



December 13, 2018

## **Registration and Title Bulletin # 006-18 Policy and Procedure**

**TO:** All County Tax Assessor-Collectors and Insurance Companies

**SUBJECT:** **Delinquent Transfer Penalty Fees for Unrecovered Stolen Vehicles**

### **PURPOSE**

To provide information on the collection of delinquent transfer penalty fees for unrecovered stolen vehicles.

### **DETAILS**

Transportation Code, Section 501.145, establishes the period in which a title application must be submitted. In most situations, a proper, complete application must be submitted within 30 days of the date of transfer. Section 501.146 sets the penalty for not making proper application in the required time. When applicable, a \$25 delinquent transfer penalty is assessed as of the 31<sup>st</sup> day, and \$25 is assessed for each additional 30-day period up to a maximum of \$250.

Texas statute does not exempt insurance companies from the delinquent transfer penalty when submitting delinquent title applications through county tax assessor-collector offices. Penalties apply to applications in the name of an insurance company the same as for other private party transfers, including for an unrecovered stolen vehicle.

Exceptions to the delinquent transfer penalty can be found in Section 3.2, “Delinquent Transfer Penalty,” of the Motor Vehicle Title Manual. The department will update the Motor Vehicle Title Manual with the next revision to remove the reference to the insurance company exemption for unrecovered stolen vehicles.

The Registration and Title System (RTS) currently does not allow for the collection of delinquent transfer penalty fees for unrecovered stolen vehicles when no record is found for the vehicle and the “Vehicle stolen – Waive registration” box is checked on the Title Types TTL002 screen. This prevents collection of the delinquent transfer penalty. With RTS Release 9.2.0 on December 31, 2018, programming will be implemented to allow for the collection of the delinquent transfer penalty appropriately.

### **COUNTY ACTION**

Please ensure you are collecting all RTS calculated delinquent transfer penalties for insurance company applications. Effective immediately, discontinue exempting transactions involving insurance companies from payment of the delinquent transfer penalty. Ensure the “General Public” radio button is selected on the RTS Sales Tax TTL012 screen under the “Delinquent Transfer” section when processing transactions submitted by insurance companies.

**CONTACT**

If you have any questions, please contact your local Texas Department of Motor Vehicles Regional Service Center.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeremiah Kuntz", with a horizontal line extending to the right.

Jeremiah Kuntz, Director  
Vehicle Titles and Registration Division

JK:TT:MA