



August 15, 2019

Registration and Title Bulletin # 002-19 Policy and Procedure

TO: All County Tax Assessor-Collectors and Dealers

SUBJECT: Odometer Disclosure for Transfer of Electronic Titles by a Dealer

PURPOSE

To provide guidance on how to properly disclose the required odometer reading when transferring an electronic title for a vehicle subject to odometer disclosure through webDEALER.

BACKGROUND

Currently, a paper title is required to transfer ownership of a vehicle. Unless the webDEALER Electronic Buyer Acknowledgment is being used, the required odometer disclosure must occur on the title, *Power of Attorney for Transfer of Ownership to a Motor Vehicle* (Form VTR-271-A), or *Dealer Reassignment of Title for a Motor Vehicle* (Form VTR-41-A) as applicable. A paper title must be obtained to facilitate a transfer of ownership even when an electronic title has been created through the Electronic Lien and Title (ELT) Program or webDEALER.

The final phase of webDEALER, known as eTITLE, will be implemented in Registration and Title System Release 9.3. eTITLE facilitates the transfer of electronic titles. ELT lienholders will now be able to release their lien and send the electronic title to a dealer's inventory in webDEALER, eliminating the need for a paper title. Dealers will also be able to create an electronic title from a paper Texas title or Certified Copy of Texas Title upon taking proper assignment. Once a dealer has an electronic title in their inventory in webDEALER, an electronic title can be reassigned to other participating webDEALER dealers, used as ownership evidence when applying for title on behalf of a retail purchaser, or converted to a paper title in the dealer's name for the purpose of resale.

Note: The use of electronic titles does not change the current odometer requirements when a dealer takes initial assignment of a title. When taking initial assignment of a title, the odometer disclosure on the Texas title, Certified Copy of Texas Title, or *Power of Attorney for Transfer of Ownership to a Motor Vehicle* (Form VTR-271-A) is still required to be used as applicable.

DETAILS

When an electronic title is reassigned, the odometer reading and brand are entered by the selling dealer and certified by the purchasing dealer. The electronic reassignment takes the place of the required reassignment on a paper title or *Dealer Reassignment of Title for a Motor Vehicle* (Form VTR-41-A).

If a dealer has an electronic title in their inventory and applies for title through webDEALER on behalf of a retail purchaser, the dealer must either use the current webDEALER Electronic Buyer Acknowledgment, or complete and upload a *Dealer Reassignment of Title for a Motor Vehicle* (Form VTR-41-A) to disclose the odometer reading at the time of transfer. "Texas eTitle" will automatically default as the ownership evidence type.

If a dealer has an electronic title in their inventory and opts to convert the electronic title to a paper title in the dealer's name for resale, no odometer disclosure is required. The dealer has already taken assignment of the title, and the odometer reading disclosed at that time is required to be printed on the title being issued in the dealer's name. If the electronic title was reassigned to the dealer, the odometer reading is automatically carried forward to the title application in webDEALER and will reflect the same reading as when the electronic title was reassigned to the dealer.

COUNTY ACTION

When reviewing title applications in webDEALER with "Texas eTitle" as the ownership evidence, ensure the dealer used the Electronic Buyer Acknowledgment or uploaded the *Dealer Reassignment of Title for a Motor Vehicle* (Form VTR-41-A) to disclose the odometer to the purchaser.

If the electronic title is being converted to a paper title in the dealer's name for resale, ensure the odometer reading matches what was recorded on the Texas title, Certified Copy of Texas Title, the *Power of Attorney for Transfer of Ownership to a Motor Vehicle* (Form VTR-271-A), or the latest electronic reassignment.

DEALER ACTION

When making a retail sale for a vehicle with an electronic title, ensure the odometer reading is being disclosed using the Electronic Buyer Acknowledgment in webDEALER or the *Dealer Reassignment of Title for a Motor Vehicle* (Form VTR-41-A).

When converting an electronic title to a paper title in the dealer's name for resale, ensure the odometer reading disclosed when the vehicle was traded into the dealer is recorded in the webDEALER title application.

CONTACT

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

Sincerely,



Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

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