



August 10, 2017

Registration and Title Bulletin # 009-17 Policy and Procedure

TO: All Statutory Lienholders

SUBJECT: Procedures for Statutory Lienholders Pertaining to House Bill 3131

PURPOSE

To provide statutory lienholders with guidance on applying for a Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher (COA) for vehicles that are not economical to dispose of at public sale.

DETAILS

House Bill 3131, effective September 1, 2017, amends Transportation Code, Chapter 683, and various other sections of statute authorizing a statutory lienholder to dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if the vehicle's only residual value is as a source of parts or scrap metal, or it is not economical to dispose of the vehicle at a public sale. These changes impact the following statutory lienholders:

- Licensed vehicle storage facilities under Occupations Code, Chapter 2303
- Self-service storage facilities under Property Code, Chapter 59
- Consent storage under Property Code, Chapter 70
- Landlords under Property Code, Chapter 54
- Mechanics (including a licensed franchise dealership mechanic) under Property Code, Chapter 70

As a result, a statutory lienholder may forgo disposing of a vehicle at public sale and apply for a COA if the statutory lienholder has complied with all of the statutory notification requirements. A statutory lienholder must use the *Application for Authority to Dispose of a Motor Vehicle to a Demolisher after Statutory Foreclosure* (Form VTR-71-6) with a revision date of 09/17 or newer when applying for a COA without conducting a public sale. Form VTR-71-6 is attached for your convenience.

Additionally, the *Application for Authority to Dispose of a Motor Vehicle to a Demolisher* (Form VTR-71-2X) and *Junked Vehicle Purchased at a Foreclosure Sale* (Form VTR-70) have been eliminated. Please discontinue use of these forms; effective September 1, 2017, they will be rejected.

STATUTORY LIENHOLDER ACTION

Statutory lienholders who do not sell a vehicle at public sale may apply for a COA by submitting Form VTR-71-6, the applicable lien foreclosure form (e.g., Form VTR-265-VSF), any documentation required for the applicable lien foreclosure process (e.g., proof of mailing, title/registration verification, etc.), and any other required documents along with the \$2.00 COA application fee. Please review the attached Form VTR-71-6 for more information.

CONTACT

If you have any questions, please contact the Vehicle Titles and Registration Division at (512) 465-5659, option 1.

Sincerely,

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

JK:TT:MA

Attachment