



January 09, 2020

Registration and Title Bulletin # 002-20 Policy and Procedure

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

SUBJECT: **Independent Motor Vehicle Dealers Operating as a Salvage Vehicle Dealer**

PURPOSE

To provide guidance on holders of an independent motor vehicle dealer general distinguishing number (GDN) operating as a salvage vehicle dealer.

APPLICABILITY

This Registration and Title Bulletin (RTB) only applies to independent motor vehicle dealers issued a GDN under Transportation Code, Chapter 503, independent dealers. This RTB does not apply to franchised motor vehicle dealers, independent mobility motor vehicle dealers, or wholesale motor vehicle dealers. These entities must obtain a salvage dealer license to operate as a salvage vehicle dealer.

DETAILS

House Bill (HB) 1667, enacted by the 86th Legislature, authorizes an independent dealer licensed under Transportation Code, Chapter 503, to operate in the same capacity as a salvage vehicle dealer in accordance with Occupations Code, Chapter 2302.

HB 1667 provides the ability for independent dealers to purchase, sell, dismantle, repair, rebuild, reconstruct, or otherwise deal in salvage and nonrepairable motor vehicles. Independent dealers must follow the same statutory requirements of a salvage vehicle dealer as outlined in Occupations Code, Chapter 2302, and Transportation Code, Chapter 501.

Independent dealers may purchase a salvage or nonrepairable vehicle prior to the issuance of a salvage or nonrepairable title. Prior to transferring the title to a salvage or nonrepairable vehicle, independent dealers must apply for the appropriate Texas title type. See Registration and Title Bulletin #008-19 for more information.

Independent dealers who repair a salvage vehicle or use 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 transfer. Upon subsequent transfer of the rebuilt-salvage motor vehicle, the dealer must complete the assignment on the rebuilt-salvage Texas title to the subsequent purchaser.

The reassignment sections of the *Texas Salvage Vehicle Title* (VTR-222-S) have been updated to reflect "Dealer No." instead of "Salvage Dealer No." to facilitate the reassignment of an unrepaired salvage vehicle by an independent dealer. The *Texas Nonrepairable Vehicle Title* (VTR-222-NR) will have the same change made when inventory is reordered. Additional forms

used by salvage vehicle dealers are being updated to account for their use by independent dealers. Communication will be provided once the forms are updated.

COUNTY ACTION

Ensure an independent dealer operating as a salvage vehicle dealer is only reassigning salvage vehicles that have been issued a salvage title and have not been rebuilt, repaired, or reconstructed.

If the vehicle has been rebuilt, ensure the independent dealer is applying for a Texas Certificate of Title branded “Rebuilt Salvage” in the name of the dealer, and the title has been properly assigned.

DEALER ACTION

Ensure that you are adhering to salvage vehicle dealer statutory requirements if you are an independent dealer operating as a salvage vehicle dealer.

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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