtaining, converting, or selling ferrous or nonferrous 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 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*

*(c) 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.

A *Metal Recyclers Inventory Number Application*, **Form VTR-217** must be completed and submitted to the nearest TxDMV Regional Service Center. The Department of Public Safety's Certificate of Registration as a Metal Recycling Entity must be displayed or a copy provided upon submission of the **Form VTR-217**.

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

### Salvage Vehicle Dealer License Requirement

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

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.*

Form: *Receipt for Surrendered Titles and Other Evidence of Ownership,* **Form VTR-340**

Also refer to Occupations Code Section 2302.205.

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: a **Form VTR-340** certifying that all unexpired license plates and registration stickers have been removed from the motor vehicle; and
- the properly assigned vehicle 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 Chapter 28, Section 28.6 Removal of License Plates and Surrender of Certain Documents.

## 26.18 Application for Salvage Ownership Document after Surrender of Ownership Evidence

Form: *Application for Salvage Vehicle Title or Non-repairable 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.

**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 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 Salvage or Nonrepairable Vehicle Title,* **Form VTR-441** indicating whether they are applying for a Nonrepairable Vehicle Title or a Salvage Vehicle Title;
  - $8 application fee; and
  - a copy of the **Form VTR-340** surrendered to the department with the evidence of ownership that lists the applicable vehicle.
- Out-of-state 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 TxDMV Regional Service Center records), the only options available to the applicant are to 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 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.

**Note: A motor vehicle that was disposed of for demolition, wrecking, scrap, or salvage that was issued an *Application for Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking, or Dismantling Only*, 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.**

## 26.19 Abandoned Vehicles

*Refer to* Chapter 22, Section 22.6 Disposal to Demolisher.

## 26.20 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 Vehicle 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:

1. 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).
2. An *Application for Assigned or Reassigned Number*, **VTR-68-A** with the inspection report completed:
   - the top portion should be completed by the individual or authorized agent who submitted the original application, and
   - the bottom portion executed by a law enforcement agency indicated on the form, verifying the VIN of the vehicle.
3. 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 is 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 Vehicle 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 Vehicle Title;
- Obtain a bonded title;
- Schedule a tax collector's hearing; or
- Obtain a court order ordering issuance of a Texas Vehicle Title.

## 26.21 Out-of-State Salvage or Rebuilt Salvage Vehicle

Transportation Code Section 501.09113

*(a) This section applies only to a motor vehicle brought into this state from another state or jurisdiction that has on any 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 title for the motor vehicle.*

## 26.22 Offenses

Transportation Code Section 501.109

*(a) A person commits an offense if the person:*

*(1) applies to the department for a 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 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 501.1001.*

*(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.*

*(f) Subsection (c) does not apply to an applicant for a title under Sections 501.0925 and 501.0935.*

## 26.23 Enforcement

Transportation Code Section 501.110

*(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 or revocation of a title, nonrepairable vehicle title, or salvage vehicle title, or salvage record of title under this subchapter.*

Chapter 27

# REBUILT SALVAGE

This chapter contains the following sections:


- ***27.1*** Rebuilt Salvage
- ***27.2*** Salvage Vehicle Safety Inspection
- ***27.3*** Application for Texas Certificate of Title Branded "Rebuilt Salvage"
- ***27.4*** Rebuilt Salvage Title Brands and Motor Vehicle Record Remarks
- ***27.5*** Issuance of Title to Motor Vehicle Brought Into State


## 27.1 Rebuilt Salvage

Transportation Code Section 501.100

*(a) The owner of a motor vehicle for which a nonrepairable vehicle title issued prior to September 1, 2003, or for which a salvage vehicle title or salvage record of title has been issued may apply for a title after the motor vehicle has been repaired, rebuilt, or reconstructed and, in addition to any other requirement of law, only if the application:*

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

*(2) states the name of each person from whom the parts used in assembling the vehicle were obtained; and*

*(3) 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 fee for the title, the department shall issue the applicant a title.*

*(c) A title issued under this section must describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle.*

*(d) In addition to the fee described by Subsection (b), the applicant shall pay a $65 rebuilder fee. The applicant shall include the fee with the statement submitted under Section 502.156 for the vehicle.*

*(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 title for a motor vehicle based on a:*

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

*(2) receipt issued under Section 501.1003 (b); or*

*(3) certificate of authority.*

## Who Must Apply

Application for a Texas Certificate of Title branded "Rebuilt Salvage" is required in the following situations**:**

- 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**; or
  - 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 five 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 on or after September 1, 2003;
- 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 "EXPORT ONLY" remark;
- 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.

## 27.2 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 Vehicle Statement*, **Form VTR-61**, unless the vehicle is exempt from Texas vehicle safety inspection requirements or "Title Only" is applied for.

**Note: If an application for Title Only is submitted with a *Rebuilt Affidavit*, Form VTR-61, that does not include the inspection information, "VIN Verification Waived" should be selected in RTS.**

## 27.3 Application for Texas Certificate of Title Branded "Rebuilt Salvage"

### 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 Title,* **Form 130-U**

**Application Fees:**

- 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 Rebuilt 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 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 evidence of ownership 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 Vehicle Statement,* **Form VTR-61** that includes:
  - a description of the motor vehicle, to include the 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 marks 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 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 502.046, 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 Texas Certificate of Title Branded "Rebuilt Salvage"

When a salvage 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 are 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.

### Issuance of Registration

*Refer to Transportation Code Section 501.1002 and Transportation Code Section 501.09111*

Prior to September 1, 2003 a salvage 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 any type of salvage or nonrepairable title:

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.

## 27.4 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 |

| 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 |
|---|---|---|
| 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.**

## 27.5 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 vehicle 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 title for the motor vehicle.*

*(c) A 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.*

Chapter 28

# SALVAGE VEHICLE DEALERS

This chapter contains the following sections:


- ***28.1*** Definitions
- ***28.2*** Salvage Vehicle Dealer License
- ***28.3*** Salvage Vehicle Agent License
- ***28.4*** Evidence of Ownership Required for Purchase
- ***28.5*** Unique Inventory Number
- ***28.6*** Removal of License Plates and Surrender of Certain Documents
- ***28.7*** Off-Site Salvage Sales Prohibited
- ***28.8*** Casual Sales
- ***28.9*** Export-Only Sales by Salvage Vehicle Dealers
- ***28.10*** Records
- ***28.11*** Applicability
- ***28.12*** Miscellaneous Department Responsibilities
- ***28.13*** Miscellaneous Entity Responsibilities
- ***28.14*** Inspection
- ***28.15*** Miscellaneous


## 28.1 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) "Board" means the board of the Texas Department of Motor Vehicles.*

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

*(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.*

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.*

## 28.2 Salvage Vehicle Dealer License

*For Definitions refer to Transportation Code Section 501.091.*

### Salvage Vehicle Dealer License Required

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.*

A salvage vehicle dealer license is required if a person:

- acquires, sells, repairs, rebuilds, reconstructs, or otherwise deals in salvage motor vehicles or, if incidental to a salvage motor vehicle dealer's primary business, used automotive parts;
- deals in nonrepairable 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 an independent vehicle dealer license (General Distinguishing Number) from TxDMV's Motor Vehicle Division. The Motor Vehicle Division can be contacted at 1-888-368-4689.

## 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.*

## 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 five or less 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

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 and 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.*

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.*

Application: *Salvage Vehicle Dealer License Application,* **Form MVD-438-A**

Fee:$95.00 for each salvage vehicle dealer license classification.

Place of Application: Submit completed **Form MVD-438-A**, proper documentation, and the applicable fee to:

Texas Department of Motor Vehicles
Motor Vehicle Division - Salvage Licensing Section
P.O. Box 13176
Austin, TX 78711

## Classifications

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.*

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 transferred 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 nonrepairable 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.

## 28.3 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.*

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
Motor Vehicle Division - Salvage Licensing Section
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.

## 28.4 Evidence of Ownership Required for Purchase

Occupations Code Section 2302.201

*(a) Except as provided by Section 501.0935, Transportation Code, 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.*

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.

**Note: Effective September 1, 2011, a salvage pool operator may acquire a salvage or nonrepairable title on an insurance claim vehicle, without the properly assigned vehicle title, subject to the restrictions contained in Transportation Code Section 501.0935. (Refer to Salvage Pool Operator and Insurance Claim Vehicles).**

## 28.5 Unique 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.*

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 10,000lbs 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.

## 28.6 Removal of License Plates and Surrender of Certain Documents

Transportation Code Section 501.1003

*(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 in a manner 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 department shall adopt rules to notify the salvage dealer if the vehicle was not issued a printed title, but has a record of title in the department's titling system.*

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.*

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.*

*Also refer to Transportation Code Section 501.107.*

Form: Receipt for Surrendered Titles and 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 *Receipt for Surrendered Titles and 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 dismantling, scrapping, or destruction;
- salvage or nonrepairable motor vehicle that is not titled by salvage or nonrepairable evidence of ownership (for example, it has a regular blue title or equivalent); or
- a motor vehicle that has not been classified as salvage or nonrepairable for the purpose of dismantling, scrapping, or destruction.

## 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

Refer to Chapter 26, Section 26.18 Application for Salvage Ownership Document after Surrender of Ownership Evidence

### Surrender of "For Export-only" Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard

Refer to "Surrender of "For Export-Only" Stamped Salvage or Nonrepairable Vehicle Title by Salvage Yard" in Chapter 26, "Salvage and Nonrepairable Vehicles".

## 28.7 Off-Site Salvage Sales Prohibited

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.

## 28.8 Casual Sales

Occupations Code Section 2302.204

*This chapter does not apply to a person who purchases more than five 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 board 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.*

*Transportation Code Section 501.091 (2)* defines a casual sale as the sale by a salvage vehicle dealer or insurance company of five or fewer nonrepairable or salvage motor vehicles to the same person during a calendar year. The term does not include (Refer to *Occupations Code Section 2302.204)*:

- a sale at auction to a salvage vehicle dealer; or

- a sale to an insurance company, out-of state buyer, or government entity; 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 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.**

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 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 (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, repairing, rebuilding, reconstructing or otherwise dealing in nonrepairable or salvage motor vehicles; or
- repairs, rebuilds, or reconstructs more than five salvage motor vehicles in a calendar year (January – December); or
- purchases more than five salvage or nonrepairable vehicles during a calendar year (January – December).

## Casual Sales Records

The salvage vehicle dealer or salvage pool operator must maintain records of each casual sale**.**

Transportation Code Section 501.108

*(a) 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.*

*(b) A salvage vehicle dealer or used automotive parts recycler shall keep on the business premises of the dealer or recycler, 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 as required by Section 501.1003.*

A salvage vehicle dealer must maintain records of each casual sale on a *Casual Sale Record*, **Form VTR-903**, or an electronic format and 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;
- 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); and
- A record of the vehicle's ownership and its condition as dismantled, scrapped or destroyed as required by Transportation Code Section 501.1003.

### Administrative Penalty

Occupations Code Section 2302.254, allows the department to impose an administrative penalty against a person licensed under that chapter who violates the chapter or a rule or order adopted under that chapter.

## 28.9 Export-Only Sales by Salvage Vehicle Dealers

Refer to Chapter 26, Section 26.15 Export-Only Salvage and Nonrepairable Motor Vehicles for all requirements by salvage dealers involving Export-Only vehicles.

### Export-Only Sale Records

Form: Export-only Sales Record, **Form VTR-902**

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.

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** 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 "EXPORT ONLY" remark that prevents processing of any subsequent titles or issuance of registration for the vehicle. A vehicle with a motor vehicle record that contains the "EXPORT ONLY" remark cannot be registered or titled in Texas, unless a valid court order is presented by a subsequent Texas buyer.

# 28.10 Records

## Records of Purchase, Sales, and Inventory

Occupations Code Section 2302.202

*A salvage vehicle dealer shall maintain a record of each salvage motor vehicle purchased or sold by the dealer.*

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.*

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.*

Salvage vehicle dealers are required to keep an accurate and legible record of each motor vehicle and each used part purchased, 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. Salvage vehicle dealers are required to maintain vehicle sales records for the terms listed below:

- Non Casual Sales - five years
- Casual Sales - three years
- Export Only Sales - three years
- Component Parts Sales - one year

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.

### Records of Scrapped or Destroyed Vehicles

Form: *Receipt for Surrendered Titles and Other Evidence of Ownership,* **Form VTR-340**

A salvage vehicle dealer must keep on their premises a:

- record of each vehicle that is scrapped or destroyed; and
- a photocopy of the front and back of any evidence of ownership surrendered to the department, unless the evidence of ownership is a Texas-issued title.

Records must be maintained until the third anniversary of the date the **Form VTR-340** was filed with the department.

## 28.11 Applicability

### 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.*

### 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.*

## 28.12 Miscellaneous Department Responsibilities

### 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 board shall set application fees, license fees, renewal fees, and other fees as required to implement this chapter. The board 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 board 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 board 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.*

## 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.*

## Disciplinary Action

Occupations Code Section 2302.108

*(a) The department may deny, suspend, revoke, or reinstate a license issued under this chapter.*

*(b) The board 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.*

# 28.13 Miscellaneous Entity Responsibilities

## 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.*

## 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.*

## 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.*

# 28.14 Inspection

## 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 board, an employee or agent of the board 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.*

### 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.*

## 28.15 Miscellaneous

### 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:


- ***29.1*** Definitions and General Information
- ***29.2*** Duty of Vehicle Dealer on Sale of Certain Vehicles
- ***29.3*** Requirement for Motor Vehicle Dealers
- ***29.4*** Dealer's Reassignment of Title for a Motor Vehicle (Form VTR-41-A)
- ***29.5*** Export Only Requirements and Procedures
- ***29.6*** Processing Title Transactions Involving Dealer Bankruptcy


## 29.1 Definitions and General Information

Transportation Code Section 501.002 (3)

*"Dealer" means a person who regularly and actively buys, sells, or exchanges vehicles at an established and permanent location. The term includes a franchised motor vehicle dealer, and independent motor vehicle dealer, an independent mobility motor vehicle dealer, and a wholesale motor vehicle dealer.*

### 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.

## 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 the Enforcement Division.

## 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;
- trailers weighing less than 4000 lbs; and
- farm trailers and semi trailers between 4000 lbs and 34,000 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.

**Note: Dealers are responsible for filing all paperwork for trailers/semitrailers in excess of 34,000 lbs GVW even if the trailer/semitrailer are for farm use.**

## 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 of origin 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 of origin. 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."

They 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 of origin 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 MCO 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 MCO executed by Texas dealers must include an odometer statement showing the mileage appearing on the vehicle's odometer at the time of transfer. MCOs not including a Federal odometer statement must have a separate odometer statement completed. (Refer to Chapter 15, "Odometers".)

## 29.2 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 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 title has been surrendered in exchange for:*

*(A) a salvage vehicle title or salvage record of title issued under this chapter;*

*(B) a nonrepairable vehicle title or nonrepairable vehicle record of title issued under this chapter or Subchapter D, Chapter 683; or*

*(C) an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B):*

*(3) with a gross weight in excess of 11,000 pounds; or*

*(4) purchased by a commercial fleet buyer who:*

*(A) is a deputy authorized by rules adopted under Section 520.0071;*

*(B) utilized the dealer title application process developed to provide a method to submit title transactions to the county in which the commercial fleet buyer is a deputy; and*

*(C) has authority to accept an application for registration and application for title transfer that the county assessor-collector may accept.*

*(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 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.*

*(e) The department shall develop a form or electronic process in 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 or electronic process 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.

## 29.3 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

Transportation Code Section 501.002 (17)

"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 lbs;*

*(C) A travel 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.*

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 Section 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 original form, executed by the purchaser must be retained in the motor vehicle dealer's records. Some Tax Assessor-Collector's offices may require a photocopy of this form to be submitted with the Title Application package.

### Identification Requirements

Reference Chapter 6, Section 6.3 Personal Identification Information for Obtaining Title.

An applicant for title or initial registration must present an acceptable form of ID to the dealer. A dealer or their employee must visually check the ID to verify owner information.

Licensed Texas dealers are not required to submit a copy of the ID to the county, but are required to retain a copy of the ID in their purchase and sales records. Dealers not licensed in Texas are required to present a copy of the applicant's ID to the county tax office.

## 29.4 Dealer's Reassignment of Title for a Motor Vehicle (Form VTR-41-A)

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 MCO.

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 Transportation Code 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 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 Enforcement 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.**

## 29.5 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:<br>• 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:<br>• 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.)<br>After the above requirements are met, the motor vehicle may be:<br>• Retitled and Reregistered in Texas. |
| Sales Reported To VTR | No |
| "Export Only" On Motor Vehicle Records | No |

| | Regular (not Salvage) Motor Vehicles |
|---|---|
| Stamped in Error Procedures | The motor vehicle dealer who stamped the title in error must apply for a title in the dealer's name.<br>Along with the application filed with the county tax office, the dealer must include:<br>• The incorrectly stamped title document;<br>• A statement of fact explaining why the assignment to the foreign dealer or foreign purchaser was cancelled;<br>• A copy of the seller's current dealer license; and<br>• 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:<br>• 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<br>• The title is or is not stamped "FOR EXPORT ONLY."<br>**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 Enforcement for investigation).**<br>The buyer must provide proper foreign evidence of ownership (i.e. a foreign title or registration document); or may pursue:<br>• A Tax Collector's Hearing;<br>• A Bonded title; or may<br>• Obtain a valid court order. |

## 29.6 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 TxDMV Regional Service Center
- 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.

- 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.

## Waiver of Fees

Transportation Code Section 520.003

*(a) The department may adopt rules to administer this chapter, including rules that:*

*(1) waive the payment of fees if a dealer has gone out of business and the applicant can show that fees were paid to the dealer; and*

*(2) allow full and partial refunds for rejected titling and registration transactions.*

*(b) The department may collect from a person making a transaction with the department using the state electronic Internet portal project a fee set under Section 2054.2591, government code. All fees collected under this subsection shall be allocated to the department to provide for the department's cost associated with administering Section 2054.2591, Government Code.*

## Bankruptcy or Closure and 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. Modify 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/DEALER CLOSED."
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. Once the system updates, issue a no-charge replacement sticker and mail to customer.

# Chapter 30

# MISCELLANEOUS

This chapter contains the following sections:


- ***30.1*** Definitions
- ***30.2*** Application of Subchapter
- ***30.3*** Register of Repairs
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## 30.1 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.*

*(5) "Board" means the board of the Texas Department of Motor Vehicles.*

*(6) "Department" means the Texas Department of Motor Vehicles.*

## 30.2 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.*

## 30.3 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.*

## 30.4 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.*

## 30.5 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.*

### 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.*

## 30.6 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.*

## 30.7 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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