



September 28, 2016

Registration and Title Bulletin # 007-16 Policy and Procedure

TO: All Salvage Dealers and Metal Recyclers

SUBJECT: **Process Change for Vehicle Ownership Evidence Surrendered on Form VTR-340**

PURPOSE

To provide you with the revised process and forms for use when surrendering vehicle ownership evidence when you obtain a vehicle for dismantling, scrapping, or destroying.

DETAILS

Currently, when a salvage vehicle dealer acquires a salvage or nonrepairable motor vehicle for the purpose of dismantling, scrapping, or destroying, the salvage vehicle dealer is required to surrender the ownership evidence for that motor vehicle to a Texas Department of Motor Vehicles (TxDMV) Regional Service Center in conjunction with the *Receipt for Surrendered Titles and Other Evidence of Ownership* (Form VTR-340). Additionally, metal recyclers surrender the ownership evidence of motor vehicles they have permanently destroyed on the same form.

In an effort to maintain the appropriate disposition of the vehicle, the department has revised and renamed Form VTR-340 to *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed*. This revised form is exclusively for use by salvage vehicle dealers. Vehicles that are reported on Form VTR-340 are considered junk, nonrepairable motor vehicles that cannot be repaired, rebuilt, or retitled for on-road use. As a reminder, Transportation Code, Section 501.1003, requires a vehicle acquired for the purpose of dismantling, scrapping, or destroying to be reported to the department before the 31st day following acquisition.

In addition, the department has created the *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) for use exclusively by metal recyclers. As a reminder, Texas Administrative Code, Section 217.86, requires a metal recycler to surrender the ownership evidence for any motor vehicle that has been permanently destroyed to the department before the 61st day following the permanent destruction.

Additionally, we want to take this opportunity to remind salvage vehicle dealers and metal recyclers that proper assignment of the title must be made if you are taking possession of the motor vehicle for any purpose. At minimum, state law requires the person or entity transferring the motor vehicle to sign as the seller. Further, federal law requires the transferor (seller) to disclose the odometer reading of the vehicle, which must be acknowledged by the salvage vehicle dealer or metal recycler by signing as the purchaser when the motor vehicle is self-propelled, less than 16,000 pounds, and under 10 model years old.

As the regulatory agency for salvage vehicle dealers, the department will begin enhanced enforcement efforts to ensure salvage vehicle dealers are in compliance with surrendering

ownership evidence within the 30 day timeframe specified by state law. Additionally, we will be reviewing surrendered ownership evidence to ensure proper assignment has been completed on the surrendered ownership evidence.

Existing revisions of the Form VTR-340 remain acceptable for both salvage vehicle dealers and metal recyclers until December 31, 2016. However, we strongly encourage use of the revised forms as quickly as possible to aid the department in updating motor vehicle records with the appropriate dispositions. Effective January 1, 2017, salvage dealers will be required to submit the revised *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340), and metal recyclers will be required to submit the new *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M).

SALVAGE VEHICLE DEALER AND METAL RECYCLER ACTION

Please review the revised forms which are attached for your convenience. We strongly encourage the use of the revised forms as soon as possible. Submission of the new or revised form, as applicable, will be required effective January 1, 2017.

Please ensure you are surrendering the ownership evidence within 30 days if you are a salvage vehicle dealer or within 60 days if you are a metal recycler. Additionally, ensure proper assignment has been made on all surrendered ownership evidence.

CONTACT

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

Sincerely,



Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

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Attachments