



August 19, 2021

## **Registration and Title Bulletin # 003-21 Policy and Procedure**

**TO:** All County Tax Assessor-Collectors

**SUBJECT:** **Change to Timeframe for Filing a Mechanic Lien Foreclosure Notice with the County Tax Assessor-Collector for Certain Vehicles**

### **PURPOSE**

To provide guidance on a change to when a mechanic must file a copy of the foreclosure notice with a county tax assessor-collector for vehicles with a gross weight of 16,000 pounds or more as a result of House Bill (HB) 2879.

### **DETAILS**

HB 2879, enacted by the 87th Legislature, amends Property Code, Section 70.006, changing when a mechanic must file a copy of the foreclosure notice with the county tax assessor-collector's office and pay the \$25 administrative fee based on the vehicle's gross weight. This change does not impact the franchise mechanic statutory lien foreclosure process.

Effective September 1, 2021, a mechanic who takes possession of a vehicle on or after September 1, 2021, with a registered gross weight of 16,000 pounds or more must file the notice with the county tax assessor-collector's office within 30 days of charges accruing or the 30th day before the proposed date of sale or disposition. The proposed date of sale or disposition, when applicable, must be included in the foreclosure notice sent to the owner(s) and lienholder(s).

A mechanic must continue to file the notice within 30 days of charges accruing for a vehicle with a registered gross weight of less than 16,000 pounds. Any vehicle, regardless of weight, still cannot be sold or disposed of before the 31<sup>st</sup> day after the notice has been filed with the county tax assessor-collector.

The reported weight of the vehicle on the *Application for Texas Title and/or Registration* (Form 130-U) at the time the purchaser applies for title will be used to determine whether the mechanic filed a copy of the foreclosure notice with the county tax assessor-collector's office within the statutory timeframe. The Texas or out of state title and/or registration record, when available, may be used by the mechanic or purchaser to establish the weight on the Form 130-U. If it is determined at the time of application for title the mechanic did not follow the statutory lien foreclosure requirements, the purchaser may pursue a bonded title.

As a result of these changes, the *Mechanic's Lien Foreclosure* (Form VTR-265-M) has been updated to include a proposed date of sale as well as the new filing requirements. The *Mechanic's Lien Procedures* flow charts have also been updated to reflect the requirements based on when the mechanic takes possession of the vehicle. The September 2021 revised

version of the Form VTR-265-M and the flow charts are attached and available on the department's website. The department encourages use of the revised Form VTR-265-M, but will continue to accept the prior version when a proposed date of sale is not applicable. The *Motor Vehicle Title Manual* will be updated to reflect these changes in the October quarterly revision.

### **COUNTY ACTION**

When the purchaser applies for title, ensure the mechanic filed the foreclosure notice with the appropriate county within the statutory timeframe based on the vehicle's registered gross weight. Use the gross weight of the vehicle as reported on the Form 130-U to confirm the notice was filed within 30 days of charges accruing or the 30th day before the proposed date of sale or disposition (if applicable). If the statutory lien foreclosure requirements are not met, then inform the purchaser they may pursue a bonded title.

### **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 "Roland D. Luna Sr.", is positioned below the word "Sincerely,".

Roland D. Luna, Sr., Director  
Vehicle Titles and Registration Division

RL:CT:LD

Attachments