



December 12, 2019

Registration and Title Bulletin # 011-19 Policy and Procedure

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

SUBJECT: Dealer License Number and Buyer Tag Validation

PURPOSE

To provide guidance on processing title transactions using the new dealer license number and buyer tag validation implemented in Registration and Title System (RTS) Release 9.5.

DETAILS

RTS Release 9.5, scheduled for go-live on December 16, will introduce two new validations in RTS to reduce the opportunity to process fraudulent transactions. RTS will first validate whether the dealer license number is active when entered on the TTL007 Owner Entry screen. If the dealer license is active, RTS will then verify whether the dealer issued a buyer tag for the vehicle within six months of the title transaction date.

Note: There is no change to the title application process if RTS successfully completes the dealer license number and buyer tag validation.

COUNTY ACTION

When processing a dealer title application, ensure the vehicle identification number entered on the KEY006 VIN Key Selection screen and dealer license number entered on the TTL007 Owner Entry screen are correct. This will allow RTS to accurately verify whether the dealer has an active license and issued a buyer tag to the vehicle.

Dealer License Number Validation:

RTS will not allow the transaction to be processed without an authorization code when RTS is not able to verify the dealer license number is active. Review a copy of the dealer's license or documentation from eLICENSING to verify the dealer's license was active at the time of sale. You may request an authorization code from a Texas Department of Motor Vehicles (TxDMV) Regional Service Center if the dealer is able to provide proof the license was active at the time of sale. Ensure any documentation used to validate the dealer's license was active is submitted with the completed title transaction.

If the dealer's license is not active and the dealer cannot provide proof the license was active at the time of sale, the transaction cannot be processed as a dealer title application. In these situations, the title application must be processed as a private-party transaction (dealer must have title in the dealer's name) or as a bonded title.

Buyer Tag Validation:

RTS will not allow the transaction to be processed without a supervisor override code when RTS is not able to verify a buyer tag was issued within six months of the title transaction date. Do not process the title application until the dealer provides proof the vehicle was sold by the dealer. To verify the dealer sold the vehicle you may access the Cognos E-TAG BUYERS REPORT, and use the date of sale to verify the dealer issued a buyer tag to the purchaser and vehicle. If unable to verify buyer tag issuance with the report, you may request a copy of the dealer's license and the sales contract to confirm the dealer sold the vehicle. Upon obtaining additional proof the dealer sold the vehicle, a supervisor override code may be issued to complete the transaction. Ensure any documentation used to validate the dealer issued a buyer tag for the vehicle is submitted with the completed title transaction.

If you are able to confirm the vehicle was sold by the dealer but a buyer tag was not issued or was issued prior to six months from the title transaction date, you may open a dealer complaint with the TxDMV's Enforcement Division. The online complaint form is located on the TxDMV website at: www.TxDmv.gov/dealercomplaint. The complaint will need to include a scanned copy of all paperwork submitted with the dealer title application.

If the dealer is unable to provide proof the vehicle was sold by the dealer, the transaction may be completed, but must be submitted through the Red Flag process.

DEALER ACTION

Please provide the county with a copy of your dealer license or obtain documentation from eLICENSING to verify your license was active at the time of sale when RTS is unable to validate your dealer license.

Provide the county with proof of buyer tag issuance or a copy of your license and the sales contract when RTS is unable to verify a buyer tag was issued to the vehicle within six months of the transaction date.

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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