



August 21, 2014

Registration and Title Bulletin # 018-14 Policy and Procedure

TO: All County Tax Assessor-Collectors

SUBJECT: Owner Retained Legal Restraint Remark

PURPOSE

To provide you with updated guidance on how an owner retained vehicle is reported as salvage or nonrepairable in the Registration and Title System (RTS).

DETAILS

Vehicles previously reported to the department by an insurance company as an owner retained vehicle will have a legal restraint in the “Remarks” section of RTS which contains “OR” followed by 5 digits (*Example: LEGAL RESTRAINT-CONTACT TXDMV (#OR94397)*). Previously, guidance was required from your local TxDMV Regional Service Center to interpret the legal restraint and determine what process must be followed.

We will begin using new remarks effective immediately. Records with the new remarks will now indicate the type of legal restraint placed on an owner retained vehicle eliminating the need for you to contact your local TxDMV Regional Service Center for guidance. The RTS remark for a salvage vehicle is **LEGAL RESTRAINT-CONTACT TXDMV (#ORSAL)**. The RTS remark for a nonrepairable vehicle is **LEGAL RESTRAINT-CONTACT TXDMV (#ORNR)**. A vehicle designated as nonrepairable cannot obtain a Certificate of Title and/or be registered.

When the record contains the remark **#ORSAL**, the owner of record must apply for a Salvage Vehicle Title and subsequently complete the rebuilt vehicle process before the vehicle can be titled as a rebuilt salvage and/or registered. An innocent purchaser is not required to apply for a Salvage Vehicle Title, but must complete the rebuilt vehicle process before the vehicle can be titled as a rebuilt salvage and/or registered. In both scenarios, the \$65 Rebuilt Fee is required. When the record contains the remark **#ORNR**, the owner or any subsequent purchaser can only apply for a Nonrepairable Vehicle Title with the department and cannot complete the rebuilt process.

COUNTY ACTION

Excluding situations involving innocent purchasers, vehicles with **#ORSAL** must first be issued a Salvage Vehicle Title before being processed as a rebuilt salvage. Vehicles with **#ORNR** can only be issued a Nonrepairable Vehicle Title. Customers should be directed to apply for a Salvage or Nonrepairable Vehicle Title, as applicable, through the department. There is no longer a need to contact your local TxDMV Regional Service Center when you observe either of these remarks.

When the RTS remarks section indicates a previously reported owner retained legal restraint containing the 5-digit number, continue to contact your local TxDMV Regional Service Center in order to establish whether the vehicle is a salvage or nonrepairable vehicle and determine what process needs to be followed.

You will need to continue to contact your local TxDMV Regional Service Center to obtain an override authorization code when processing a salvage owner retained vehicle involving an innocent purchaser. Additional information on innocent purchasers of owner retained vehicles is located in Section 8.7 "Innocent Purchaser of an Owner Retained Motor Vehicle" of the *Salvage/Nonrepairable Motor Vehicle Manual*.

CONTACT

If you have any questions, please contact your local TxDMV Regional Service Center.

Sincerely,



Tim Thompson, Deputy Director
Vehicle Titles and Registration Division