



February 17, 2022

Registration and Title Bulletin # 001-22 Policy and Procedure

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

SUBJECT: **Processing Title and Registration Transactions by Any Willing County Tax Assessor-Collector**

PURPOSE

The purpose of this bulletin is to provide guidance on processing title and registration transactions by any county tax assessor-collector willing to accept the transaction as a result of Senate Bill (SB) 876, enacted by the 87th Legislature.

DETAILS

SB 876 amends various sections of Transportation Code, allowing a dealer or purchaser of a vehicle to apply for title and registration to any county tax assessor-collector (county) willing to accept the transaction, in addition to the purchaser's, seller's, or lienholder's county (statutory county).

Additionally, an owner of a vehicle may renew their registration in their county of residence or any county willing to accept the transaction. Submission of transactions to a county willing to accept them is no longer dependent on the purchaser's or owner's county of residence being closed. These changes are effective March 1, 2022.

Title and/or Initial Registration Transactions

Effective March 1, 2022, a purchaser in a private-party title transaction may submit their title transaction to a statutory county or any county willing to accept the transaction. If a title transaction is submitted to a statutory county, the county must process the title transaction.

A licensed motor vehicle dealer who sells a vehicle prior to March 1, 2022, must continue to submit the title transaction to the county designated by the purchaser on the *County of Title Issuance* (Form VTR-136). If the purchaser's county of residence is closed, the dealer may continue to submit the transaction to any county willing to accept the transaction. For vehicles sold on or after March 1, 2022, a dealer may submit the title transaction to a county designated by the dealer, and Form VTR-136 is obsolete. If the dealer chooses to submit the title application to a county other than a statutory county, the dealer must ensure the county is willing to accept the transaction.

All title applications submitted through webDEALER or received by the county on or after March 1, 2022, will have the title application fee of \$28 or \$33 assessed based on the purchaser's county of residence, regardless of the processing county. This change does not impact the processing county's retention of the county's portion of the title application fee of \$5.

If the title transaction is processed by a statutory county, there is no change in the assessment and retention of registration fees. If the title transaction is processed by a county willing to accept the transaction, the registration fees, including local county optional fees, will be assessed based on the purchaser's county of residence, and these fees will be credited to the county of residence. The processing county will continue to retain the county's portion of the P&H fee.

Registration Renewal Transactions

Effective March 1, 2022, registration renewal transactions may be submitted to a county other than the vehicle owner's county of residence if the county is willing to accept the transaction. If a registration renewal transaction is submitted to the owner's county of residence, the county must process the transaction, and there is no change in the assessment and retention of fees.

If a registration renewal transaction is processed by a county willing to accept the transaction, the registration fees, including local county optional fees, will be assessed based on the owner's/registrant's county of residence, and these fees will be credited to the county of residence. The processing county will retain the county's portion of the P&H fee.

Additional Information

A county will be required to designate within the Registration and Title System (RTS), under the Local Options event, whether they are willing to accept and process transactions on behalf of another county. These are transactions the county is not otherwise required to process. The county will be able to designate whether they are willing to process registration renewals, title transactions, or both; otherwise, these transactions will not be allowed. The willing county designations made by a county's security administrator will apply to all title and registration renewal transactions processed by the county and extend to those transactions processed for the county by a full service deputy, limited service deputy in webSUB, or licensed dealers using webDEALER. A county's designation will not prevent transactions from being processed by another county on their behalf. A county's security administrator may change the designation within the Local Options event in RTS as the county deems necessary.

SB 876 does not impact inspection requirements. The same inspection currently required for a vehicle is required as of March 1, 2022. RTS and webDEALER will continue to appropriately assess the inspection fee regardless of the processing county.

Correct Title Rejection transactions and NMVTIS related errors will continue to be handled by the processing county. The processing county will have the original title paperwork for subsequent correcting, and the processing county will continue to receive the NMVTIS error reports for handling.

Transactions that result in insufficient funds will require the processing county to follow existing insufficient funds processes. A customer who attempts to rectify the insufficient funds must return to the processing county to do so. Transactions processed by a county willing to accept the transaction that subsequently require a refund are required to be handled by the owner's county of residence. The refund must be processed by the resident county to offset from the credit the county received.

As a result of SB 876 changes, the *Application for Texas Title and/or Registration* (Form 130-U) and the *Instructions for Application for Texas Title and/or Registration* (Form 130-UIF) have been revised. The February 2022 version of the forms are available on the department's website. This version of the Form 130-U will be made available for order once current stock is depleted, and prior versions remain acceptable. The *Motor Vehicle Title Manual* and *Motor Vehicle Registration Manual* will be updated to reflect these changes in the April 2022 quarterly revision. In addition, programming to the department's systems will be in effect with RTS Release 12.0 for the March 1, 2022 implementation. Address validation software will be used to determine whether the processing county is a statutory county or willing county to assess and credit fees appropriately. Detailed release notes will be provided to outline the changes, including impacts to reports.

COUNTY ACTION

Determine if your county is willing to process transactions for another county. If your county is willing to process these transactions, have your county's security administrator designate your county as willing to process registration renewals, title transactions, or both, within RTS as of March 1, 2022. Inform your county staff, full service deputies, limited service deputies, and dealers using webDEALER prior to making a change to your designations. No action is required if your county is not willing.

When providing information to customers, determine if the transaction is a statutorily required or willing transaction for your county, and apply the appropriate title and/or registration fees based on your county designation and date of transaction submission.

When processing dealer title transactions for vehicles sold prior to March 1, 2022, ensure your county is a statutory county. If not, ensure the dealer has submitted a copy of the Form VTR-136 to confirm the purchaser's county of residence is closed and your county is willing to accept the transaction.

DEALER ACTION

Submit title applications to the county designated by the purchaser on Form VTR-136 for all vehicles sold prior to March 1, 2022. If the purchaser's county of residence is closed, continue to provide a copy of the Form VTR-136 to the county willing to accept the transaction. If the vehicle is sold on or after March 1, 2022, and the title application is submitted to a county that is not statutorily required to process the transaction, confirm the county is willing to accept the transaction.

Ensure the title application fee is assessed based on the purchaser's county of residence for all title applications submitted through webDEALER or received by the county on or after March 1, 2022, regardless of the vehicle sale date. Ensure the registration fees submitted with a willing county transaction are based on the purchaser's county of residence and those submitted with a statutory county transaction are based on the processing county.

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