



January 30, 2015

Registration and Title Bulletin # 002-15 Policy and Procedure

TO: All County Tax Assessor-Collectors

SUBJECT: Storage Lien and Form VTR-265-S Revisions

PURPOSE

To provide you with guidance on the notification requirements for a storage lien and revisions to *Storage Lien Foreclosure*, **Form VTR-265-S**.

DETAILS

The department has reviewed the procedures for the miscellaneous foreclosure liens in an effort to clarify and streamline the requirements and procedures. Previously, the department has not differentiated between consent and non-consent storage for this type of storage lien. The following information is an overview of the storage lien process when making the appropriate consideration for consent or non-consent storage. Changes to detail the process will follow in the January 2015 revision of the *Motor Vehicle Title Manual*.

Generally, a storage lien can exist only when a vehicle is stored pursuant to a contract or an agreement between a garage keeper (claimant) and the vehicle owner or a person who has authority to contract for such services. This is known as consent storage/possession. However, a storage facility may obtain non-consent storage/possession under a state law or city ordinance.

Under consent storage, a written and dated contract for the vehicle to be stored on the premises of the facility is required. The contract must contain terms and an expiration date at a minimum. The vehicle is deemed abandoned 10 days after the contract expires. The claimant must notify law enforcement of abandonment between the 11th and 17th day after the contract expires. A *Notice to Remove Vehicle* is required to be sent to the owner/lienholder if more than 5 days of storage fees are to be assessed by the claimant.

Under non-consent storage, a claimant must make a *Notice to Remove Vehicle* within the applicable time period (as detailed in the next paragraph depending on where the vehicle was last registered), and no more than 5 days of storage may be assessed until the notice is made. The vehicle is deemed abandoned 10 days after the notice is made. The claimant must notify law enforcement of abandonment between the 11th and 17th day of making the notice.

The *Notice to Remove Vehicle* must be made to the owner and all lienholders by certified mail, return receipt requested, within 5 days of obtaining possession if the vehicle was last registered in Texas or within 14 days if the vehicle was last registered outside of Texas. Alternatively, notice may be acceptable if given by newspaper publication (refer to the *Motor Vehicle Title Manual* for applicable circumstances). The notice must contain a request to remove the motor vehicle, a request for payment, the location of the motor vehicle, and the amount of accrued charges.

Additionally, a maximum of 5 days of storage fees may be charged until the *Notice to Remove Vehicle* is made. Additional days of storage fees may be assessed if a claimant makes the notice within 5 days of obtaining possession if the vehicle was last registered in Texas or within 14 days if the vehicle was last registered outside of Texas. Any additional days of storage may begin with the day the *Notice to Remove Vehicle* is made. However, storage fees cannot be assessed if law enforcement is not notified between the 11th and 17th day after the contract expires (consent) or making the *Notice to Remove Vehicle* (non-consent); however, any other fees remain valid.

The claimant or their authorized agent may sell the vehicle at public sale to the highest bidder if the charges are not paid, and law enforcement has not taken the vehicle into custody before the 31st day after notification to law enforcement.

COUNTY ACTION

Please review the revised procedures under the “Storage Lien Foreclosure Procedures” on page two of the *Storage Lien Foreclosure, Form VTR-265-S* (rev. 01/15). These revised procedures will be published in the next revision of the *Motor Vehicle Title Manual*.

When processing a title application under the storage lien foreclosure process, ensure law enforcement was notified within the specified time period. This can be verified by a dated receipt from law enforcement showing the payment of the \$10 administrative fee or by the completion of the “Law Enforcement Certification” on page 1 of the **Form VTR-265-S**.

Also, ensure proper notice was made by certified mail, return receipt requested, or by newspaper publication within the specified time period for non-consent storage and if more than 5 days of storage are assessed in conjunction with a consent storage. The Notice to Remove Vehicle is only required with a consent storage if more than 5 days of storage are assessed. Ensure the request for information sent to the governmental entity where the motor vehicle is registered was made by certified mail, return receipt requested, if the notice was made by newspaper publication. The U.S. Postal Service’s “Track and Confirm” option is not acceptable. Additionally, continue to ensure the title/registration verification is from the governmental entity of record. A title/registration verification from a third party vendor is not acceptable.

CONTACT

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

Sincerely,



Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

JK:TT:TH

Attachments