



August 19, 2021

Registration and Title Bulletin # 002-21 Policy and Procedure

TO: All County Tax Assessor-Collectors and Licensed Vehicle Storage Facilities

SUBJECT: **Transfer of Certain Property from a Self-Service Storage Facility (SSF) to a Licensed Vehicle Storage Facility (VSF) for Disposition**

PURPOSE

To provide guidance on the requirements when a VSF takes possession of a vehicle from an SSF for disposition as a result of Senate Bill (SB) 1181.

DETAILS

Effective September 1, 2021, SB 1181, enacted by the 87th Legislature, amends Property Code, Chapter 59, allowing an SSF to transfer possession of a vehicle and have it towed to a VSF for disposition. The SSF's lien on the vehicle is extinguished once the vehicle is towed to the VSF, and the VSF must dispose of the vehicle in accordance with the statutory lien foreclosure requirements under Occupations Code, Chapter 2303.

Under SB 1181, a VSF may take possession of a vehicle from an SSF when the following conditions are met:

- the transfer of possession and towing to a VSF is authorized under a written rental agreement between the SSF and tenant;
- the SSF gave written notice of their claim to the tenant to include the vehicle may be towed to a VSF if the claim is not satisfied;
- the tenant failed to satisfy the claim on or before the 14th day after the notice is sent; and
- the VSF agrees in writing to accept possession of the vehicle.

The date the VSF takes possession of the vehicle must be on or after the 15th day from the date the notice of claim was sent to the tenant. In addition to the documents required by the VSF statutory lien foreclosure process, the VSF must obtain from the SSF the following documents to support the application for title once the vehicle is sold by the VSF:

- a copy of the written rental agreement between the SSF and tenant that supports the authorization for the VSF to take possession of the vehicle;
- proof of the SSF's notice of claim sent to the tenant by verified mail or email (if an email is provided in the written rental agreement); and
- a completed and signed *Self-Service Storage Facility Lien Foreclosure* (Form VTR-265-SSF).

If the SSF or VSF fails to meet the statutory lien foreclosure requirements and the vehicle is sold, the purchaser may pursue a bonded title.

The *Licensed Vehicle Storage Facility Lien Foreclosure* (Form VTR-265-VSF) and the *Self-Service Storage Facility Lien Foreclosure* (Form VTR-265-SSF) have been revised to include the new requirements. The VTR-265-SSF includes a checkbox to indicate the transfer of a vehicle to a VSF for disposition in lieu of a public sale by the SSF. When completing the VTR-265-SSF, the form must be completed by the SSF, the VSF will select the checkbox in the Affidavit section agreeing to take possession of

the vehicle, and both the VSF and SSF will need to sign the form. The revised form must be used for any vehicle transferred and towed to a VSF for disposition on or after September 1, 2021. The revised forms are attached and are available on the TxDMV website.

In addition, the department revised the *Self-Service Storage Facility Lien Procedures* and *Licensed Vehicle Storage Facility Lien Procedures* flow charts to reflect the changes introduced by SB 1181. The revised flow charts are available on the TxDMV website. The *Motor Vehicle Title Manual* will be updated to reflect these changes in the October quarterly revision.

LICENSED VSF ACTION

A licensed vehicle storage facility should:

- request a copy of the written rental agreement and proof of the notice of claim from the SSF prior to taking possession of the vehicle;
- ensure the written rental agreement between the SSF and tenant authorizes you to take possession of a vehicle when a claim is made and not satisfied;
- agree to take possession of the vehicle by signing a completed *Self-Storage Facility Lien Foreclosure* (Form VTR-265-SSF); and
- ensure the date you take possession of the vehicle is on or after the 15th day from the date the notice of claim was sent to the tenant.

Once you take possession of the vehicle from the SSF, follow your statutory lien foreclosure requirements outlined in Occupations Code, Chapter 2303.

COUNTY ACTION

In addition to the required VSF statutory lien foreclosure documents, verify the purchaser has all required documents including:

- a copy of the rental agreement;
- proof of the SSF's notice of claim; and
- a completed and signed VTR-265-SSF.

Ensure the written rental agreement authorizes a VSF to take possession of the vehicle and the date the VSF took possession is on or after the 15th day from the date the notice of claim was sent to the tenant.

CONTACT

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

Sincerely,



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

RL:CT:RC

Attachments