



December 22, 2016

Registration and Title Bulletin # 013-16 Policy and Procedure

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

SUBJECT: **Salvage Vehicles Rebuilt by Salvage Vehicle Dealers**

PURPOSE

To inform you of requirements for salvage vehicles repaired by salvage vehicle dealers.

DETAILS

On December 9, 2015, new Texas Administrative Rules were adopted that define salvage dealer license endorsements and clarify premises, records, and consumer disclosure requirements. Additionally, these rules clarify salvage dealer requirements for rebuilt salvage vehicles. These administrative rules are located in Texas Administrative Code, Title 43, Part 10, Chapter 221.

As a result of the changes to Texas Administrative Rules, a salvage dealer who repairs a salvage vehicle or uses a rebuilder to repair a salvage vehicle must obtain a Texas Certificate of Title branded "Rebuilt Salvage" in the name of the dealership prior to subsequent sale. The salvage dealer must surrender the Texas Salvage Vehicle Title or out of state equivalent and submit an *Application for Texas Title and/or Registration* (Form 130-U) with the "Title Only" option selected, *Rebuilt Vehicle Statement* (Form VTR-61) detailing the repairs, \$65 Rebuilt Fee, and the applicable \$28 or \$33 title application fee.

A "Title Only" motor vehicle is not subject to a vehicle safety inspection; therefore, a salvage vehicle dealer is not required to obtain a passing vehicle safety inspection prior to application for Texas title. The salvage vehicle dealer must indicate "For Dealer Resale" in the "Vehicle Inspection Report Information" section on Form VTR-61. Title Only transactions for a rebuilt salvage vehicle without the passing vehicle safety inspection are marked VIN CERTIFICATION WAIVED.

The salvage vehicle dealer must also be licensed as a motor vehicle dealer with the applicable General Distinguishing Number (GDN) for the category of the rebuilt salvage vehicle (e.g., motor vehicle, motorcycle, travel trailer, or trailer/semitrailer). This license is required for the dealer to retail the motor vehicle once it has been issued a rebuilt salvage Texas title. In order to facilitate the transaction, the certificate of title must be properly assigned from the dealer's salvage business name to their GDN business name, which includes completion of the odometer disclosure statement if the vehicle is subject to odometer disclosure because this is a transfer of ownership between the salvage entity and the GDN entity of the dealer.

Upon subsequent sale of the rebuilt salvage motor vehicle, the dealer must complete the assignment on the rebuilt salvage Texas title.

COUNTY ACTION

Ensure salvage vehicle dealers are applying for a rebuilt salvage title prior to subsequent sale of salvage vehicles that have been repaired. Additionally, ensure the certificate of title has been properly assigned from the salvage to GDN of the dealer, including completion of the odometer disclosure statement if the vehicle is subject to odometer disclosure.

In accordance with Section 6.2, "Salvage Vehicle Safety Inspection," of the *Salvage/Nonrepairable Motor Vehicle Manual*, the VIN CERTIFICATION WAIVED remark must be applied to the motor vehicle record of a rebuilt salvage vehicle for a Title Only transaction without an inspection to ensure the vehicle receives a passing vehicle safety inspection prior to the issuance of registration.

A salvage dealer that repairs a salvage vehicle (or has a rebuilder repair the vehicle on their behalf) is prohibited from selling the repaired salvage vehicle prior to titling the vehicle in the name of their GDN. A transaction for a salvage vehicle that has been repaired and not first titled in the name of the dealer's GDN must be rejected by the county, and the applicant is required to establish ownership through a tax assessor-collector hearing, court order, or bonded title.

Any customer who purchases a salvage vehicle from a salvage dealer that was repaired prior to the purchase without the salvage dealer obtaining a rebuilt salvage Texas title in the GDN name should be instructed to file a dealer complaint with the Texas Department of Motor Vehicles (TxDMV) Enforcement Division. Information on filing dealer complaints is located at www.TxDmv.gov/contact-us under the "Complaints" tab.

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