

Texas Administrative Code

<u>TITLE 43</u>	TRANSPORTATION
<u>PART 1</u>	TEXAS DEPARTMENT OF TRANSPORTATION
<u>CHAPTER 17</u>	VEHICLE TITLES AND REGISTRATION
<u>SUBCHAPTER E</u>	SALVAGE VEHICLE DEALERS
RULE §17.72	Classifications of Salvage Vehicle Dealer Licenses

(a) Applicability. A person who acts as a salvage vehicle dealer or salvage vehicle rebuilder, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company, must obtain a salvage vehicle dealer license in accordance with Occupations Code, Chapter 2302, and the provisions of this subchapter.

(b) Classification of licenses. The department will classify salvage vehicle dealers according to the type of activity performed by the dealer. A salvage vehicle dealer may not engage in activities of a particular classification as indicated in this subsection unless the salvage vehicle dealer holds a license authorizing business under that classification. An applicant shall apply for a salvage vehicle dealer license in one or more of the following classifications:

(1) **new automobile dealer**, defined as a person whose primary business is selling new motor vehicles, but who may also buy nonrepairable and salvage motor vehicles to repair and sell;

(2) **used automobile dealer**, defined as a person whose primary business is selling used motor vehicles, but who may also buy salvage and nonrepairable motor vehicles to repair and sell;

(3) **used vehicle parts dealer**, defined as a person who is engaged in the business of acquiring, possessing, or transferring used parts in the ordinary course of business;

(4) **salvage pool operator**, defined as a person who is engaged in the business of selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction;

(5) **salvage vehicle broker**, defined as a person who buys, sells, or exchanges salvage and nonrepairable motor vehicles with other licensed salvage vehicle dealers; or

(6) **salvage vehicle rebuilder**, defined as a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway three or more salvage motor vehicles in a calendar year.

(c) Exemptions. The provisions of this subchapter do not apply to:

(1) a person who purchases not more than five nonrepairable or salvage motor vehicles at casual sale in a calendar year from:

- (A) a salvage vehicle dealer;
- (B) a salvage pool operator at auction; or
- (C) an insurance company at auction;

(2) a metal recycler, as described by §17.71(6) of this subchapter unless a motor vehicle is sold, transferred, released, or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts, and is used for that purpose;

- (3) a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year;
- (4) a person who is a non-United States resident who purchases nonrepairable or salvage motor vehicles for export only;
- (5) an agency of the United States, an agency of this state, or a local government;
- (6) a financial institution or other secured party that holds a security interest in a motor vehicle and is selling that motor vehicle in the manner provided by law for the forced sale of a motor vehicle;
- (7) a receiver, trustee, administrator, executor, guardian, or other person appointed by or acting pursuant to the order of a court;
- (8) a person selling an antique passenger car or truck that is at least 25 years old or a collector selling a special interest motor vehicle as defined in Transportation Code, §683.077, if the special interest vehicle is at least 12 years old; and
- (9) a licensed auctioneer who, as a bid caller, sells or offers to sell property to the highest bidder at a bona fide auction under the following conditions:
 - (A) neither legal nor equitable title passes to the auctioneer;
 - (B) the auction is not held for the purpose of avoiding a provision of Occupations Code, Chapter 2302, or this subchapter; and
 - (C) an auction is conducted of motor vehicles owned, legally or equitably, by a person who holds a salvage vehicle dealer's license and the auction is conducted at a location for which a salvage vehicle dealer's license has been issued to that person or at a location approved by the department under §17.76(a) of this subchapter.

Source Note: The provisions of this §17.72 adopted to be effective March 18, 2004, 29 TexReg 2691; amended to be effective February 16, 2006, 31 TexReg 878

TRANSPORTATION CODE

TITLE 7. VEHICLES AND TRAFFIC

SUBTITLE A. CERTIFICATES OF TITLE AND REGISTRATION OF VEHICLES

CHAPTER 501. CERTIFICATE OF TITLE ACT

SUBCHAPTER A. GENERAL PROVISIONS

§ 501.001. SHORT TITLE. This chapter may be cited as the Certificate of Title Act.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.002. DEFINITIONS. In this chapter:

(1) "Certificate of title" means an instrument issued under Section 501.021.

(2) "Dealer" means a person who purchases motor vehicles for sale at retail.

(3) "Department" means the Texas Department of Transportation.

(4) "Distributor" means a person engaged in the business of selling to a dealer motor vehicles purchased from a manufacturer.

(5) "First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has not been previously registered or licensed, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or licensing of that vehicle.

(6) "House trailer" means a trailer designed for human habitation. The term does not include manufactured housing.

(7) "Importer" means a person, other than a manufacturer, that brings a used motor vehicle into this state for sale in this state.

(8) "Importer's certificate" means a certificate for a used motor vehicle brought into this state for sale in this state.

(9) "Lien" means:

(A) a lien provided for by the constitution or statute in a motor vehicle;

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an

absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title; or

(C) a child support lien under Chapter 157, Family Code.

(10) "Manufactured housing" has the meaning assigned by Chapter 1201, Occupations Code.

(11) "Manufacturer" means a person regularly engaged in the business of manufacturing or assembling new motor vehicles.

(12) "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle.

(13) "Motorcycle" means a motor vehicle, other than a tractor, designed to propel itself with not more than three wheels in contact with the ground.

(14) "Motor vehicle" means:

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a house trailer;

(D) an all-terrain vehicle, as defined by Section 502.001, designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state; or

(E) a motorcycle, motor-driven cycle, or moped that is not required to be registered under the laws of this state, other than a motorcycle, motor-driven cycle, or moped designed for and used exclusively on a golf course.

(15) "New motor vehicle" means a motor vehicle that has not been the subject of a first sale.

(16) "Owner" includes a person, other than a manufacturer, importer, distributor, or dealer, claiming title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale.

(17) "Semitrailer" means a vehicle that is designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.

(18) "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A) the manufacturer's permanent vehicle identification number;

(B) a derivative number of the manufacturer's permanent vehicle identification number;

(C) the motor number; or

(D) the vehicle identification number assigned by the department.

(19) "Steal" has the meaning assigned by Section 31.01, Penal Code.

(20) "Subsequent sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle that has been previously registered or licensed in this state or elsewhere, with intent to pass an interest in the vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurs; and

(B) the registration of the vehicle if registration is required under the laws of this state.

(21) "Title receipt" means an instrument issued under Section 501.024.

(22) "Trailer" means a vehicle that:

(A) is designed or used to carry a load wholly on the trailer's own structure; and

(B) is drawn or designed to be drawn by a motor vehicle.

(23) "Used motor vehicle" means a motor vehicle that has been the subject of a first sale.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 414, § 2.42, eff. July 1, 2001; Acts 2003, 78th Leg., ch. 1276, § 14A.821, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 586, § 1, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 972, § 64, eff. September 1, 2007.

§ 501.003. CONSTRUCTION. This chapter shall be liberally construed to lessen and prevent:

(1) the theft of motor vehicles;

(2) the importation into this state of and traffic in motor vehicles that are stolen; and

(3) the sale of an encumbered motor vehicle without the enforced disclosure to the purchaser of a lien secured by the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.004. APPLICABILITY. (a) This chapter applies to a motor vehicle owned by the state or a political subdivision of the state.

(b) This chapter does not apply to:

(1) a trailer or semitrailer used only for the transportation of farm products if the products are not transported for hire;

(2) the filing or recording of a lien that is created only on an automobile accessory, including a tire, radio, or heater;

(3) a motor vehicle while it is owned or operated by the United States; or

(4) a new motor vehicle on loan to a political subdivision of the state for use only in a driver education course approved by the Central Education Agency.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.005. CONFLICTS WITH BUSINESS & COMMERCE CODE.

Chapters 1-9, Business & Commerce Code, control over a conflicting provision of this chapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

SUBCHAPTER B. CERTIFICATE OF TITLE REQUIREMENTS

§ 501.021. CERTIFICATE OF TITLE. (a) A motor vehicle

certificate of title is an instrument issued by the department that includes:

(1) the name and address of the purchaser and seller at the first sale or the transferee and transferor at a subsequent sale;

(2) the make of the motor vehicle;

(3) the body type of the vehicle;

(4) the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted;

(5) the serial number for the vehicle;

(6) the number on the vehicle's current Texas license plates, if any;

(7) a statement:

(A) that no lien on the vehicle is recorded; or

(B) of the name and address of each lienholder

and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;

- (8) a space for the signature of the owner of the vehicle;
- (9) a statement indicating rights of survivorship under Section 501.031;
- (10) if the vehicle has an odometer, the odometer reading indicated by the application for the certificate of title; and
- (11) any other information required by the department.

(b) A certificate of title must bear the following statement on its face:

"UNLESS OTHERWISE AUTHORIZED BY LAW, IT IS A VIOLATION OF STATE LAW TO SIGN THE NAME OF ANOTHER PERSON ON A CERTIFICATE OF TITLE OR OTHERWISE GIVE FALSE INFORMATION ON A CERTIFICATE OF TITLE."

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1423, § 1, eff. Sept. 1, 1999.

§ 501.022. CERTIFICATE OF TITLE REQUIRED. (a) The owner of a motor vehicle registered in this state may not operate or permit the operation of the vehicle on a public highway until the owner obtains a certificate of title for the vehicle or until the owner obtains registration for the vehicle if a receipt evidencing title to the vehicle is issued under Section 501.029(b).

(b) A person may not operate a motor vehicle registered in this state on a public highway if the person knows or has reason to believe that the owner has not obtained a certificate of title for the vehicle.

(c) The owner of a motor vehicle that is required to be registered in this state must apply for a certificate of title of the vehicle before selling or disposing of the vehicle.

(d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a metal dealer's license plate or a dealer's or buyer's temporary cardboard tag attached to the vehicle as provided by Chapter 503.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, § 1, eff. Sept. 1, 2001.

§ 501.023. APPLICATION FOR CERTIFICATE OF TITLE.

(a) The owner of a motor vehicle must apply for a certificate of title:

(1) to the county assessor-collector in the county in which:

- (A) the owner is domiciled; or
- (B) the motor vehicle is purchased or encumbered;

and

(2) on a form prescribed by the department.

(b) The assessor-collector shall send the application to the department not later than 24 hours after receiving the application.

(c) The owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.054 that is applying for a certificate of title for purposes of registration only must be made directly to the department. Notwithstanding Section 501.138(a), an applicant for registration under this subsection shall pay the department the fee imposed by that section. The department shall send the fee to the appropriate county assessor-collector for distribution in the manner provided by Section 501.138.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1423, § 2, eff. Sept. 1, 1999.

§ 501.0234. DUTY OF VEHICLE DEALER ON SALE OF CERTAIN

VEHICLES. (a) A person who sells at the first or a subsequent sale a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, shall:

(1) except as provided by this section, in the time and manner provided by law, apply, in the name of the purchaser of the vehicle, for the registration of the vehicle, if the vehicle is to be registered, and a certificate of title for the vehicle and file with the appropriate designated agent each document necessary to transfer title to or register the vehicle; and at the same time

(2) remit any required motor vehicle sales tax.

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the certificate of title has been surrendered in exchange for:

(A) a salvage vehicle title issued under this chapter;

(B) a nonrepairable vehicle title issued under this chapter;

(C) a certificate of authority issued under Subchapter D, Chapter 683; or

(D) an ownership document issued by another state that is comparable to a document described by Paragraphs (A)-(C); or

(3) with a gross weight in excess of 11,000 pounds.

(c) Each duty imposed by this section on the seller of a motor vehicle is solely that of the seller.

(d) A seller who applies for the registration or a certificate of title for a motor vehicle under Subsection (a)(1) shall apply in the county as directed by the purchaser from the counties set forth in Section 501.023 of this code.

(e) The department shall promulgate a form on which the purchaser of a motor vehicle shall designate the purchaser's choice as set out in Section 501.023 as the recipient of all taxes, fees, and other revenue collected as a result of the transaction, which the tax assessor-collector is authorized by law to retain. A seller shall make that form available to the purchaser of a vehicle at the time of purchase.

(f) A seller has a reasonable time to comply with the terms of Subsection (a)(1) and is not in violation of that provision during the time the seller is making a good faith effort to comply. Notwithstanding compliance with this chapter, equitable title to a vehicle passes to the purchaser of the vehicle at the time the vehicle is the subject of a sale that is enforceable by either party.

Added by Acts 1997, 75th Leg., ch. 165, § 30.37(a), eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1423, § 3, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 76, § 1, eff. May 14, 2001; Acts 2003, 78th Leg., ch. 1325, § 17.01, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, § 14A.822, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1023, § 1, eff. September 1, 2005.

§ 501.0235. SOCIAL SECURITY NUMBER OF TITLE APPLICANT:

AUTOMATED REGISTRATION AND TITLE SYSTEM. (a) The department shall require an applicant for a certificate of title to provide the applicant's social security number to the department.

(b) The department or the county shall enter the applicant's social security number in the department's electronic database but may not print that number on the certificate of title.

(c) This section applies only in a county in which the department's automated registration and title system has been implemented.

Added by Acts 1997, 75th Leg., ch. 165, § 30.38(a), eff. Sept. 1, 1997.

§ 501.024. TITLE RECEIPT.

(a) A county assessor-collector who receives an application for a certificate of title shall, after the requirements of this chapter are met,

including the payment of the fees required under Section 501.138, issue a title receipt on which is noted information concerning the motor vehicle required for the certificate of title under Section 501.021, including a statement of the existence of each lien as disclosed on the application or a statement that no lien is disclosed.

(b) If a lien is not disclosed on the application for a certificate of title, the assessor-collector shall mark the title receipt "original" and deliver it to the applicant.

(c) If a lien is disclosed on the application for a certificate of title, the assessor-collector shall issue duplicate title receipts. The assessor-collector shall:

(1) mark one receipt "original" and mail or deliver it to the first lienholder disclosed on the application; and

(2) mark the second receipt "duplicate original" and mail or deliver it to the address of the applicant provided on the application.

(d) A title receipt authorizes the operation of the motor vehicle on a public highway in this state for 10 days or until the certificate of title is issued, whichever period is shorter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, § 2, eff. Sept. 1, 2001.

§ 501.025. TITLE RECEIPT REQUIRED ON FIRST SALE; MANUFACTURER'S CERTIFICATE. A county assessor-collector may not issue a title receipt on the first sale of a motor vehicle unless the applicant for the certificate of title provides to the assessor-collector the application for a certificate of title and a manufacturer's certificate, on a form prescribed by the department, that:

(1) is assigned to the applicant by the manufacturer, distributor, or dealer shown on the manufacturer's certificate as the last transferee; and

(2) shows the transfer of the vehicle from its manufacturer to the purchaser, whether a distributor, dealer, or owner, and each subsequent transfer from distributor to dealer, dealer to dealer, and dealer to applicant.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.026. IMPORTER'S CERTIFICATE. (a) A county assessor-collector may not issue a title receipt for a used motor vehicle imported into this state for the purpose of sale in this state unless the applicant for the certificate of title provides the assessor-collector with an importer's certificate properly

assigned by the importer.

(b) An importer's certificate must be accompanied by evidence required by the department showing good title to the motor vehicle and the name and address of any lienholder on the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.027. ISSUANCE OF CERTIFICATE OF TITLE. (a) On the day that a county assessor-collector issues a title receipt, the assessor-collector shall mail to the department:

- (1) a copy of the receipt; and
- (2) the evidence of title delivered to the assessor-collector by the applicant.

(b) Not later than the fifth day after the date the department receives an application for a certificate of title and the department determines the requirements of this chapter are met, the department shall issue the certificate of title. If a lien is not disclosed on the application, the department shall send the certificate by first class mail to the applicant at the address provided on the application. If a lien is disclosed on the application, the department shall send the certificate by first class mail to the first lienholder as disclosed on the application.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, § 3, eff. Sept. 1, 2001.

§ 501.0275. ISSUANCE OF TITLE FOR UNREGISTERED VEHICLE.

(a) The department shall issue a certificate of title for a motor vehicle that complies with the other requirements for issuance of a certificate of title under this chapter except that:

- (1) the vehicle is not registered for a reason other than a reason provided by Section 501.051(6); and
- (2) the applicant does not provide evidence of financial responsibility that complies with Section 502.153.

(b) On application for a certificate of title under this section, the applicant must surrender any license plates issued for the motor vehicle and any registration insignia for validation of those plates to the department.

Added by Acts 1999, 76th Leg., ch. 1423, § 4, eff. Sept. 1, 1999.

§ 501.0276. DENIAL OF TITLE RECEIPT OR CERTIFICATE OF TITLE FOR FAILURE TO PROVIDE PROOF OF EMISSIONS TESTING. A county assessor-collector may not issue a title receipt and the department may not issue a certificate of title for a vehicle subject to

Section 548.3011 unless proof that the vehicle has passed a vehicle emissions test as required by that section, in a form authorized by that section, is presented to the county assessor-collector with the application for certificate of title.

Added by Acts 2001, 77th Leg., ch. 1075, § 3, eff. Sept. 1, 2001.

§ 501.028. OWNER'S SIGNATURE. On receipt of a certificate of title, the owner of a motor vehicle shall write the owner's name in ink in the space provided on the certificate.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.029. USE OF REGISTRATION RECEIPT OR TITLE RECEIPT TO EVIDENCE TITLE. (a) A person may use a registration receipt issued under Chapter 502 or a title receipt to evidence title to a motor vehicle and not to transfer an interest in or establish a lien on the vehicle.

(b) The department by rule may provide for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. The fee for application for the receipt is the fee applicable to application for a certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, § 4, eff. Sept. 1, 2001.

§ 501.030. MOTOR VEHICLES BROUGHT INTO STATE. (a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, the applicant must furnish the county assessor-collector with a verification form under Section 548.256.

(b) Before a motor vehicle that was not manufactured for sale or distribution in the United States may be titled in this state, the applicant must:

- (1) provide to the assessor-collector:
 - (A) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging:
 - (i) receipt of a statement of compliance submitted by the importer of the vehicle; and
 - (ii) that the statement meets the safety requirements of 19 C.F.R. 12.80(e);
 - (B) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and shown to conform to federal

emission requirements; and

(C) a receipt or certificate issued by the United States Department of the Treasury showing that all gas guzzler taxes due on the vehicle under 26 U.S.C. Section 4064(a) have been paid; or

(2) provide to the assessor-collector proof satisfactory to the assessor-collector that the vehicle was not brought into the United States from outside of the country.

(c) Subsections (a) and (b) do not apply to a motor vehicle lawfully imported into the United States by a distributor or dealer from the vehicle's manufacturer.

(d) If a motor vehicle has not been titled or registered in the United States, the application for certificate of title must be accompanied by:

(1) a manufacturer's certificate of origin written in English issued by the vehicle manufacturer;

(2) the original documents that constitute valid proof of ownership in the country where the vehicle was originally purchased, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator; or

(3) if the vehicle was imported from a country that cancels the vehicle registration and title for export, the documents assigned to the vehicle after the registration and title were canceled, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator.

(e) Before a motor vehicle that is required to be registered in this state and that is brought into this state by a person other than a manufacturer or importer may be bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle or encumbered by a lien, the owner must apply for a certificate of title on a form prescribed by the department to the county assessor-collector for the county in which the transaction is to take place. The assessor-collector may not issue a title receipt unless the applicant delivers to the assessor-collector satisfactory evidence of title showing that the applicant is the owner of the vehicle and that the vehicle is free of any undisclosed liens.

(f) A county assessor-collector may not be held liable for civil damages arising out of the assessor-collector's failure to reflect on the title receipt a lien or encumbrance on a motor vehicle to which Subsection (e) applies unless the assessor-collector's failure constitutes wilful or wanton negligence.

(g) Until an applicant has complied with this section:

(1) a county assessor-collector may not accept an application for certificate of title; and

(2) the applicant is not entitled to an appeal as provided by Sections 501.052 and 501.053.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.031. RIGHTS OF SURVIVORSHIP AGREEMENT. (a) The department shall include on each certificate of title a rights of survivorship agreement form. The form must:

(1) provide that if the agreement is signed by two or more eligible persons, the motor vehicle is held jointly by those persons with the interest of a person who dies to survive to the surviving person or persons; and

(2) provide blanks for the signatures of the persons.

(b) If the vehicle is registered in the name of one or more of the persons who signed the agreement, the certificate of title may contain a:

(1) rights of survivorship agreement signed by all the persons; or

(2) remark if a rights of survivorship agreement is surrendered with the application for certificate of title or otherwise on file with the department.

(c) Except as provided in Subsection (g),

ownership of the vehicle may be transferred only:

(1) by all the persons acting jointly, if all the persons are alive; and

(2) on the death of one of the persons

by the surviving person or persons by transferring the certificate of title, in the manner otherwise required by law for transfer of ownership of the vehicle, with a copy of the death certificate of the deceased person attached to the certificate of title application.

(d) A rights of survivorship agreement under this section may be revoked only by surrender of the certificate of title to the department and joint application by the persons who signed the agreement for a new title in the name of the person or persons designated in the application.

(e) A person is eligible to sign a rights of survivorship agreement under this section if the person:

(1) is married and the spouse of the signing person is the only other party to the agreement;

(2) is unmarried and attests to that unmarried status by affidavit; or

(3) is married and provides the department with an affidavit from the signing person's spouse that attests that the signing person's interest in the vehicle is the signing person's separate property.

(f) If the title is being issued in connection with the sale

of the vehicle, the seller is not eligible to sign a rights of survivorship agreement under this section unless the seller is the child, grandchild, parent, grandparent, brother, or sister of each other person signing the agreement. A family relationship required by this subsection may be a relationship established by adoption.

(g) If an agreement, other than the agreement provided for in Subsection (a), providing for right of survivorship is signed by two or more persons, the department shall issue a new certificate of title to the surviving person or persons upon application accompanied by a copy of the death certificate of the deceased person. The department may develop for public use under this subsection an optional rights of survivorship agreement form.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.39(a), eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, § 17.05, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 241, § 1, eff. Sept. 1, 1999.

§ 501.032. ASSIGNMENT OF SERIAL NUMBER BY DEPARTMENT.

(a) On proper application, the department shall assign a serial number to a house trailer, a trailer or semitrailer that has a gross vehicle weight that exceeds 4,000 pounds, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment on which:

- (1) a serial number was not die-stamped by the manufacturer; or
- (2) the serial number die-stamped by the manufacturer has been lost, removed, or obliterated.

(b) The applicant shall die-stamp the assigned serial number at the place designated by the department on the house trailer, trailer, semitrailer, or equipment.

(c) The manufacturer's serial number or the serial number assigned by the department shall be affixed on the carriage or axle part of the house trailer, trailer, or semitrailer. The department shall use the number as the major identification of the vehicle in the issuance of a certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.033. ASSIGNMENT OF IDENTIFICATION NUMBER BY DEPARTMENT. (a) A person determined by the department or a court to be the owner of a motor vehicle, a part of a motor vehicle, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment that has had the serial number removed, altered, or obliterated may apply to the department for an assigned vehicle

identification number.

(b) An application under this section must be on a form prescribed and furnished by the department and accompanied by the certificate of title for the vehicle or other valid evidence of ownership as required by the department if there is no certificate of title.

(c) A fee of \$2 must accompany each application under this section to be deposited in the state highway fund.

(d) The assigned number shall be die-stamped or otherwise affixed to the motor vehicle, part, or item of equipment at the location and in the manner designated by the department.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.034. ISSUANCE OF TITLE TO GOVERNMENT AGENCY. The department may issue a certificate of title to a government agency if a vehicle or part of a vehicle is:

- (1) forfeited to the government agency;
 - (2) delivered by court order under the Code of Criminal Procedure to a government agency for official purposes;
- or
- (3) sold as abandoned or unclaimed property under the Code of Criminal Procedure.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.035. CERTIFICATE OF TITLE FOR FORMER MILITARY VEHICLE. (a) Notwithstanding any other law, the department shall issue a certificate of title for a former military vehicle that is not registered under the laws of this state if all other requirements for issuance of a certificate of title are met.

(b) In this section, "former military vehicle" has the meaning assigned by Section 502.275(o).

Added by Acts 1997, 75th Leg., ch. 165, § 30.40(a), eff. Sept. 1, 1997.

§ 501.036. CERTIFICATE OF TITLE FOR FARM SEMITRAILER. (a) Notwithstanding any other provision of this chapter, the department may issue a certificate of title for a farm semitrailer with a gross weight of more than 4,000 pounds if:

- (1) the farm semitrailer is eligible for registration under Section 504.504; and
- (2) all other requirements for issuance of a certificate of title are met.

(b) To obtain a certificate of title under this section, the owner of the farm semitrailer must:

- (1) apply for the certificate of title in the manner required by Section 501.023; and
- (2) pay the fee required by Section 501.138.

(c) The department shall adopt rules and forms to implement and administer this section.

Added by Acts 2001, 77th Leg., ch. 422, § 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 280, § 1, eff. June 15, 2007.

SUBCHAPTER C. REFUSAL TO ISSUE AND REVOCATION OR SUSPENSION OF CERTIFICATE

§ 501.051. GROUNDS FOR REFUSAL TO ISSUE OR FOR REVOCATION OR SUSPENSION OF CERTIFICATE. The department shall refuse to issue a certificate of title or shall suspend or revoke a certificate of title if:

- (1) the application for the certificate contains a false or fraudulent statement;
- (2) the applicant failed to furnish required information requested by the department;
- (3) the applicant is not entitled to a certificate of title;
- (4) the department has reason to believe that the motor vehicle is stolen;
- (5) the department has reason to believe that the issuance of a certificate of title would defraud the owner or a lienholder of the motor vehicle;
- (6) the registration for the motor vehicle is suspended or revoked; or
- (7) the required fee has not been paid.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.052. HEARING ON REFUSAL TO ISSUE OR REVOCATION OR SUSPENSION OF CERTIFICATE OF TITLE; APPEAL. (a) An interested person aggrieved by a refusal, suspension, or revocation under Section 501.051 may apply for a hearing to the county assessor-collector for the county in which the person is domiciled.

On the day an assessor-collector receives the application, the assessor-collector shall notify the department of the date of the hearing.

(b) The assessor-collector shall hold the hearing not earlier than the 11th day and not later than the 15th day after the date the assessor-collector receives the application for a hearing.

(c) At the hearing, the applicant and the department may submit evidence.

(d) A determination of the assessor-collector is binding on the applicant and the department as to whether the department correctly refused to issue or correctly revoked or suspended the certificate of title.

(e) An applicant aggrieved by the determination under Subsection (d) may appeal to the county court of the county of the applicant's residence. An applicant must file an appeal not later than the fifth day after the date of the assessor-collector's determination. The county court judge shall try the appeal in the manner of other civil cases. All rights and immunities granted in the trial of a civil case are available to the interested parties. If the department's action is not sustained, the department shall promptly issue a certificate of title for the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.053. FILING OF BOND AS ALTERNATIVE TO HEARING.

(a) As an alternative to the procedure provided by Section 501.052, the person may file a bond with the department. On the filing of the bond the department may issue the certificate of title.

(b) The bond must be:

- (1) in the form prescribed by the department;
- (2) executed by the applicant;
- (3) issued by a person authorized to conduct a surety

business in this state;

(4) in an amount equal to one and one-half times the value of the vehicle as determined by the department; and

(5) conditioned to indemnify all prior owners and lienholders and all subsequent purchasers of the vehicle or persons who acquire a security interest in the vehicle, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, occurring because of the issuance of the certificate of title for the vehicle or for a defect in or undisclosed security interest on the right, title, or interest of the applicant to the vehicle.

(c) An interested person has a right of action to recover on the bond for a breach of the bond's condition. The aggregate liability of the surety to all persons may not exceed the amount of

the bond.

(d) A bond under this section expires on the third anniversary of the date the bond became effective. The department shall return an expired bond to the person who filed the bond unless the department has been notified of a pending action to recover on the bond.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

SUBCHAPTER D. SALES OF MOTOR VEHICLES AND TRANSFERS OF TITLE

§ 501.071. SALE OF VEHICLE; TRANSFER OF TITLE.

(a) Except as provided in Section 503.039, a motor vehicle may not be the subject of a subsequent sale unless the owner designated in the certificate of title transfers the certificate of title at the time of the sale.

(b) The transfer of the certificate of title must be on a form prescribed by the department that includes a statement that:

- (1) the signer is the owner of the vehicle; and
- (2) there are no liens on the vehicle except as shown on the certificate of title or as fully described in the statement.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1127, § 1, eff. September 1, 2005.

§ 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Except as provided by Subsection (c), the seller of a motor vehicle sold in this state shall provide to the buyer, on a form prescribed by the department, a written disclosure of the vehicle's odometer reading at the time of the sale. The form must include space for the signature and printed name of both the seller and buyer.

(b) When application for a certificate of title is made, the owner shall record the current odometer reading on the application. The written disclosure required by Subsection (a) must accompany the application.

(c) An odometer disclosure statement is not required for the sale of a motor vehicle that:

- (1) has a manufacturer's rated carrying capacity of more than two tons;
- (2) is not self-propelled;

- (3) is 10 or more years old;
- (4) is sold directly by the manufacturer to an agency of the United States government in conformity with contractual specifications; or
- (5) is a new motor vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.073. SALES IN VIOLATION OF CHAPTER. A sale made in violation of this chapter is void and title may not pass until the requirements of this chapter are satisfied.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.074. TRANSFER OF VEHICLE BY OPERATION OF LAW.

- (a) The department shall issue a new certificate of title for a motor vehicle registered in this state for which the ownership is transferred by operation of law, including by inheritance, devise or bequest, bankruptcy, receivership, judicial sale, or other involuntary divestiture of ownership after receiving:
- (1) a certified copy of the order appointing a temporary administrator or of the probate proceedings;
 - (2) letters testamentary or letters of administration;
 - (3) if administration of an estate is not necessary, an affidavit showing that administration is not necessary, identifying all heirs, and including a statement by the heirs of the name in which the certificate shall be issued;
 - (4) a court order; or
 - (5) the bill of sale from an officer making a judicial sale.
- (b) If a lien is foreclosed by nonjudicial means, the department may issue a new certificate of title in the name of the purchaser at the foreclosure sale on receiving the affidavit of the lienholder of the fact of the nonjudicial foreclosure.
- (c) If a constitutional or statutory lien is foreclosed, the department may issue a new certificate of title in the name of the purchaser at the foreclosure sale on receiving:
- (1) the affidavit of the lienholder of the fact of the creation of the lien and of the divestiture of title according to law; and
 - (2) proof of notice as required by Sections 70.004 and 70.006, Property Code.
- (d) Notwithstanding the terms of Section 501.005, in the event of a conflict between this section and other law, this section controls.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.41, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 76, § 2, eff. May 14, 2001.

§ 501.075. VALIDITY OF DOCUMENTS NOT NOTARIZED. A document necessary to transfer ownership of a motor vehicle is valid without regard to whether the document is executed before a notary public.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.076. LIMITED POWER OF ATTORNEY. (a) An owner who has a contractual option to transfer ownership of a vehicle in full or partial satisfaction of the balance owed on the vehicle, as provided in Section 348.123(b)(5), Finance Code, may execute a written limited power of attorney that authorizes an agent to complete and sign for the owner, and provide to the transferee, the form to transfer the title under Section 501.071 and the odometer disclosure under Section 501.072, and the other documents necessary to transfer title.

(b) The owner may execute the limited power of attorney at the time the owner enters the contract giving the owner the option to transfer the vehicle or at any time after that date. The limited power of attorney may only be used if an owner elects to transfer the vehicle in full or partial satisfaction of the contract and may not be used by the holder of the contract as part of the holder's exercise of a remedy for a default by the owner under the contract.

(c) The person named as the agent in the limited power of attorney must meet the following requirements:

(1) the person may be a person who has been appointed by the commissioner's court as a deputy to perform vehicle registration functions under Section 502.112, a license vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents; and

(2) the person may not be the transferee or an employee of the transferee. The person may not act as the agent of both the transferor and transferee in the transaction. For the purposes of this section, a person is not the agent of both the transferor and transferee in a transaction unless the person has the authority to sign the documents pertaining to the transfer of title on behalf of both the transferor and the transferee.

(d) If a limited power of attorney is used under Subsection (a), the holder of the contract shall accompany the power of attorney with a written statement that the vehicle was returned at the election of the owner in full or partial satisfaction of the owner's obligations under the contract and not as the result of the exercise by the holder of the contract of its remedies for default.

(e) A signed and dated written odometer disclosure containing the information described in this subsection may be included on or with the power of attorney if the power of attorney is executed within 120 days before the date of the transfer and is accompanied by the conspicuous written notification described in this subsection. If an odometer disclosure is not obtained in that manner, the transferee or agent or the person to whom the vehicle is delivered at the time of the transfer shall request an odometer disclosure as provided in this subsection. Not more than 120 days before the transfer of the vehicle by the owner, the transferee or agent under the power of attorney or person receiving delivery of the vehicle shall in writing request the owner to provide a signed and dated written statement stating the odometer reading (not to include tenths of a mile) as of the date of the statement, and further stating words to the effect that either: (i) to the best of the owner's knowledge, the odometer reading reflects the actual mileage of the vehicle; (ii) the actual mileage has gone over the odometer's mechanical limits and the odometer reading reflects the amount of mileage in excess of the mechanical limits of the odometer, if the owner knows that to be the case; or (iii) the odometer reading is not the actual mileage, if the owner knows that to be the case. The statement may consist of a form in which the agent or transferee or person receiving the vehicle includes the identification of the vehicle and owner and which allows the owner to fill in the odometer reading and mark an applicable box to indicate which of condition (i), (ii), or (iii) is applicable and to date and sign the statement. With the request for the owner's statement, the transferee or agent or person receiving the vehicle shall provide a written notification to the owner to the effect that the owner has a duty under law to state the odometer reading, state which of conditions (i), (ii), or (iii) is applicable, and sign, date, and return the statement and that failing to do so or providing false information may result in fines or imprisonment. Unless the written notification is delivered to the owner at substantially the same time that the owner is delivering the signed and dated owner's statement, the written notification must also state a date by which the owner must provide this information and an address to which it may be delivered. This written notification to the owner must be in bold letters, underlined, or otherwise conspicuous and may be in a separate document or included as part of a form to be used for the owner's statement or in another document relating to the potential transfer. The transferee or agent or the

person receiving delivery of the vehicle may mail the request and notification to the last known address of the owner or may otherwise send or deliver it to the owner. If there are multiple owners of the same vehicle, the request and notification may be sent to one or more of them and it shall be sufficient for one owner to sign the statement. The owner has a duty to return the signed and dated statement as directed in the notification. In completing the odometer disclosure on the owner's behalf, the agent shall identify the same condition (i), (ii), or (iii) provided in the owner's statement, unless the agent knows that the condition identified in the owner's statement is not correct. The agent will not indicate in the odometer disclosure it completes on the owner's behalf that the odometer reading is not the actual mileage unless either the owner has so indicated in the owner's statement or the agent knows that the owner's statement is not correct. The agent shall transmit the owner's statement it receives to the transferee after the title transfer is completed. The owner's statement received by the transferee under this subsection need not be filed with the filing office for the other title documents, but the transferee shall retain the owner's statement for a time period and in a similar manner to the retention methods used by a lessor to retain statements under 49 C.F.R. Section 580.8(b), as it may from time to time be amended. The transferee may rely upon the agent's odometer disclosure and the owner's statement unless it knows that they are not correct. A failure by an owner to comply with an obligation under this subsection subjects the owner to the penalties and enforcement provisions of Subchapter H but does not affect the validity of the transfer of title.

(f) This section does not in any way impair or impede any transfers made through use of a power of attorney prior to the effective date of this section, and such transfers shall continue to be valid if they comply with the provisions of this section or would otherwise comply with the law in effect prior to the effective date of this section. This section does not apply to powers of attorney authorized under federal law or regulation that authorize a transferee to act as the agent of the transferor under certain circumstances or to powers of attorney otherwise authorized by the law of this state. This section does not affect the use of powers of attorney to sign, complete, and deliver the form to transfer title and other documents necessary to transfer title, including the odometer disclosure, in title transfers other than those described in Subsection (a).

(g) The power of attorney created in this section shall be limited for the purposes and duration specified in this section.

Added by Acts 2003, 78th Leg., ch. 958, § 1, eff. Sept. 1, 2003.

SUBCHAPTER E. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

§ 501.091. DEFINITIONS. In this subchapter:

- (1) "Actual cash value" means the market value of a motor vehicle.
- (2) "Casual sale" means the sale by a salvage vehicle dealer or an insurance company of not more than five nonrepairable motor vehicles or salvage motor vehicles to the same person during a calendar year. The term does not include:
 - (A) a sale at auction to a salvage vehicle dealer; or
 - (B) the sale of an export-only motor vehicle to a person who is not a resident of the United States.
- (3) "Damage" means sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.
- (4) "Export-only motor vehicle" means a motor vehicle described by Section 501.099.
- (5) "Insurance company" means:
 - (A) a person authorized to write automobile insurance in this state; or
 - (B) an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.
- (6) "Major component part" means one of the following parts of a motor vehicle:
 - (A) the engine;
 - (B) the transmission;
 - (C) the frame;
 - (D) a fender;
 - (E) the hood;
 - (F) a door allowing entrance to or egress from the passenger compartment of the motor vehicle;
 - (G) a bumper;
 - (H) a quarter panel;
 - (I) a deck lid, tailgate, or hatchback;
 - (J) the cargo box of a one-ton or smaller truck, including a pickup truck;
 - (K) the cab of a truck;
 - (L) the body of a passenger motor vehicle;
 - (M) the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.
- (7) "Metal recycler" means a person who:
 - (A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original

economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(8) "Motor vehicle" has the meaning assigned by Section 501.002(14).

(9) "Nonrepairable motor vehicle" means a motor vehicle that:

(A) is damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal; or

(B) comes into this state under a title or other ownership document that indicates that the vehicle is nonrepairable, junked, or for parts or dismantling only.

(10) "Nonrepairable vehicle title" means a document issued by the department that evidences ownership of a nonrepairable motor vehicle.

(11) "Out-of-state buyer" means a person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles or nonrepairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction.

(12) "Out-of-state ownership document" means a negotiable document issued by another state or jurisdiction that the department considers sufficient to prove ownership of a nonrepairable motor vehicle or salvage motor vehicle and to support the issuance of a comparable Texas certificate of title for the motor vehicle. The term does not include a title issued by the department, including a regular certificate of title, a nonrepairable vehicle title, a salvage vehicle title, a Texas Salvage Certificate, Certificate of Authority to Demolish a Motor Vehicle, or another ownership document issued by the department.

(13) "Public highway" has the meaning assigned by Section 502.001.

(14) "Rebuilder" means a person who acquires and repairs, rebuilds, or reconstructs for operation on a public

highway, three or more salvage motor vehicles in a calendar year.

(15) "Salvage motor vehicle":

(A) means a motor vehicle that:

(i) has damage to or is missing a major component part to the extent that the cost of repairs, including parts and labor other than the cost of materials and labor for repainting the motor vehicle and excluding sales tax on the total cost of repairs, exceeds the actual cash value of the motor vehicle immediately before the damage; or

(ii) is damaged and that comes into this state under an out-of-state salvage motor vehicle certificate of title or similar out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation; and

(B) does not include an out-of-state motor vehicle with a "rebuilt," "prior salvage," "salvaged," or similar notation, a nonrepairable motor vehicle, or a motor vehicle for which an insurance company has paid a claim for:

(i) the cost of repairing hail damage; or

(ii) theft, unless the motor vehicle was

damaged during the theft and before recovery to the extent described by Paragraph (A)(i).

(16) "Salvage vehicle title" means a document issued by the department that evidences ownership of a salvage motor vehicle.

(17) "Salvage vehicle dealer" means a person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or used parts. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year. The term includes a person engaged in the business of:

(A) a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in that business;

(B) dealing in nonrepairable motor vehicles or salvage motor vehicles, regardless of whether the person deals in used parts; or

(C) dealing in used parts regardless of whether the person deals in nonrepairable motor vehicles or salvage motor vehicles.

(18) "Self-insured motor vehicle" means a motor vehicle for which the evidence of ownership is a manufacturer's certificate of origin or for which the department or another state or jurisdiction has issued a regular certificate of title, is self-insured by the owner, and is owned by an individual, a business, or a governmental entity, without regard to the number of

motor vehicles they own or operate. The term does not include a motor vehicle that is insured by an insurance company.

(19) "Used part" means a part that is salvaged, dismantled, or removed from a motor vehicle for resale as is or as repaired. The term includes a major component part but does not include a rebuildable or rebuilt core, including an engine, block, crankshaft, transmission, or other core part that is acquired, possessed, or transferred in the ordinary course of business.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0911 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 567, § 1, eff. September 1, 2005.

§ 501.092. INSURANCE COMPANY TO SURRENDER CERTIFICATES OF TITLE TO CERTAIN SALVAGE MOTOR VEHICLES OR NONREPAIRABLE MOTOR VEHICLES.

(a) An insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall surrender a properly assigned title or manufacturer's certificate of origin to the department, on a form prescribed by the department, except that not earlier than the 46th day after the date of payment of the claim the insurance company may surrender a certificate of title, on a form prescribed by the department, and receive a salvage certificate of title or a nonrepairable certificate of title without obtaining a properly assigned certificate of title if the insurance company:

- (1) has obtained the release of all liens on the motor vehicle;
- (2) is unable to locate one or more owners of the motor vehicle; and
- (3) has provided notice to the last known address in the department's records to each owner that has not been located:
 - (A) by registered or certified mail, return receipt requested; or

(B) if a notice sent under Paragraph (A) is returned unclaimed, by publication in a newspaper of general circulation in the area where the unclaimed mail notice was sent.

(b) For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title.

(c) An insurance company may not sell a motor vehicle to which this section applies unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

(d) An insurance company may sell a motor vehicle to which this section applies, or assign a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle, only to a salvage vehicle dealer, an out-of-state buyer, a buyer in a casual sale at auction, or a metal recycler. If the motor vehicle is not a salvage motor vehicle or a nonrepairable motor vehicle, the insurance company is not required to surrender the regular certificate of title for the vehicle or to be issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle.

(e) An insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title or a nonrepairable vehicle title for the vehicle.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0912 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.093. INSURANCE COMPANY REPORT ON CERTAIN VEHICLES.

(a) If an insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, the insurance company shall submit to the department, before the 31st day after the date of the payment of the claim, on the form prescribed by the department, a report stating that the insurance company:

- (1) has paid a claim on the motor vehicle; and
- (2) has not acquired ownership of the motor vehicle.

(b) The owner of a motor vehicle to which this section applies may not operate or permit operation of the motor vehicle on a public highway or transfer ownership of the motor vehicle by sale or otherwise unless the department has issued a salvage vehicle title or a nonrepairable vehicle title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle.

(c) Subsection (b) does not apply if:

- (1) the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle; or
- (2) another state or jurisdiction has issued a

comparable out-of-state ownership document for the motor vehicle.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code § 501.0915 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.094. SELF-INSURED MOTOR VEHICLE. (a) This section applies only to a motor vehicle in this state that is:

- (1) a self-insured motor vehicle;
- (2) damaged to the extent it becomes a nonrepairable or salvage motor vehicle; and
- (3) removed from normal operation by the owner.

(b) The owner of a motor vehicle to which this section applies shall submit to the department before the 31st day after the date of the damage, on the form prescribed by the department, a report stating that the motor vehicle was self-insured, damaged, and was removed from normal operation.

(c) When the owner submits a report under Subsection (b), the owner shall:

- (1) surrender the regular certificate of title or manufacturer's certificate of origin for the motor vehicle; and
- (2) apply for a nonrepairable vehicle title or salvage vehicle title under this subchapter.

Added by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.095. SALE, TRANSFER, OR RELEASE OF NONREPAIRABLE MOTOR VEHICLE OR SALVAGE MOTOR VEHICLE. (a) If the department has

not issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle and an out-of-state ownership document for the motor vehicle has not been issued by another state or jurisdiction, a business or governmental entity described by Subdivisions (1)-(3) may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle only to a person who is:

- (1) a licensed salvage vehicle dealer or metal recycler under Chapter 2302, Occupations Code;
- (2) an insurance company that has paid a claim on the nonrepairable or salvage motor vehicle;
- (3) a governmental entity; or
- (4) an out-of-state buyer.

(b) A person, other than a salvage vehicle dealer or an insurance company licensed to do business in this state, who acquired ownership of a nonrepairable or salvage motor vehicle that has not been issued a nonrepairable vehicle title, salvage vehicle

title, or a comparable ownership document issued by another state or jurisdiction shall, before selling the motor vehicle, surrender the properly assigned certificate of title for the motor vehicle to the department and apply to the department for:

- (1) a nonrepairable vehicle title if the vehicle is a nonrepairable motor vehicle; or
- (2) a salvage vehicle title if the vehicle is a salvage motor vehicle.

(c) If the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle or another state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle, a person may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle to any person.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 1421, § 10, eff. June 1, 2003. Renumbered from Transportation Code § 501.0916 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.096. NONREPAIRABLE MOTOR VEHICLE OR SALVAGE MOTOR VEHICLE DISMANTLED, SCRAPPED, OR DESTROYED.

(a) If a salvage vehicle dealer acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, the dealer shall, before the 31st day after the date the dealer acquires the motor vehicle, submit to the department a report stating that the motor vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

- (1) make the report on a form prescribed by the department; and
- (2) submit with the report a properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for the motor vehicle.

(b) After receiving the report and title or document, the department shall issue the salvage vehicle dealer a receipt for the manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document.

(c) The salvage vehicle dealer shall:

- (1) keep on the business premises of the dealer, until the third anniversary of the date the report on the motor vehicle is submitted to the department, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed; and

- (2) present to the department, on the form prescribed

by the department, evidence that the motor vehicle was dismantled, scrapped, or destroyed before the 61st day after the date the dealer completed the dismantling, scrapping, or destruction of the motor vehicle.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 1421, § 11, eff. June 1, 2003. Renumbered from Transportation Code § 501.0917 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.097. APPLICATION FOR NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. (a) An application for a nonrepairable vehicle title or salvage vehicle title must:

(1) be made on a form prescribed by the department and accompanied by a \$8 application fee;

(2) include, in addition to any other information required by the department:

(A) the name and current address of the owner;

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number; and

(C) a statement describing whether the motor vehicle:

(i) was the subject of a total loss claim paid by an insurance company under Section 501.092 or 501.093;

(ii) is a self-insured motor vehicle under Section 501.094;

(iii) is an export-only motor vehicle under Section 501.099; or

(iv) was sold, transferred, or released to the owner or former owner of the motor vehicle or a buyer at a casual sale; and

(3) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

(b) On receipt of a complete application, the properly assigned title or manufacturer's certificate of origin and the application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate title for the motor vehicle.

(c) A nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a regular certificate of title or registered in this state;
(C) be operated on a public highway, in addition to any other requirement of law; and
(2) may only be used as a source for used parts or scrap metal.

(d) The fee collected under Subsection (a)(1) shall be credited to the state highway fund to defray the costs of administering this subchapter and the costs to the department for issuing the title.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0920 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.098. RIGHTS OF HOLDER OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. (a) A person who holds a nonrepairable vehicle title for a motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, record a lien as provided for in Section 501.097(a)(3)(A), and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle;

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law;

(B) repair, rebuild, or reconstruct the motor vehicle; or

(C) register the motor vehicle.

(b) A person who holds a nonrepairable certificate of title issued prior to September 1, 2003:

(1) is entitled to:

(A) repair, rebuild, or reconstruct the motor vehicle;

(B) possess, transport, dismantle, scrap, or destroy the motor vehicle; and

(C) sell, transfer, or release ownership of the vehicle or a used part from the motor vehicle; and

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law; or

(B) register the motor vehicle.

(c) A person who holds a salvage vehicle title for a motor vehicle:

(1) is entitled to possess, transport, dismantle,

scrap, destroy, repair, rebuild, reconstruct, record a lien on, and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0921 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.099. SALE OF EXPORT-ONLY MOTOR VEHICLES.

(a) This section applies to a nonrepairable motor vehicle or a salvage motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States.

(b) A person may purchase a nonrepairable motor vehicle or a salvage motor vehicle only if:

(1) the person purchases the motor vehicle from a licensed salvage vehicle dealer or a governmental entity;

(2) the motor vehicle has been issued a nonrepairable vehicle title or a salvage vehicle title; and

(3) the purchaser certifies to the seller on a form provided by the department that the purchaser will:

(A) remove the motor vehicle from the United States; and

(B) not return the motor vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number.

(c) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall, before the sale of the motor vehicle, obtain a copy, photocopy, or other accurate reproduction of a valid identification card, identification certificate, or an equivalent document issued to the purchaser by the appropriate authority of the jurisdiction in which the purchaser resides that bears a photograph of the purchaser and is capable of being verified using identification standards adopted by the United States or the international community.

(d) The department by rule shall establish a list of identification documents that are valid under Subsection (c) and provide a copy of the list to each holder of a salvage vehicle dealer license and to each appropriate governmental entity.

(e) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall:

(1) stamp on the face of the title so as not to obscure

any name, date, or mileage statement on the title the words "FOR EXPORT ONLY" in capital letters that are black; and

(2) stamp in each unused reassignment space on the back of the title the words "FOR EXPORT ONLY" and print the number of the dealer's salvage vehicle license or the name of the governmental entity, as applicable.

(f) The words "FOR EXPORT ONLY" required by Subsection (e) must be at least two inches wide and clearly legible.

(g) A salvage vehicle dealer or governmental entity who sells a nonrepairable motor vehicle or a salvage motor vehicle under this section to a person who is not a resident of the United States shall keep on the business premises of the dealer or entity until the third anniversary of the date of the sale:

(1) a copy of each document related to the sale of the vehicle; and

(2) a list of all vehicles sold under this section that contains:

(A) the date of the sale;

(B) the name of the purchaser;

(C) the name of the country that issued the identification document provided by the purchaser, as shown on the document; and

(D) the vehicle identification number.

(h) This section does not prevent a person from exporting or importing a used part obtained from an export-only motor vehicle.

Added by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.100. APPLICATION FOR REGULAR CERTIFICATE OF TITLE FOR SALVAGE VEHICLE.

(a) A vehicle for which a nonrepairable certificate of title issued prior to September 1, 2003 or a salvage vehicle title has been issued may be issued a regular certificate of title after the motor vehicle has been repaired, rebuilt, or reconstructed by a person described by Section 501.104(a) and, in addition to any other requirement of law, only if the application is accompanied by a separate form that:

(1) describes each major component part used to repair the motor vehicle; and

(2) shows the identification number required by federal law to be affixed to or inscribed on the part.

(b) On receipt of a complete application under this section accompanied by the \$13 fee for the certificate of title, the department shall issue the applicant a regular certificate of title for the motor vehicle.

(c) A regular certificate of title issued under this section must:

- (1) describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle; and
 - (2) bear on its face the words "REBUILT SALVAGE" in capital letters that:
 - (A) are red;
 - (B) are centered on and occupy at least 15 percent of the face of the certificate of title; and
 - (C) do not prevent any other words on the title from being read or copied.
- (d) In addition to the fee described by Subsection (b), the applicant shall pay a \$65 rebuilder fee.
- (e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit \$50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and \$15 to the credit of the general revenue fund.
- (f) The department may not issue a regular certificate of title for a motor vehicle based on a:
- (1) nonrepairable vehicle title or comparable out-of-state ownership document;
 - (2) receipt issued under Section 501.096(b); or
 - (3) certificate of authority.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0922, 501.0923 as consolidated and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.101. ISSUANCE OF TITLE TO MOTOR VEHICLE BROUGHT INTO STATE. (a) This section applies only to a motor vehicle brought into this state from another state or jurisdiction that has on any certificate of title or comparable out-of-state ownership document issued by the other state or jurisdiction:

- (1) a "rebuilt," "salvage," or similar notation; or
 - (2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," or similar notation.
- (b) On receipt of a complete application from the owner of the motor vehicle, the department shall issue the applicant the appropriate certificate of title for the motor vehicle.
- (c) A certificate of title issued under this section must show on its face:
- (1) the date of issuance;
 - (2) the name and address of the owner;
 - (3) any registration number assigned to the motor vehicle; and
 - (4) a description of the motor vehicle or other

notation the department considers necessary or appropriate.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0924 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.102. OFFENSES. (a) A person commits an offense if the person:

- (1) applies to the department for a regular certificate of title for a motor vehicle; and
- (2) knows or reasonably should know that:
 - (A) the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
 - (B) the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
 - (C) the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;
 - (D) the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle;
 - (E) the motor vehicle is an export-only motor vehicle; or
 - (F) the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.

(b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage motor vehicle in violation of this subchapter.

(c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the person:

- (1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or
- (2) knows the vehicle has become a nonrepairable motor vehicle or salvage motor vehicle under Section 501.094.

(d) Except as provided by Subsection (e), an offense under this section is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under this section that the defendant has been previously convicted of:

- (1) one offense under this section, the offense is a Class B misdemeanor; or
- (2) two or more offenses under this section, the offense is a state jail felony.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0926 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.103. COLOR OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE.

(a) The department shall print a nonrepairable vehicle title:

- (1) in a color that distinguishes it from a regular certificate of title or salvage vehicle title; and
- (2) so that it clearly shows that it is the negotiable ownership document for a nonrepairable motor vehicle.

(b) A nonrepairable vehicle title must state on its face that the motor vehicle:

- (1) may not be:
 - (A) issued a regular certificate of title;
 - (B) registered in this state; or
 - (C) repaired, rebuilt, or reconstructed; and
- (2) may be used only as a source for used parts or scrap metal.

(c) The department shall print a salvage vehicle title:

- (A) in a color that distinguishes it from a regular certificate of title or nonrepairable vehicle title; and
- (B) so that each document clearly shows that it is the ownership document for a salvage motor vehicle.

(d) A salvage vehicle title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood must bear a notation on its face that the department considers appropriate. If the title for a motor vehicle reflects the notation required by this subsection, the owner may sell, transfer, or release the motor vehicle only as provided by this subchapter.

(e) The department may provide a stamp to a person who is a licensed salvage vehicle dealer under Chapter 2302, Occupations Code, to mark the face of a title under this subchapter. The department shall provide the stamp to the person for a fee in the amount determined by the department to be necessary for the department to recover the cost of providing the stamp.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0928 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.104. REBUILDER TO POSSESS TITLE OR OTHER DOCUMENTATION.

(a) This section applies only to:

- (1) a rebuilder licensed as a salvage vehicle dealer;

(2) a person engaged in the business of a rebuilder, regardless of whether the person is licensed to engage in that business; or

(3) a person engaged in the casual repair, rebuilding, or reconstruction of fewer than three motor vehicles in the same 12-month period.

(b) A person described by Subsection (a) must possess:

(1) a regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for any motor vehicle that is:

- (A) owned by the person;
- (B) in the person's inventory; and
- (C) being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:

- (A) owned by another person;
- (B) on the person's business or casual premises;

and

(C) being repaired, rebuilt, or reconstructed for the other person.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0929 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.105. RETENTION OF RECORDS RELATING TO CERTAIN CASUAL SALES.

Each licensed salvage vehicle dealer or insurance company that sells a nonrepairable motor vehicle or a salvage motor vehicle at a casual sale shall keep on the business premises of the dealer or the insurance company a list of all casual sales made during the preceding 36-month period that contains:

- (1) the date of the sale;
- (2) the name of the purchaser;
- (3) the name of the jurisdiction that issued the identification document provided by the purchaser, as shown on the document; and

- (4) the vehicle identification number.

Added by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.106. ENFORCEMENT OF SUBCHAPTER. (a) This subchapter shall be enforced by the department and any other governmental or law enforcement entity, including the Department of

Public Safety, and the personnel of the entity as provided by this subchapter.

(b) The department, an agent, officer, or employee of the department, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance of a regular certificate of title, nonrepairable vehicle title, or salvage vehicle title under this subchapter.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0930 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

§ 501.107. APPLICABILITY OF SUBCHAPTER TO RECYCLER.

(a) This subchapter does not apply to a sale to, purchase by, or other transaction by or with, a metal recycler except as provided by Subsections (b) and (c).

(b) A metal recycler shall submit to the department the properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document that the person receives in conjunction with the purchase of a motor vehicle not later than the 60th day after the date the metal recycler receives the title or out-of-state ownership document.

(c) This subchapter applies to a transaction with a metal recycler in which a motor vehicle:

(1) is sold or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts; and

(2) is used for that purpose.

Added by Acts 1997, 75th Leg., ch. 165, § 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, § 501.0931 and amended by Acts 2003, 78th Leg., ch. 1325, § 17.02, eff. Sept. 1, 2003.

SUBCHAPTER F. SECURITY INTERESTS

§ 501.111. PERFECTION OF SECURITY INTEREST.

(a) Except as provided by Subsection (b), a person may perfect a security interest in a motor vehicle that is the subject of a first or subsequent sale only by recording the security interest on the certificate of title as provided by this chapter.

(b) A person may perfect a security interest in a motor

vehicle held as inventory by a person in the business of selling motor vehicles only by complying with Chapter 9, Business & Commerce Code.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.112. SALE OR SECURITY INTEREST NOT CREATED BY CERTAIN VEHICLE LEASES. Notwithstanding any other law, an agreement for the lease of a motor vehicle does not create a sale or security interest by merely providing that the rental price is permitted or required to be adjusted under the agreement as determined by the amount realized on the sale or other disposition of the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.113. RECORDATION OF SECURITY INTEREST.

(a) Recordation of a lien under this chapter is considered to occur when the county assessor-collector:

- (1) is presented with an application for a certificate of title that discloses the lien with tender of the filing fee; or
- (2) accepts the application.

(b) For purposes of Chapter 9, Business & Commerce Code, the time of recording a lien under this chapter is considered to be the time of filing the security interest.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.114. ASSIGNMENT OF LIEN. (a) A lienholder may assign a lien recorded under Section 501.113 by:

- (1) applying to the county assessor-collector for the assignment of the lien; and
- (2) notifying the debtor of the assignment.

(b) A lienholder's failure to notify a debtor of an assignment does not create a cause of action against the lienholder.

(c) An application under Subsection (a) must be:

- (1) signed by the person to whom the lien is assigned;
- and
- (2) accompanied by:
 - (A) the applicable fee;
 - (B) a copy of the assignment agreement executed by the parties; and
 - (C) the certificate of title on which the lien to be assigned is recorded.

(d) On receipt of the completed application and fee, the department:

(1) may amend the department's records to substitute the subsequent lienholder for the previous lienholder; and

(2) shall issue a new certificate of title as provided by Section 501.027.

(e) The issuance of a certificate of title under Subsection (d) is recordation of the assignment. The time of the recordation of a lien assigned under this section is considered to be the time the lien was recorded under Section 501.113.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.115. DISCHARGE OF LIEN. (a) When a debt or claim secured by a lien has been satisfied, the lienholder shall, within a reasonable time not to exceed the maximum time allowed by Section 348.408, Finance Code, execute and deliver to the owner, or the owner's designee, a discharge of the lien on a form prescribed by the department.

(b) The owner may present the discharge and certificate of title to the county assessor-collector with an application for a new certificate of title and the department shall issue a new certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 296, § 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 268, § 1, eff. May 28, 1999.

§ 501.116. CANCELLATION OF DISCHARGED LIEN. The department may cancel a discharged lien that has been recorded on a certificate of title for six years or more if the recorded lienholder:

(1) does not exist; or

(2) cannot be located for the owner to obtain a release

of the lien.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.117. ELECTRONIC LIEN SYSTEM. (a) The department by rule shall develop a system under which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on a certificate of title. Participation by a lienholder in the system is voluntary.

(b) The department shall publish and distribute procedures for using the system to county assessor-collectors and to financial

institutions and other potential motor vehicle lienholders.

(c) The provisions of this chapter relating to perfecting, assigning, discharging, and canceling a security interest in a motor vehicle by record maintained on a certificate of title do not apply to the extent the security interest is governed by rules adopted under this section.

Added by Acts 2001, 77th Leg., ch. 505, § 1, eff. Sept. 1, 2001.

SUBCHAPTER G. ADMINISTRATIVE PROVISIONS

§ 501.131. RULES; FORMS. (a) The department may adopt rules to administer this chapter.

(b) The department shall:

(1) in addition to the forms required by this chapter, prescribe forms for a title receipt, manufacturer's certificate, and importer's certificate, and other forms the department determines necessary; and

(2) provide each county assessor-collector with a sufficient supply of the forms.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.132. DUPLICATE TITLE RECEIPT. Except as otherwise provided by department rule, the department may not issue a duplicate title receipt unless the original title receipt or certificate of title is surrendered.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, § 5, eff. Sept. 1, 2001.

§ 501.133. ISSUANCE OF NEW CERTIFICATE OF TITLE BECAUSE OF SUBSEQUENT SALES. (a) If all of the forms of transfer on a certificate of title have been used because of subsequent sales, the certificate may be delivered to a county assessor-collector, who shall:

(1) provide a title receipt in the manner required for a first sale; and

(2) send the certificate of title to the department on the same day the certificate is received.

(b) On receipt of the certificate of title, the department shall issue a new certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.134. LOST OR DESTROYED CERTIFICATE OF TITLE.

(a) If a certificate of title is lost or destroyed, the owner or lienholder disclosed on the certificate may obtain, in the manner provided by this section and department rule, a certified copy of the lost or destroyed certificate of title directly from the department by applying on a form prescribed by the department and paying a fee of \$2. A fee collected under this subsection shall be deposited to the credit of the state highway fund and may be spent only as provided by Section 501.138.

(b) If a lien is disclosed on a certificate of title, the department may issue a certified copy of the original certificate of title only to the first lienholder.

(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section, and each subsequent certificate issued for the motor vehicle until the vehicle is transferred. A subsequent purchaser or lienholder of the vehicle only acquires the rights, title, or interest in the vehicle held by the holder of the certified copy.

(d) A purchaser or lienholder of a motor vehicle having a certified copy issued under this section may at the time of the purchase or establishment of the lien require that the seller or owner indemnify the purchaser or lienholder and all subsequent purchasers of the vehicle against any loss the person may suffer because of a claim presented on the original certificate of title.

(e) If the certificate of title is recovered, the owner of the vehicle shall promptly surrender the certificate of title to the department for cancellation, and the department shall eliminate the words "certified copy" from any certificate of title issued for that vehicle after that date.

(f) Except as provided by Subsection (g), the department may not issue a certified copy of a certificate of title before the fourth business day after the date application is made.

(g) The department may issue a certified copy of a certificate of title before the fourth business day after the date application is made only if the applicant:

(1) is the registered owner of the vehicle, the holder of a recorded lien against the vehicle, or a verified agent of the owner or lienholder; and

(2) submits personal identification, including a photograph, issued by an agency of this state or the United States.

(h) If the applicant is the agent of the owner or lienholder of the vehicle and is applying on behalf of the owner or lienholder, the applicant must submit verifiable proof that the person is the agent of the owner or lienholder.

(i) If an applicant for a certified copy of a certificate of title is a person other than a person described by Subsection (g)(1), the department may issue a certified copy of the certificate of title only by mail.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.42(a), eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 67, § 6, eff. Sept. 1, 2001.

§ 501.135. RECORD OF STOLEN OR CONCEALED MOTOR VEHICLE.

(a) The department shall:

(1) make a record of each report to the department that a motor vehicle registered in this state has been stolen or concealed in violation of Section 32.33, Penal Code; and

(2) note the fact of the report in the department's records of the vehicle's certificate of title.

(b) A person who reports a motor vehicle as stolen or concealed under Subsection (a) shall notify the department promptly if the vehicle is recovered, and the department shall change its records accordingly.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.136. ACTS BY DEPUTY COUNTY ASSESSOR-COLLECTOR. A

deputy county assessor-collector, other than a limited service deputy appointed under Section 502.112, may perform the duties of an assessor-collector under this chapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.137. DUTY OF COUNTY ASSESSOR-COLLECTOR.

(a) Each county assessor-collector shall comply with this chapter.

(b) An assessor-collector who fails or refuses to comply with this chapter is liable on the assessor-collector's official bond for resulting damages suffered by any person.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

For expiration of Subsections (b-2) and (b-3), see Subsection (b-3).

§ 501.138. COLLECTION AND DISPOSITION OF FEES. (a) An

applicant for a certificate of title, other than the state or a political subdivision of the state, must pay the county assessor-collector a fee of:

(1) \$33 if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(2) \$28 if the applicant's residence is any other county.

(b) The county assessor-collector shall send:

(1) \$5 of the fee to the county treasurer for deposit in the officers' salary fund;

(2) \$8 of the fee to the department:

(A) together with the application within the time prescribed by Section 501.023; or

(B) if the fee is deposited in an interest-bearing account or certificate in the county depository or invested in an investment authorized by Subchapter A, Chapter 2256, Government Code, not later than the 35th day after the date on which the fee is received; and

(3) the following amount to the comptroller at the time and in the manner prescribed by the comptroller:

(A) \$20 of the fee if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(B) \$15 of the fee if the applicant's residence is any other county.

(b-1) Fees collected under Subsection (b) to be sent to the comptroller shall be deposited as follows:

(1) before September 1, 2008, to the credit of the Texas emissions reduction plan fund; and

(2) on or after September 1, 2008, to the credit of the Texas Mobility Fund, except that \$5 of each fee imposed under Subsection (a)(1) and deposited on or after September 1, 2008, and before September 1, 2015, shall be deposited to the credit of the Texas emissions reduction plan fund.

Text of subsection effective until September 1, 2010

(b-2) The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1). On or before the fifth workday of each month, the department shall remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money

equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month. The department shall use for remittance to the comptroller as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

(b-3) This subsection and Subsection (b-2) expire September 1, 2015.

(c) Of the amount received under Subsection (b)(2), the department shall deposit:

(1) \$5 in the general revenue fund; and

(2) \$3 to the credit of the state highway fund to

recover the expenses necessary to administer this chapter.

(d) The county owns all interest earned on fees deposited or invested under Subsection (b)(2)(B). The county treasurer shall credit that interest to the county general fund.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1331, § 24, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1125, § 19, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 262, § 2.15, eff. June 8, 2007.

Acts 2007, 80th Leg., R.S., Ch. 262, § 2.16, eff. June 8, 2007.

SUBCHAPTER H. PENALTIES AND OTHER ENFORCEMENT PROVISIONS

§ 501.151. PLACEMENT OF SERIAL NUMBER WITH INTENT TO CHANGE IDENTITY. (a) A person commits an offense if the person stamps or places a serial number on a vehicle or part of a vehicle with the intent of changing the identity of the vehicle.

(b) It is an affirmative defense to prosecution of an offense under this section that the person acted with respect to a number assigned by:

(1) a vehicle manufacturer and the person was an employee of the manufacturer acting within the course and scope of employment; or

(2) the department, and the person was:

(A) discharging official duties as an agent of the department; or

(B) complying with department rule as an applicant for a serial number assigned by the department.

(c) An offense under this section is a felony of the third degree.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.152. SALE OR OFFER WITHOUT TITLE RECEIPT OR

TITLE. (a) Except as provided by this section, a person commits an offense if the person:

(1) sells, offers to sell, or offers as security for an obligation a motor vehicle registered in this state; and

(2) does not possess the title receipt or certificate of title for the vehicle.

(b) It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the certificate of title to the vehicle if the sole reason he or she does not have possession of the certificate of title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 296, § 2, eff. Sept. 1, 1997.

§ 501.153. APPLICATION FOR TITLE FOR STOLEN OR CONCEALED

VEHICLE. A person commits an offense if the person applies for a certificate of title for a motor vehicle that the person knows is stolen or concealed in violation of Section 32.33, Penal Code.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.154. ALTERATION OF CERTIFICATE OR RECEIPT. A person commits an offense if the person alters a manufacturer's or importer's certificate, a title receipt, or a certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.155. FALSE NAME, FALSE INFORMATION, AND FORGERY.

(a) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a certificate of title;

- (2) an application for a certified copy of an original certificate of title;
- (3) an assignment of title for a motor vehicle;
- (4) a discharge of a lien on a title for a motor vehicle; or
- (5) any other document required by the department or necessary to the transfer of ownership of a motor vehicle.
- (b) An offense under this section is a felony of the third degree.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.156. DUTY OF TRANSPORTERS TO DETERMINE RIGHT OF POSSESSION; OFFENSE. (a) The master or captain of a ship or airplane or a person who owns or controls the operation of a ship or airplane, in whole or part:

(1) may not take on board or allow to be taken on board the ship or airplane in this state for transport a motor vehicle without inquiring of the motor vehicle titles and registration division of the department as to the recorded ownership of the motor vehicle; and

(2) must make a reasonable inquiry as to the right of possession of a motor vehicle by the person delivering the vehicle for transport if the recorded owner of the vehicle is a person other than the person delivering the vehicle for transport.

(b) A person who violates this section commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than \$50 or more than \$500 for a first offense and, at the jury's discretion, not less than \$100 or more than \$1,000 for a subsequent offense.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.157. PENALTIES. (a) Unless otherwise provided by this chapter, an offense under this chapter is a misdemeanor punishable by a fine of not less than \$1 or more than \$100 for the first offense. If a person is subsequently convicted of the same offense, at the jury's discretion, a person may be fined not less than \$2 or more than \$200.

(b) A person commits an offense if the person violates Subchapter E or a rule adopted under that subchapter. An offense under this subsection is a Class A misdemeanor.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.43(b), eff. Sept. 1, 1997.

§ 501.158. SEIZURE OF STOLEN VEHICLE OR VEHICLE WITH ALTERED SERIAL NUMBER. (a) A peace officer may seize a vehicle or part of a vehicle without a warrant if the officer has probable cause to believe that the vehicle or part:

(1) is stolen; or

(2) has had the serial number removed, altered, or obliterated.

(b) A vehicle or part seized under this section may be treated as stolen property for purposes of custody and disposition of the vehicle or part.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 501.159. ALIAS CERTIFICATE OF TITLE. On receipt of a written request approved by the executive administrator of a law enforcement agency, the department may issue a certificate of title for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

TRANSPORTATION CODE

CHAPTER 683. ABANDONED MOTOR VEHICLES

SUBCHAPTER A. GENERAL PROVISIONS

§ 683.001. DEFINITIONS. In this chapter:

- (1) "Department" means the Texas Department of Transportation.
- (2) "Garagekeeper" means an owner or operator of a storage facility.
- (3) "Law enforcement agency" means:
 - (A) the Department of Public Safety;
 - (B) the police department of a municipality;
 - (C) the police department of an institution of higher education; or
 - (D) a sheriff or a constable.
- (4) "Motor vehicle" means a vehicle that is subject to registration under Chapter 501.
- (5) "Motor vehicle demolisher" means a person in the business of:
 - (A) converting motor vehicles into processed scrap or scrap metal; or
 - (B) wrecking or dismantling motor vehicles.
- (6) "Outboard motor" means an outboard motor subject to registration under Chapter 31, Parks and Wildlife Code.
- (7) "Storage facility" includes a garage, parking lot, or establishment for the servicing, repairing, or parking of motor vehicles.
- (8) "Watercraft" means a vessel subject to registration under Chapter 31, Parks and Wildlife Code.
- (9) "Abandoned nuisance vehicle" means a motor vehicle that is at least 10 years old and is of a condition only to be junked, crushed, or dismantled.
- (10) "Vehicle storage facility" means a vehicle storage facility, as defined by Section 2303.002, Occupations Code, that is operated by a person who holds a license issued under Chapter 2303 of that code to operate that vehicle storage facility.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1034, § 14, eff. Sept. 1, 2003.

§ 683.002. ABANDONED MOTOR VEHICLE. (a) For the purposes of this chapter, a motor vehicle is abandoned if the motor

vehicle:

- (1) is inoperable, is more than five years old, and has been left unattended on public property for more than 48 hours;
 - (2) has remained illegally on public property for more than 48 hours;
 - (3) has remained on private property without the consent of the owner or person in charge of the property for more than 48 hours;
 - (4) has been left unattended on the right-of-way of a designated county, state, or federal highway for more than 48 hours;
 - (5) has been left unattended for more than 24 hours on the right-of-way of a turnpike project constructed and maintained by the Texas Turnpike Authority division of the Texas Department of Transportation or a controlled access highway; or
 - (6) is considered an abandoned motor vehicle under Section 644.153(r).
- (b) In this section, "controlled access highway" has the meaning assigned by Section 541.302.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.157(a), eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 359, § 7, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, § 16.06, eff. Sept. 1, 2003.

§ 683.003. CONFLICT OF LAWS; EFFECT ON OTHER LAWS.

- (a) Sections 683.051-683.055 may not be read as conflicting with Sections 683.074-683.078.
- (b) This chapter does not affect a law authorizing the immediate removal of a vehicle left on public property that is an obstruction to traffic.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

SUBCHAPTER B. ABANDONED MOTOR VEHICLES: SEIZURE AND AUCTION

§ 683.011. AUTHORITY TO TAKE ABANDONED MOTOR VEHICLE INTO CUSTODY. (a) A law enforcement agency may take into custody an abandoned motor vehicle, watercraft, or outboard motor found on public or private property.

(b) A law enforcement agency may use agency personnel, equipment, and facilities or contract for other personnel, equipment, and facilities to remove, preserve, store, send notice

regarding, and dispose of an abandoned motor vehicle, watercraft, or outboard motor taken into custody by the agency under this subchapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 737, § 1, eff. September 1, 2005.

§ 683.012. TAKING ABANDONED MOTOR VEHICLE INTO CUSTODY:

NOTICE. (a) A law enforcement agency shall send notice of abandonment to:

(1) the last known registered owner of each motor vehicle, watercraft, or outboard motor taken into custody by the agency or for which a report is received under Section 683.031; and

(2) each lienholder recorded under Chapter 501 for the motor vehicle or under Chapter 31, Parks and Wildlife Code, for the watercraft or outboard motor.

(b) The notice under Subsection (a) must:

(1) be sent by certified mail not later than the 10th day after the date the agency:

(A) takes the abandoned motor vehicle, watercraft, or outboard motor into custody; or

(B) receives the report under Section 683.031;

(2) specify the year, make, model, and identification number of the item;

(3) give the location of the facility where the item is being held;

(4) inform the owner and lienholder of the right to claim the item not later than the 20th day after the date of the notice on payment of:

(A) towing, preservation, and storage charges;

or

(B) garagekeeper's charges and fees under Section 683.032 and, if the vehicle is a commercial motor vehicle impounded under Section 644.153(q), the delinquent administrative penalty and costs; and

(5) state that failure of the owner or lienholder to claim the item during the period specified by Subdivision (4) is:

(A) a waiver by that person of all right, title, and interest in the item; and

(B) consent to the sale of the item at a public auction.

(c) Notice by publication in one newspaper of general circulation in the area where the motor vehicle, watercraft, or outboard motor was abandoned is sufficient notice under this section if:

(1) the identity of the last registered owner cannot be determined;
(2) the registration has no address for the owner; or
(3) the determination with reasonable certainty of the identity and address of all lienholders is impossible.

(d) Notice by publication:

(1) must be published in the same period that is required by Subsection (b) for notice by certified mail and contain all of the information required by that subsection; and

(2) may contain a list of more than one abandoned motor vehicle, watercraft, or outboard motor.

(e) A law enforcement agency is not required to send a notice, as otherwise required by Subsection (a), if the agency has received notice from a vehicle storage facility that an application has or will be submitted to the department for the disposal of the vehicle.

(f) In addition to the notice required under Subsection (a), if a law enforcement agency takes an abandoned motor vehicle into custody, the agency shall notify a person that files a theft report or similar report prepared by any law enforcement agency for the vehicle of that fact. The notice must be sent by regular mail on the next business day after the agency takes the vehicle into custody. The law enforcement agency shall also provide the name and address of the person that filed the theft report or similar report to the vehicle storage facility or governmental vehicle storage facility that is storing the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 359, § 8, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1034, § 15, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, § 16.07, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1046, § 4.01, eff. September 1, 2007.

§ 683.013. STORAGE FEES. A law enforcement agency or the agent of a law enforcement agency that takes into custody an abandoned motor vehicle, watercraft, or outboard motor is entitled to reasonable storage fees:

(1) for not more than 10 days, beginning on the day the item is taken into custody and ending on the day the required notice is mailed; and

(2) beginning on the day after the day the agency mails notice and ending on the day accrued charges are paid and the vehicle, watercraft, or outboard motor is removed.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.014. AUCTION OR USE OF ABANDONED ITEMS; WAIVER OF RIGHTS. (a) If an abandoned motor vehicle, watercraft, or outboard motor is not claimed under Section 683.012:

- (1) the owner or lienholder:
 - (A) waives all rights and interests in the item;
- and
- (B) consents to the sale of the item by public auction or the transfer of the item, if a watercraft, as provided by Subsection (d); and

(2) the law enforcement agency may sell the item at a public auction, transfer the item, if a watercraft, as provided by Subsection (d), or use the item as provided by Section 683.016.

(b) Proper notice of the auction shall be given. A garagekeeper who has a garagekeeper's lien shall be notified of the time and place of the auction.

(c) The purchaser of a motor vehicle, watercraft, or outboard motor:

(1) takes title free and clear of all liens and claims of ownership;

(2) shall receive a sales receipt from the law enforcement agency; and

(3) is entitled to register the motor vehicle, watercraft, or outboard motor and receive a certificate of title.

(d) On consent of the Parks and Wildlife Department, the law enforcement agency may transfer a watercraft that is not claimed under Section 683.012 to the Parks and Wildlife Department for use as part of an artificial reef under Chapter 89, Parks and Wildlife Code, or for other use by the Parks and Wildlife Department permitted under the Parks and Wildlife Code. On transfer of the watercraft, the Parks and Wildlife Department:

(1) takes title free and clear of all liens and claims of ownership; and

(2) is entitled to register the watercraft and receive a certificate of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 190, § 2, eff. May 27, 2005.

§ 683.015. AUCTION PROCEEDS. (a) A law enforcement agency is entitled to reimbursement from the proceeds of the sale of an abandoned motor vehicle, watercraft, or outboard motor for:

- (1) the cost of the auction;

(2) towing, preservation, and storage fees resulting from the taking into custody; and

(3) the cost of notice or publication as required by Section 683.012.

(b) After deducting the reimbursement allowed under Subsection (a), the proceeds of the sale shall be held for 90 days for the owner or lienholder of the vehicle.

(c) After the period provided by Subsection (b), proceeds unclaimed by the owner or lienholder shall be deposited in an account that may be used for the payment of auction, towing, preservation, storage, and notice and publication fees resulting from taking other vehicles, watercraft, or outboard motors into custody if the proceeds from the sale of the other items are insufficient to meet those fees.

(d) A municipality or county may transfer funds in excess of \$1,000 from the account to the municipality's or county's general revenue account to be used by the law enforcement agency.

(e) If the vehicle is a commercial motor vehicle impounded under Section 644.153(q), the Department of Public Safety is entitled from the proceeds of the sale to an amount equal to the amount of the delinquent administrative penalty and costs.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 359, § 9, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, § 16.08, eff. Sept. 1, 2003.

§ 683.016. LAW ENFORCEMENT AGENCY USE OF CERTAIN ABANDONED MOTOR VEHICLES. (a) The law enforcement agency that takes an abandoned motor vehicle into custody that is not claimed under Section 683.012 may:

(1) use the vehicle for agency purposes; or

(2) transfer the vehicle to any municipal or county agency or school district for the use of that agency or district.

(b) The law enforcement agency shall auction the vehicle as provided by this subchapter if the law enforcement agency or the municipal or county agency or school district to which the vehicle was transferred under Subsection (a) discontinues use of the vehicle.

(c) This section does not apply to an abandoned vehicle on which there is a garagekeeper's lien.

(d) This section does not apply to a vehicle that is:

(1) taken into custody by a law enforcement agency located in a county with a population of 2.4 million or more; and

(2) removed to a privately owned storage facility.

(e) A law enforcement agency must comply with the notice requirements of Section 683.012 before the law enforcement agency may transfer a vehicle under Subsection (a)(2).

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 446, § 2, eff. September 1, 2007.

SUBCHAPTER C. VEHICLE ABANDONED IN STORAGE FACILITY

§ 683.031. GARAGEKEEPER'S DUTY: ABANDONED MOTOR VEHICLES. (a) A motor vehicle is abandoned if the vehicle is left in a storage facility operated for commercial purposes after the 10th day after the date on which:

(1) the garagekeeper gives notice by registered or certified mail, return receipt requested, to the last known registered owner of the vehicle and to each lienholder of record of the vehicle under Chapter 501 to remove the vehicle;

(2) a contract for the vehicle to remain on the premises of the facility expires; or

(3) the vehicle was left in the facility, if the vehicle was left by a person other than the registered owner or a person authorized to have possession of the vehicle under a contract of use, service, storage, or repair.

(b) If notice sent under Subsection (a)(1) is returned unclaimed by the post office, substituted notice is sufficient if published in one newspaper of general circulation in the area where the vehicle was left.

(c) The garagekeeper shall report the abandonment of the motor vehicle to a law enforcement agency with jurisdiction where the vehicle is located and shall pay a \$10 fee to be used by the law enforcement agency for the cost of the notice required by this subchapter or other cost incurred in disposing of the vehicle.

(d) The garagekeeper shall retain custody of an abandoned motor vehicle until the law enforcement agency takes the vehicle into custody under Section 683.034.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 737, § 2, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 216, § 1, eff. September 1, 2007.

§ 683.032. GARAGEKEEPER'S FEES AND CHARGES. (a) A garagekeeper who acquires custody of a motor vehicle for a purpose other than repair is entitled to towing, preservation, and notification charges and reasonable storage fees, in addition to storage fees earned under a contract, for each day:

(1) not to exceed five days, until the notice described by Section 683.031(a) is mailed; and

(2) after notice is mailed, until the vehicle is removed and all accrued charges are paid.

(b) A garagekeeper who fails to report an abandoned motor vehicle to a law enforcement agency within seven days after the date it is abandoned may not claim reimbursement for storage of the vehicle.

(c) This subchapter does not impair any lien that a garagekeeper has on a vehicle except for the termination or limitation of claim for storage for the failure to report the vehicle to the law enforcement agency.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.158(a), eff. Sept. 1, 1997.

§ 683.033. UNAUTHORIZED STORAGE FEE; OFFENSE. (a) A person commits an offense if the person charges a storage fee for a period for which the fee is not authorized by Section 683.032.

(b) An offense under this subsection is a misdemeanor punishable by a fine of not less than \$200 or more than \$1,000.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.034. DISPOSAL OF VEHICLE ABANDONED IN STORAGE FACILITY. (a) A law enforcement agency shall take into custody an abandoned vehicle left in a storage facility that has not been claimed in the period provided by the notice under Section 683.012. In this section, a law enforcement agency has custody if the agency:

(1) has physical custody of the vehicle;

(2) has given notice to the storage facility that the law enforcement agency intends to dispose of the vehicle under this section; or

(3) has received a report under Section 683.031(c) and the garagekeeper has met all of the requirements of that subsection.

(b) The law enforcement agency may use the vehicle as authorized by Section 683.016 or sell the vehicle at auction as provided by Section 683.014. If a vehicle is sold, the proceeds of

the sale shall first be applied to a garagekeeper's charges for providing notice regarding the vehicle and for service, towing, impoundment, storage, and repair of the vehicle.

(c) As compensation for expenses incurred in taking the vehicle into custody and selling it, the law enforcement agency shall retain:

(1) two percent of the gross proceeds of the sale of the vehicle; or

(2) all the proceeds if the gross proceeds of the sale are less than \$10.

(d) Surplus proceeds shall be distributed as provided by Section 683.015.

(e) If the law enforcement agency does not take the vehicle into custody before the 31st day after the date the vehicle was reported abandoned under Section 683.031:

(1) the law enforcement agency may not take the vehicle into custody; and

(2) the storage facility may dispose of the vehicle under:

(A) Chapter 70, Property Code, except that notice under Section 683.012 satisfies the notice requirements of that chapter; or

(B) Chapter 2303, Occupations Code, if the storage facility is a vehicle storage facility.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.158(b), eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 1034, § 16, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 737, § 3, eff. September 1, 2005.

SUBCHAPTER D. DEMOLITION OF ABANDONED MOTOR VEHICLES

§ 683.051. APPLICATION FOR AUTHORIZATION TO DISPOSE OF CERTAIN MOTOR VEHICLES. A person may apply to the department for authority:

(1) to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher if:

(A) the person owns the motor vehicle and the certificate of title to the vehicle is lost, destroyed, or faulty;

or

(B) the vehicle is an abandoned motor vehicle and is:

(i) in the possession of the person; or
(ii) located on property owned by the
person; or

(2) to dispose of a motor vehicle to a motor vehicle
demolisher for demolition, wrecking, or dismantling if:

(A) the abandoned motor vehicle:

- (i) is in the possession of the person;
- (ii) is more than eight years old;
- (iii) either has no motor or is otherwise

totally inoperable or does not comply with all applicable air
pollution emissions control related requirements included in: (aa)
the vehicle inspection requirements under Chapter 548, as evidenced
by a current inspection certificate affixed to the vehicle
windshield; or (bb) the vehicle emissions inspection and
maintenance requirements contained in the Public Safety
Commission's motor vehicle emissions inspection and maintenance
program under Subchapter F, Chapter 548, or the state's air quality
state implementation plan; and

(iv) was authorized to be towed by a law
enforcement agency; and

(B) the law enforcement agency approves the
application.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended
by Acts 1999, 76th Leg., ch. 612, § 1, eff. Sept. 1, 1999.

§ 683.052. CONTENTS OF APPLICATION; APPLICATION FEE.

(a) An application under Section 683.051 must:

- (1) contain the name and address of the applicant;
- (2) state the year, make, model, and vehicle
identification number of the vehicle, if ascertainable, and any
other identifying feature of the vehicle; and

(3) include:

(A) a concise statement of facts about the
abandonment;

(B) a statement that the certificate of title is
lost or destroyed; or

(C) a statement of the reasons for the defect in
the owner's certificate of title for the vehicle.

(b) An application under Section 683.051(2) must also
include an affidavit containing a statement of the facts that make
that subdivision applicable.

(c) The applicant shall make an affidavit stating that:

- (1) the facts stated in the application are true; and
- (2) no material fact has been withheld.

(d) The application must be accompanied by a fee of \$2,
unless the application is made by a unit of government. Fees

collected under this subsection shall be deposited to the credit of the state highway fund.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.053. DEPARTMENT TO PROVIDE NOTICE. Except as provided by Section 683.054(b), the department shall give notice as provided by Section 683.012 if it determines that an application under Section 683.051 is:

- (1) executed in proper form; and
- (2) shows that:

(A) the abandoned motor vehicle is in the possession of the applicant or has been abandoned on the applicant's property; or

(B) the vehicle is not an abandoned motor vehicle and the applicant appears to be the owner of the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.054. CERTIFICATE OF AUTHORITY TO DISPOSE OF VEHICLE. (a) The department shall issue the applicant a certificate of authority to dispose of the vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if notice under Section 683.053 was given and the vehicle was not claimed as provided by the notice.

(b) Without giving the notice required by Section 683.053, the department may issue to an applicant under Section 683.051(2) a certificate of authority to dispose of the motor vehicle to a demolisher if the vehicle meets the requirements of Sections 683.051(2)(A)(ii) and (iii).

(c) A motor vehicle demolisher shall accept the certificate of authority in lieu of a certificate of title for the vehicle.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 612, § 2, eff. Sept. 1, 1999.

§ 683.055. RULES AND FORMS. The department may adopt rules and prescribe forms to implement Sections 683.051-683.054.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.056. DEMOLISHER'S DUTY. (a) A motor vehicle demolisher who acquires a motor vehicle for dismantling or demolishing shall obtain from the person delivering the vehicle:

(1) the motor vehicle's certificate of title;
(2) a sales receipt for the motor vehicle;
(3) a transfer document for the vehicle as provided by Subchapter B or Subchapter E; or
(4) a certificate of authority for the disposal of the motor vehicle.

(b) A demolisher is not required to obtain a certificate of title for the vehicle in the demolisher's name.

(c) On the department's demand, the demolisher shall surrender for cancellation the certificate of title or certificate of authority.

(d) The department shall adopt rules and forms necessary to regulate the surrender of auction sales receipts and certificates of title.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.057. DEMOLISHER'S RECORDS; OFFENSE. (a) A motor vehicle demolisher shall keep a record of a motor vehicle that is acquired in the course of business.

(b) The record must contain:

(1) the name and address of the person from whom the vehicle was acquired; and

(2) the date of acquisition of the vehicle.

(c) The demolisher shall keep the record until the first anniversary of the date of acquisition of the vehicle.

(d) The record shall be open to inspection by the department or any law enforcement agency at any time during normal business hours.

(e) A motor vehicle demolisher commits an offense if the demolisher fails to keep a record as provided by this section.

(f) An offense under Subsection (e) is a misdemeanor punishable by:

(1) a fine of not less than \$100 or more than \$1,000;

(2) confinement in the county jail for a term of not less than 10 days or more than six months; or

(3) both the fine and confinement.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

SUBCHAPTER E. JUNKED VEHICLES: PUBLIC NUISANCE; ABATEMENT

§ 683.071. DEFINITION. In this subchapter, "junked

vehicle" means a vehicle that is self-propelled and:

- (1) does not have lawfully attached to it:
 - (A) an unexpired license plate; and
 - (B) a valid motor vehicle inspection

certificate; and

- (2) is:
 - (A) wrecked, dismantled or partially dismantled,
 - (B) inoperable and has remained inoperable for

or discarded; or

more than:

- (i) 72 consecutive hours, if the vehicle is

on public property; or

- (ii) 30 consecutive days, if the vehicle is

on private property.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 746, § 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 798, § 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 500, § 1, eff. September 1, 2007.

§ 683.0711. MUNICIPAL REQUIREMENTS. An ordinance adopted by a governing body of a municipality may provide for a more inclusive definition of a junked vehicle subject to regulation under this subchapter.

Added by Acts 2003, 78th Leg., ch. 1073, § 1, eff. Sept. 1, 2003.

§ 683.072. JUNKED VEHICLE DECLARED TO BE PUBLIC NUISANCE. A junked vehicle, including a part of a junked vehicle, that is visible at any time of the year from a public place or public right-of-way:

- (1) is detrimental to the safety and welfare of the public;
- (2) tends to reduce the value of private property;
- (3) invites vandalism;
- (4) creates a fire hazard;
- (5) is an attractive nuisance creating a hazard to the health and safety of minors;
- (6) produces urban blight adverse to the maintenance and continuing development of municipalities; and
- (7) is a public nuisance.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended

by Acts 2003, 78th Leg., ch. 1073, § 2.

§ 683.073. OFFENSE. (a) A person commits an offense if the person maintains a public nuisance described by Section 683.072.

(b) An offense under this section is a misdemeanor punishable by a fine not to exceed \$200.

(c) The court shall order abatement and removal of the nuisance on conviction.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.074. AUTHORITY TO ABATE NUISANCE; PROCEDURES.

(a) A municipality or county may adopt procedures that conform to this subchapter for the abatement and removal from private or public property or a public right-of-way of a junked vehicle or part of a junked vehicle as a public nuisance.

(b) The procedures must:

(1) prohibit a vehicle from being reconstructed or made operable after removal;

(2) require a public hearing on request of a person who receives notice as provided by Section 683.075 if the request is made not later than the date by which the nuisance must be abated and removed; and

(3) require that notice identifying the vehicle or part of the vehicle be given to the department not later than the fifth day after the date of removal.

(c) An appropriate court of the municipality or county may issue necessary orders to enforce the procedures.

(d) Procedures for abatement and removal of a public nuisance must be administered by regularly salaried, full-time employees of the municipality or county, except that any authorized person may remove the nuisance.

(e) A person authorized to administer the procedures may enter private property to examine a public nuisance, to obtain information to identify the nuisance, and to remove or direct the removal of the nuisance.

(f) On receipt of notice of removal under Subsection (b)(3), the department shall immediately cancel the certificate of title issued for the vehicle.

(g) The procedures may provide that the relocation of a junked vehicle that is a public nuisance to another location in the same municipality or county after a proceeding for the abatement and removal of the public nuisance has commenced has no effect on the proceeding if the junked vehicle constitutes a public nuisance at the new location.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1226, § 1, eff. June 18, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 500, § 2, eff. September 1, 2007.

§ 683.075. NOTICE. (a) The procedures for the abatement and removal of a public nuisance under this subchapter must provide not less than 10 days' notice of the nature of the nuisance. The notice must be personally delivered, sent by certified mail with a five-day return requested, or delivered by the United States Postal Service with signature confirmation service to:

- (1) the last known registered owner of the nuisance;
- (2) each lienholder of record of the nuisance; and
- (3) the owner or occupant of:
 - (A) the property on which the nuisance is

located; or

(B) if the nuisance is located on a public right-of-way, the property adjacent to the right-of-way.

(b) The notice must state that:

- (1) the nuisance must be abated and removed not later than the 10th day after the date on which the notice was personally delivered or mailed; and
- (2) any request for a hearing must be made before that 10-day period expires.

(c) If the post office address of the last known registered owner of the nuisance is unknown, notice may be placed on the nuisance or, if the owner is located, personally delivered.

(d) If notice is returned undelivered, action to abate the nuisance shall be continued to a date not earlier than the 11th day after the date of the return.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 413, § 13, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 369, § 1, eff. June 15, 2007.

§ 683.076. HEARING. (a) The governing body of the municipality or county or a board, commission, or official designated by the governing body shall conduct hearings under the procedures adopted under this subchapter.

(b) If a hearing is requested by a person for whom notice is required under Section 683.075(a)(3), the hearing shall be held not earlier than the 11th day after the date of the service of notice.

(c) At the hearing, the junked motor vehicle is presumed, unless demonstrated otherwise by the owner, to be inoperable.

(d) If the information is available at the location of the nuisance, a resolution or order requiring removal of the nuisance must include the vehicle's:

- (1) description;
- (2) vehicle identification number; and
- (3) license plate number.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 683.0765. ALTERNATIVE PROCEDURE FOR ADMINISTRATIVE HEARING. A municipality by ordinance may provide for an administrative adjudication process under which an administrative penalty may be imposed for the enforcement of an ordinance adopted under this subchapter. If a municipality provides for an administrative adjudication process under this section, the municipality shall use the procedure described by Section 54.044, Local Government Code.

Added by Acts 2001, 77th Leg., ch. 413, § 14, eff. Sept. 1, 2001.

§ 683.077. INAPPLICABILITY OF SUBCHAPTER.

(a) Procedures adopted under Section 683.074 or 683.0765 may not apply to a vehicle or vehicle part:

(1) that is completely enclosed in a building in a lawful manner and is not visible from the street or other public or private property; or

(2) that is stored or parked in a lawful manner on private property in connection with the business of a licensed vehicle dealer or junkyard, or that is an antique or special interest vehicle stored by a motor vehicle collector on the collector's property, if the vehicle or part and the outdoor storage area, if any, are:

- (A) maintained in an orderly manner;
- (B) not a health hazard; and
- (C) screened from ordinary public view by

appropriate means, including a fence, rapidly growing trees, or shrubbery.

(b) In this section:

(1) "Antique vehicle" means a passenger car or truck that is at least 25 years old.

(2) "Motor vehicle collector" means a person who:

(A) owns one or more antique or special interest vehicles; and

(B) acquires, collects, or disposes of an antique or special interest vehicle or part of an antique or special interest vehicle for personal use to restore and preserve an antique or special interest vehicle for historic interest.

(3) "Special interest vehicle" means a motor vehicle of any age that has not been changed from original manufacturer's specifications and, because of its historic interest, is being preserved by a hobbyist.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 413, § 15, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1431, § 1, eff. Sept. 1, 2001.

§ 683.078. JUNKED VEHICLE DISPOSAL. (a) A junked vehicle, including a part of a junked vehicle, may be removed to a scrapyard, a motor vehicle demolisher, or a suitable site operated by a municipality or county.

(b) A municipality or county may operate a disposal site if its governing body determines that commercial disposition of junked vehicles is not available or is inadequate. A municipality or county may:

(1) finally dispose of a junked vehicle or vehicle part; or

(2) transfer it to another disposal site if the disposal is scrap or salvage only.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

TRANSPORTATION CODE

CHAPTER 397. AUTOMOBILE WRECKING AND SALVAGE YARDS IN CERTAIN

COUNTIES

§ 397.001. APPLICABILITY OF CHAPTER. This chapter applies only to an automotive wrecking and salvage yard that:

- (1) is in a county with a population of 3.3 million or more;
- (2) is not located within a municipality in that county; and
- (3) is established on or after September 1, 1983.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 669, § 137, eff. Sept. 1, 2001.

§ 397.002. DEFINITIONS. In this chapter:

- (1) "Automotive wrecking and salvage yard" means a lot or tract of land on which three or more abandoned, discarded, junked, wrecked, or worn-out automotive vehicles are kept for the purpose of dismantling or wrecking to extract parts, components, and accessories for use in an automotive repair or rebuilding business or for sale.
- (2) "Person" means an individual, corporation, or association.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.003. FENCE REQUIRED. (a) An automotive wrecking and salvage yard shall be completely surrounded by a fence as provided by Subsection (b).

(b) A side of the yard that is generally parallel to and within 100 feet of a right-of-way of a public street shall be bounded by a fence at least eight feet in height. Other sides of the yard shall be bounded by a fence at least six feet in height.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.004. CONSTRUCTION AND MAINTENANCE OF FENCE. (a) A fence required by Section 397.003 shall be constructed and maintained so that the outer surface is continuous and without spaces.

(b) The fence shall be constructed of wood, masonry, corrugated sheet metal, chain link, or a combination of those materials. Any one side of the fence may be constructed of only one of those materials.

(c) A chain link fence must be galvanized and have wood or metal slats or strips that run through all links of the fence. A properly constructed and maintained chain link fence with slats or strips complies with Subsection (a).

(d) The fence must extend downward to within three inches of the ground and must test plumb and square at all times.

(e) The fence shall be constructed in compliance with all applicable provisions of the building code of a municipality in which the fence is constructed.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.005. WALL OR DOOR AS PART OF FENCE. A fence required by Section 397.003 may consist in whole or in part of a wall and door of a completely enclosed building on the premises if the wall or door is constructed and maintained as required by this chapter for a fence.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.006. GATE REQUIRED. (a) Each opening in a fence that is necessary to permit reasonable access to an automotive wrecking and salvage yard shall be equipped with a gate. The gate shall be constructed and maintained in accordance with the requirements of this chapter for a fence.

(b) A gate shall be closed and securely locked at all times except during normal daytime business hours.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.007. DISPLAY OR WORK OUTSIDE FENCE PROHIBITED. An owner or operator of an automotive wrecking and salvage yard or that person's agent or employee may not display, store, or work on a junked or wrecked automotive vehicle or a part, accessory, or junk from the vehicle outside or above the fence required by this chapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.008. ACCESS FOR OFFICIALS. All automotive

vehicles, parts, and other materials located on an automotive wrecking and salvage yard shall be arranged to allow reasonable access to and inspection of the yard by an authorized fire, health, police, or building official.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.009. REMOVAL OF GASOLINE. Gasoline in a fuel tank of a junked, wrecked, or abandoned automotive vehicle shall be completely removed before the vehicle is placed on an automotive wrecking and salvage yard.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.010. DRAINAGE. Each portion of a lot or tract used in the operation of an automotive wrecking and salvage yard must have appropriate drainage.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.011. LOCATION OF YARD. (a) Except as provided by Subsection (b), an automotive wrecking and salvage yard may not be established within 300 feet of an existing church, school, or residence. The distance is measured beginning at the wall of the church, school, or residence that is closest to the yard and ending at the fence required by this chapter.

(b) An automotive wrecking and salvage yard may be established within 300 feet of a residence if the same person owns the residence and the yard.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.012. PENALTY. (a) A person commits an offense if the person operates an automotive wrecking and salvage yard in violation of this chapter.

(b) An offense under this section is a Class C misdemeanor.

(c) Each day a violation continues is a separate offense.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.013. REVOCATION OF LICENSE. The appropriate municipal authority may revoke or refuse to issue or renew a person's municipal license to operate an automotive wrecking and

salvage yard if the authority finds the person violated a provision of this chapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 397.014. INJUNCTION. (a) A person is entitled to an injunction to prohibit a violation or threatened violation of this chapter.

(b) The venue for the injunction proceeding is in the county to which this chapter applies in which any part of the automotive wrecking and salvage yard is located.

Added by Acts 2005, 79th Leg., Ch. 13, § 2, eff. May 3, 2005.

OCCUPATIONS CODE

CHAPTER 2302. SALVAGE VEHICLE DEALERS

SUBCHAPTER A. GENERAL PROVISIONS

§ 2302.001. DEFINITIONS. In this chapter:

(1) "Casual sale," "damage," "insurance company," "major component part," "metal recycler," "motor vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle title," "out-of-state buyer," "salvage motor vehicle," "salvage vehicle title," "salvage vehicle dealer," and "used part" have the meanings assigned by Section 501.091, Transportation Code.

(2) "Commission" means the Texas Transportation Commission.

(3) "Department" means the Texas Department of Transportation.

(4) "Federal safety certificate" means the label or tag required under 49 U.S.C. Section 30115 that certifies that a motor vehicle or equipment complies with applicable federal motor vehicle safety standards.

(5) "Salvage pool operator" means a person who engages in the business of selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction, or otherwise.

(6) "Salvage vehicle agent" means a person who acquires, sells, or otherwise deals in nonrepairable or salvage motor vehicles or used parts in this state as directed by the salvage vehicle dealer under whose license the person operates.

The term does not include a person who:

- (A) is a licensed salvage vehicle dealer;
- (B) is a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;
- (C) is an employee of a licensed salvage vehicle dealer; or
- (D) only transports salvage motor vehicles for a licensed salvage vehicle dealer.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.03, eff. Sept. 1, 2003.

§ 2302.0015. CONSENT TO ENTRY AND INSPECTION. (a) A

person consents to an entry or inspection described by Subsection (b) by:

- (1) accepting a license under this chapter; or
- (2) engaging in a business or activity regulated under

this chapter.

(b) For the purpose of enforcing or administering this chapter or Chapter 501 or 502, Transportation Code, a member of the commission, an employee or agent of the commission or department, a member of the Public Safety Commission, an officer of the Department of Public Safety, or a peace officer may at a reasonable time:

- (1) enter the premises of a business regulated under one of those chapters; and
- (2) inspect or copy any document, record, vehicle, part, or other item regulated under one of those chapters.

(c) A person described by Subsection (a):

- (1) may not refuse or interfere with an entry or inspection under this section; and
- (2) shall cooperate fully with a person conducting an inspection under this section to assist in the recovery of stolen motor vehicles and parts and to prevent the sale or transfer of stolen motor vehicles and parts.

(d) An entry or inspection occurs at a reasonable time for purposes of Subsection (b) if the entry or inspection occurs:

- (1) during normal business hours of the person or activity regulated under this chapter; or
- (2) while an activity regulated under this chapter is occurring on the premises.

Added by Acts 2003, 78th Leg., ch. 1325, § 17.04, eff. Sept. 1, 2003.

§ 2302.005. APPLICABILITY OF CERTAIN MUNICIPAL ORDINANCES, LICENSES, AND PERMITS. This chapter:

- (1) is in addition to any municipal ordinance relating to the regulation of a person who deals in nonrepairable or salvage motor vehicles or used parts; and
- (2) does not prohibit the enforcement of a requirement of a municipal license or permit that is related to an activity regulated under this chapter.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

§ 2302.006. APPLICATION OF CHAPTER TO METAL RECYCLERS.

(a) Except as provided by Subsections (b) and (c), this chapter does not apply to a transaction in which a metal recycler is a party.

(b) This chapter applies to a transaction in which a motor vehicle:

(1) is sold, transferred, released, or delivered to a metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts; and

(2) is used for that purpose.

(c) Sections 2302.0015 and 2302.205 apply to a metal recycler.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

§ 2302.007. APPLICATION OF CHAPTER TO INSURANCE COMPANIES. This chapter does not apply to an insurance company.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

SUBCHAPTER B. COMMISSION POWERS AND DUTIES

§ 2302.051. RULES AND ENFORCEMENT POWERS. The commission shall adopt rules as necessary to administer this chapter and may take other action as necessary to enforce this chapter.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

§ 2302.052. DUTY TO SET FEES. The commission shall set application fees, license fees, renewal fees, and other fees as required to implement this chapter. The commission shall set the fees in amounts reasonable and necessary to implement and enforce this chapter.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

§ 2302.053. RULES RESTRICTING ADVERTISING OR COMPETITIVE BIDDING. (a) The commission may not adopt a rule under Section 2302.051 restricting advertising or competitive bidding by a person who holds a license issued under this chapter except to prohibit false, misleading, or deceptive practices by the person.

(b) The commission may not include in its rules to prohibit false, misleading, or deceptive practices a rule that:

- (1) restricts the use of any advertising medium;
- (2) restricts the person's personal appearance or use of the person's voice in an advertisement;
- (3) relates to the size or duration of an advertisement by the person; or
- (4) restricts the use of a trade name in advertising by the person.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER C. LICENSE REQUIREMENTS

§ 2302.101. LICENSE REQUIRED FOR SALVAGE VEHICLE DEALER. Unless a person holds a salvage vehicle dealer license issued under this chapter, the person may not:

- (1) act as a salvage vehicle dealer or rebuilder; or
- (2) store or display a motor vehicle as an agent or escrow agent of an insurance company.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.05, eff. Sept. 1, 2003.

§ 2302.102. SALVAGE VEHICLE DEALER LICENSE CLASSIFICATION. (a) The department shall classify a salvage vehicle dealer according to the type of activity performed by the dealer.

(b) A salvage vehicle dealer may not engage in activities of a particular classification unless the dealer holds a license with an endorsement in that classification.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.103. APPLICATION FOR SALVAGE VEHICLE DEALER

LICENSE. (a) To apply for a salvage vehicle dealer license, a person must submit to the department an application on a form prescribed by the department. The application must be signed by the applicant and accompanied by the application fee.

(b) An applicant may apply for a salvage vehicle dealer license with an endorsement in one or more of the following classifications:

- (1) new automobile dealer;
- (2) used automobile dealer;
- (3) used vehicle parts dealer;
- (4) salvage pool operator;
- (5) salvage vehicle broker; or
- (6) salvage vehicle rebuilder.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.104. CONTENTS OF APPLICATION. (a) An

application for a salvage vehicle dealer license must include:

- (1) the name, business address, and business telephone number of the applicant;
- (2) the name under which the applicant proposes to conduct business;
- (3) the location, by number, street, and municipality, of each office at which the applicant proposes to conduct business;
- (4) a statement indicating whether the applicant previously applied for a license under this chapter and, if so, a statement indicating the result of the previous application and indicating whether the applicant has ever been the holder of a license issued under this chapter that was revoked or suspended;
- (5) a statement of the previous history, record, and associations of the applicant to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant;
- (6) the applicant's federal tax identification number, if any;
- (7) the applicant's state sales tax number; and
- (8) any other information required by rules adopted under this chapter.

(b) In addition to the information required by Subsection (a), the application of a corporation must include:

- (1) the state of its incorporation;
- (2) the name, address, date of birth, and social security number of each principal officer or director of the corporation;
- (3) a statement of the previous history, record, and

associations of each officer and each director to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant; and

(4) a statement showing whether an officer, director, or employee of the applicant has been refused a license as a salvage vehicle dealer or has been the holder of a license issued under this chapter that was revoked or suspended.

(c) In addition to the information required by Subsection (a), the application of a partnership must include:

(1) the name, address, date of birth, and social security number of each owner or partner;

(2) a statement of the previous history, record, and associations of each owner and each partner to the extent sufficient to establish, to the satisfaction of the department, the business reputation and character of the applicant; and

(3) a statement showing whether an owner, partner, or employee of the applicant has been refused a license as a salvage vehicle dealer or has been the holder of a license issued under this chapter that was revoked or suspended.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.105. DEPARTMENT INVESTIGATION. (a) The department may not issue a license under this chapter until the department completes an investigation of the applicant's qualifications.

(b) The department shall conduct the investigation not later than the 15th day after the date the department receives the application. The department shall report to the applicant the results of the investigation.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.106. LICENSE ISSUANCE. (a) The department shall issue a license to an applicant who meets the license qualifications adopted under this chapter and pays the required fees.

(b) A license may not be issued in a fictitious name that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.107. SALVAGE VEHICLE AGENT LICENSE. (a) A person may not act as a salvage vehicle agent unless the person

holds a salvage vehicle agent license issued under this chapter.

(b) A person is entitled to a salvage vehicle agent license on application to the department, payment of the required fee, and authorization from a salvage vehicle dealer to operate under the dealer's license.

(c) A salvage vehicle dealer may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license.

(d) A salvage vehicle agent may acquire, sell, or otherwise deal in, nonrepairable or salvage motor vehicles or used parts as directed by the authorizing dealer.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.06, eff. Sept. 1, 2003.

§ 2302.108. DISCIPLINARY ACTION. (a) The department may deny, suspend, revoke, or reinstate a license issued under this chapter.

(b) The commission by rule shall establish the grounds for denial, suspension, revocation, or reinstatement of a license issued under this chapter and the procedures for disciplinary action. A rule adopted under this subsection may not conflict with a rule adopted by the State Office of Administrative Hearings.

(c) A proceeding under this section is subject to Chapter 2001, Government Code.

(d) A person whose license is revoked may not apply for a new license before the first anniversary of the date of the revocation.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER D. LICENSE EXPIRATION AND RENEWAL

§ 2302.151. LICENSE EXPIRATION. (a) A license issued under this chapter expires on the first anniversary of the date of issuance.

(b) A person whose license has expired may not engage in the activities that require a license until the license has been renewed under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.152. NOTICE OF EXPIRATION. Not later than the 31st day before the expiration date of a person's license, the department shall send written notice of the impending expiration to the person at the person's last known address according to department records.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.153. PROCEDURES FOR RENEWAL. (a) A person who is otherwise eligible to renew a license issued under this chapter may renew an unexpired license by paying the required renewal fee to the department on or before the expiration date of the license.

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the department a renewal fee that is equal to 1-1/2 times the normally required renewal fee.

(c) A person whose license has been expired for more than 90 days but less than one year may renew the license by paying to the department a renewal fee that is equal to two times the normally required renewal fee.

(d) A person whose license has been expired for one year or longer may not renew the license. The person may obtain a new license by complying with the requirements and procedures for obtaining an original license.

(e) A person who was licensed in this state, moved to another state, and has been doing business in the other state for the two years preceding the date of application may renew an expired license. The person must pay to the department a renewal fee that is equal to two times the normally required renewal fee.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER E. CONDUCTING BUSINESS

§ 2302.201. DUTIES ON ACQUISITION OF SALVAGE MOTOR VEHICLE. (a) A salvage vehicle dealer who acquires ownership of a salvage motor vehicle from an owner must receive from the owner a properly assigned title.

(b) The dealer shall comply with Subchapter E, Chapter 501, Transportation Code.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

§ 2302.202. RECORDS OF PURCHASES. A salvage vehicle dealer shall maintain a record of each salvage motor vehicle and each used part purchased or sold by the dealer.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003

§ 2302.203. REGISTRATION OF NEW BUSINESS LOCATION. Before moving a place of business or opening an additional place of business, a salvage vehicle dealer must register the new location with the department.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.204. CASUAL SALES. This chapter does not apply to a person who purchases fewer than three nonrepairable motor vehicles or salvage motor vehicles from a salvage vehicle dealer, an insurance company or salvage pool operator in a casual sale at auction, except that:

(1) the commission shall adopt rules as necessary to regulate casual sales by salvage vehicle dealers, insurance companies, or salvage pool operators and to enforce this section; and

(2) a salvage vehicle dealer, insurance company, or salvage pool operator who sells a motor vehicle in a casual sale shall comply with those rules and Subchapter E, Chapter 501, Transportation Code.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

§ 2302.205. DUTY OF METAL RECYCLER. A metal recycler who purchases a motor vehicle shall submit a regular certificate of title or a nonrepairable or salvage vehicle title or comparable out-of-state ownership document to the department and comply with Subchapter E, Chapter 501, Transportation Code.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

**SUBCHAPTER F. ADDITIONAL DUTIES OF SALVAGE VEHICLE DEALER IN
CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS**

§ 2302.251. DEFINITIONS. In this subchapter:

- (1) "Component part" means a major component part as defined in Section 501.091, Transportation Code, or a minor component part.
- (2) "Interior component part" means a seat or radio of a motor vehicle.
- (3) "Minor component part" means an interior component part, a special accessory part, or a motor vehicle part that displays or should display one or more of the following:
 - (A) a federal safety certificate;
 - (B) a motor number;
 - (C) a serial number or a derivative; or
 - (D) a manufacturer's permanent vehicle identification number or a derivative.
- (4) "Special accessory part" means a tire, wheel, tailgate, or removable glass top of a motor vehicle.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

§ 2302.252. REMOVAL OF LICENSE PLATES; INVENTORY.

- (a) Immediately on receipt of a motor vehicle, a salvage vehicle dealer shall remove any unexpired license plates from the vehicle and place the license plates in a secure, locked place.
- (b) A salvage vehicle dealer shall maintain on a form provided by the department an inventory of unexpired license plates removed under Subsection (a). The inventory must include:
 - (1) each license plate number;
 - (2) the make of the motor vehicle from which the license plate was removed;
 - (3) the motor number of that vehicle; and
 - (4) the vehicle identification number of that vehicle.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

**§ 2302.253. RECEIPT OF MOTOR VEHICLE BY HOLDER OF
ENDORSEMENT AS USED VEHICLE PARTS DEALER.** A salvage vehicle dealer who holds a license with an endorsement as a used vehicle parts dealer may not receive a motor vehicle unless the dealer first obtains:

(1) a certificate of authority to dispose of the vehicle, a sales receipt, or a transfer document for the vehicle issued under Chapter 683, Transportation Code; or

(2) a certificate of title showing that there are no liens on the vehicle or that all recorded liens have been released.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.254. RECORD OF PURCHASE; INVENTORY OF PARTS.

(a) A salvage vehicle dealer shall keep an accurate and legible inventory of each used component part purchased by or delivered to the dealer. The inventory must contain a record of each part that includes:

(1) the date of purchase or delivery;

(2) the name, age, address, sex, and driver's license number of the seller and a legible photocopy of the seller's driver's license;

(3) the license plate number of the motor vehicle in which the part was delivered;

(4) a complete description of the part, including the type of material and, if applicable, the make, model, color, and size of the part; and

(5) the vehicle identification number of the motor vehicle from which the part was removed.

(b) Instead of the information required by Subsection (a), a salvage vehicle dealer may record:

(1) the name of the person who sold the part or the motor vehicle from which the part was obtained; and

(2) the Texas certificate of inventory number or the federal taxpayer identification number of that person.

(c) The department shall prescribe the form of the record required under Subsection (a) and shall make the form available to salvage vehicle dealers.

(d) This section does not apply to:

(1) an interior component part or special accessory part that is from a motor vehicle more than 10 years of age; or

(2) a part delivered to a salvage vehicle dealer by a commercial freight line or commercial carrier.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.255. ASSIGNMENT OF INVENTORY NUMBER.

(a) A salvage vehicle dealer shall:

(1) assign a unique inventory number to each transaction in which the dealer purchases or takes delivery of a component part;

(2) attach the unique inventory number to each component part the dealer obtains in the transaction; and

(3) retain each component part in its original condition on the business premises of the dealer for at least three calendar days, excluding Sundays, after the date the dealer obtains the part.

(b) An inventory number attached to a component part under Subsection (a) may not be removed while the part remains in the inventory of the salvage vehicle dealer.

(c) A salvage vehicle dealer shall record a component part on an affidavit bill of sale if:

(1) the component part does not have a vehicle identification number or the vehicle identification number has been removed; or

(2) the vehicle identification number of the vehicle from which the component part was removed is not available.

(d) The department shall prescribe and make available the form for the affidavit bill of sale.

(e) This section does not apply to the purchase by a salvage vehicle dealer of a nonoperational engine, transmission, or rear axle assembly from another salvage vehicle dealer or an automotive-related business.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.256. MAINTENANCE OF RECORDS. A salvage vehicle dealer shall keep a record required under this subchapter on a form prescribed by the department. The dealer shall maintain two copies of each record required under this subchapter until the first anniversary of the date the dealer sells or disposes of the item for which the record is maintained.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.257. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE PLATES. (a) On demand, a salvage vehicle dealer shall surrender to the department for cancellation a certificate of title or authority, sales receipt or transfer document, license plate, or inventory list that the dealer is required to possess or maintain.

(b) The department shall provide a signed receipt for a surrendered certificate of title or license plate.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.258. INSPECTION OF RECORDS. (a) A peace officer

at any reasonable time may inspect a record required to be maintained under this subchapter, including an inventory record and affidavit bill of sale.

(b) On demand of a peace officer, a salvage vehicle dealer shall give to the officer a copy of a record required to be maintained under this subchapter.

(c) A peace officer may inspect the inventory on the premises of a salvage vehicle dealer at any reasonable time in order to verify, check, or audit the records required to be maintained under this subchapter.

(d) A salvage vehicle dealer or an employee of the dealer shall allow and may not interfere with a peace officer's inspection of the dealer's inventory, premises, or required inventory records or affidavit bills of sale.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER G. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

§ 2302.301. APPLICATION OF SUBCHAPTER. This subchapter applies only to a motor vehicle salvage yard located in a county with a population of 2.8 million or more.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2302.302. LIMITS ON OPERATION OF HEAVY MACHINERY.

(a) A salvage vehicle dealer may not operate heavy machinery in a motor vehicle salvage yard between the hours of 7 p.m. of one day and 7 a.m. of the following day.

(b) This section does not apply to conduct necessary to a sale or purchase by the dealer.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

SUBCHAPTER H. PENALTIES AND ENFORCEMENT

§ 2302.351. INJUNCTIONS. (a) The prosecutor in the

county where a motor vehicle salvage yard is located or the city attorney in the municipality where the salvage yard is located may bring suit to enjoin for a period of less than one year a violation of this chapter.

(b) If a salvage vehicle dealer, an employee of the dealer acting in the course of employment, or a salvage vehicle agent operating under the dealer's license is convicted of more than one offense under Section 2302.353(a), the district attorney for a county in which the dealer's salvage business is located may bring an action in that county to enjoin the dealer's business operations for a period of at least one year.

(c) An action under Subsection (b) must be brought in the name of the state. If judgment is in favor of the state, the court shall:

(1) enjoin the dealer from maintaining or participating in the business of a salvage vehicle dealer for a definite period of at least one year or indefinitely, as determined by the court; and

(2) order that the dealer's place of business be closed for the same period.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

§ 2302.353. OFFENSES. (a) A person commits an offense if the person knowingly violates:

(1) a provision of this chapter other than Subchapter G; or

(2) a rule adopted under a provision of this chapter other than Subchapter G.

(b) A person commits an offense if the person knowingly violates Subchapter G.

(c) An offense under Subsection (a) is a Class A misdemeanor unless it is shown on the trial of the offense that the defendant has been previously convicted of an offense under that subsection, in which event the offense is punishable as a state jail felony.

(d) An offense under Subsection (b) is a Class C misdemeanor.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1325, § 17.07, eff. Sept. 1, 2003.

OCCUPATIONS CODE

CHAPTER 2304. NONMECHANICAL REPAIRS TO MOTOR VEHICLES

SUBCHAPTER A. GENERAL PROVISIONS

§ 2304.001. DEFINITIONS. In this chapter:

- (1) "Commission" means the Texas Natural Resource Conservation Commission.
- (2) "Executive director" means the executive director of the Texas Natural Resource Conservation Commission.
- (3) "Motor vehicle" means a vehicle with at least four wheels that is self-propelled and that can transport a person or property on a public street or highway. The term does not include a vehicle that is used exclusively on stationary tracks.
- (4) "Repair facility" means a person that engages in the business of repairing or replacing the nonmechanical exterior or interior body parts of a damaged motor vehicle.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.002. APPLICATION OF CHAPTER. This chapter does not apply to a repair facility located in a county with a population of 50,000 or less.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER B. CERTIFICATE OF REGISTRATION

§ 2304.051. REGISTRATION REQUIRED. A repair facility shall register with the commission as provided by this chapter and the rules adopted by the commission.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.052. APPLICATION. (a) The commission by rule shall:

- (1) prescribe an application form for the issuance or renewal of a certificate of registration; and
- (2) determine the information to be disclosed on the

application.

(b) The application must include:

(1) the name, street address, and mailing address of each location at which the applicant operates a repair facility;

(2) the name and address of:

(A) each owner, partner, officer, or director of the applicant; and

(B) if the applicant is a corporation, each shareholder holding 10 percent or more of the outstanding shares;

(3) the identification number assigned by, or a statement of other evidence of compliance with any applicable requirements of:

(A) the United States Environmental Protection Agency;

(B) the United States Occupational Safety and Health Administration;

(C) the commission;

(D) the Texas Department of Health;

(E) the comptroller; and

(F) a municipality or county; and

(4) a statement of each conviction obtained against the applicant or a partner or officer of the applicant during the three years preceding the date of the application of:

(A) a felony; or

(B) a misdemeanor punishable by confinement in jail or by a fine exceeding \$200.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.053. ISSUANCE AND RENEWAL OF CERTIFICATE.

(a) An applicant for the issuance or renewal of a certificate of registration shall submit to the executive director a sworn application on the form prescribed by the commission accompanied by a \$50 fee.

(b) On receipt of the application and required fee, the executive director shall issue a certificate of registration to the applicant.

(c) A certificate of registration expires on the first anniversary of the date of issuance and may be renewed annually in the manner prescribed by the commission. An application for renewal must be submitted to the executive director within 30 days before the expiration date of the certificate.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.054. FORM OF CERTIFICATE; TRANSFERABILITY. A certificate of registration:

- (1) must contain a unique number;
- (2) applies only to the person whose name appears on the certificate or an employee of that person; and
- (3) is not transferable.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.055. REPLACEMENT CERTIFICATE. (a) If a certificate of registration is lost or destroyed, the certificate holder may apply to the executive director for a replacement certificate of registration.

- (b) The certificate holder must submit:
- (1) an affidavit verifying that the certificate of registration was lost or destroyed; and
 - (2) a \$25 replacement fee.

(c) The executive director shall issue a replacement certificate of registration on receipt of the affidavit and replacement fee.

(d) A replacement certificate of registration must be clearly identified as a replacement certificate on the certificate and in the records of the commission.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.056. VOLUNTARY SURRENDER OF CERTIFICATE. A certificate holder may terminate a certificate of registration at any time by voluntarily surrendering the certificate.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.057. CANCELLATION OF CERTIFICATE. (a) On the expiration, termination, or surrender of a certificate of registration, the certificate holder shall deliver the certificate to the executive director.

- (b) The executive director shall:
- (1) cancel the certificate; or
 - (2) endorse on the certificate the date of expiration, termination, or surrender.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.058. MAINTENANCE OF REGISTRATION INFORMATION.

(a) The executive director shall maintain each application for a certificate of registration and a copy of each certificate of registration in a convenient form that is available to the public.

(b) The executive director shall annually publish a list of:

(1) the name and address of each person registered under this chapter; and

(2) the name of each person whose registration has been revoked, suspended, or surrendered during the period and the specific date of the suspension, revocation, or surrender.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER C. PRACTICE BY CERTIFICATE HOLDER

§ 2304.101. DISPLAY OF CERTIFICATE.

A certificate holder shall publicly display the current certificate of registration at the certificate holder's place of business in a location readily visible to a customer paying for repairs.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.102. REGISTRATION NUMBER.

A certificate holder shall include the certificate holder's registration number:

(1) on each repair estimate, repair order, or correspondence; and

(2) in each advertisement for motor vehicle repairs by the repair facility.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.103. FALSE STATEMENTS.

A certificate holder may not make a false or fraudulent statement in connection with:

(1) a repair; or

(2) an attempt to collect compensation for a repair.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.104. RECORD OF VEHICLE REPAIRS.

(a) A certificate holder shall maintain in a convenient place a record of each motor vehicle that enters the certificate holder's premises

for a repair. Except as provided by Subsection (b), the certificate holder shall include in the record:

- (1) a description of the vehicle;
- (2) the vehicle identification number;
- (3) the date the vehicle entered the certificate holder's premises;
- (4) the odometer reading at the time the vehicle is received;
- (5) the name and address of the person from whom the vehicle is received; and
- (6) a signed authorization for the work to be performed on the vehicle.

(b) If a motor vehicle is towed to the certificate holder's repair facility without the consent of the owner of the vehicle, the information in the record is the information provided by the law enforcement agency that initiated the towing process.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER D. ENFORCEMENT PROVISIONS

§ 2304.151. INSPECTION OF PREMISES AND RECORD. The executive director or an employee of the commission may, at any time, inspect:

- (1) a record maintained under Section 2304.104; and
- (2) the premises of a certificate holder's place of business.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.152. ADMINISTRATIVE DISCIPLINARY ACTION AND PROCEDURES. (a) The commission shall adopt rules establishing:

- (1) grounds for suspension, revocation, or reinstatement of a certificate of registration; and
- (2) procedures for taking disciplinary action.

(b) The executive director may suspend or revoke a certificate of registration based on a ground established under this section.

(c) Procedures for the suspension or revocation of a certificate of registration are governed by Chapter 2001, Government Code.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.153. FAILURE TO REGISTER; CIVIL PENALTY. (a) A repair facility that fails to register under this chapter is liable to the state for a civil penalty of \$250.

(b) The executive director shall waive the penalty if the repair facility applies for registration not later than the 10th day after the date of notice of the violation.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2304.154. VIOLATION OF CHAPTER; CIVIL PENALTY. Except as provided by Section 2304.153, a person that violates this chapter is liable to the state for a civil penalty in an amount not to exceed \$100.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

OCCUPATIONS CODE

CHAPTER 2305. RECORDS OF CERTAIN VEHICLE REPAIRS, SALES, AND PURCHASES

SUBCHAPTER A. RECORDS MAINTAINED BY CERTAIN ENTITIES

§ 2305.001. DEFINITIONS. In this subchapter:

- (1) "Person" means an individual, corporation, or firm.
- (2) "Repair" includes the rebuilding of a motor vehicle, the installation of a new or used part or accessory on a motor vehicle, and the performance of electrical work in connection with the repair of a motor vehicle. The term does not include a repair covered by Chapter 2304.
- (3) "Used motor vehicle" includes a secondhand motor vehicle.
- (4) "Motor vehicle" has the meaning assigned by Section 501.002, Transportation Code.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 1, eff. September 1, 2005.

§ 2305.002. APPLICATION OF SUBCHAPTER. This subchapter applies to any person who:

- (1) operates a shop or garage that is engaged in the business of repairing motor vehicles; or
- (2) engages in the business of purchasing or selling used motor vehicles in this state.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 2, eff. September 1, 2005.

§ 2305.003. REGISTER OF REPAIRS. (a) A person subject to this subchapter shall maintain a register of each repair the person makes to a motor vehicle. The register must contain a substantially complete and accurate description of each motor vehicle that is repaired.

(b) This section does not apply to a repair having a value of \$1 or less.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 3, eff. September 1, 2005.

§ 2305.004. REGISTER OF USED MOTOR VEHICLE SALES AND PURCHASES. (a) A person subject to this subchapter shall maintain a register of each sale or purchase the person makes of a used motor vehicle.

(b) If the person buys a used motor vehicle, the register must contain:

(1) the make and model, the number of cylinders, the motor number, the vehicle identification number, and the passenger capacity of the motor vehicle, if applicable;

(2) the name, date of birth, usual place of address, and official identification number of each person claiming to be the owner of the motor vehicle; and

(3) the state registration number of the motor vehicle, if applicable.

(c) If the person sells a used motor vehicle, in addition to the requirements of Subsection (b), the register must contain the name and address of the purchaser of the motor vehicle.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 4, eff. September 1, 2005.

§ 2305.005. RECORD OF REPLACED CYLINDER BLOCK. The owner of the garage or repair shop that installs a replacement cylinder block and stamps the original engine number on the block as required by Section 2305.051 shall record in a substantially bound book:

(1) the name and address of the vehicle's owner; and

(2) the engine number and registration number of the vehicle.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

§ 2305.006. MAINTENANCE OF RECORDS. (a) All records required to be maintained under this subchapter shall be kept until at least the first anniversary of the date the record is made.

(b) The registers required by Sections 2305.003 and 2305.004 shall be maintained in a clear and intelligent manner in a well-bound book or an electronic recordkeeping system and kept in a secure place in the office or place of business where the work is performed or the business is conducted.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 5, eff. September 1, 2005.

§ 2305.007. ENTRY AND INSPECTION. (a) Except as provided by Subsection (b), for the purpose of enforcing or administering this chapter, Chapter 2302 of this code, or Chapter 501 or 502, Transportation Code, a member of the Texas Transportation Commission, an employee of the Texas Transportation Commission or Texas Department of Transportation, a member of the Public Safety Commission, an officer of the Department of Public Safety, or another peace officer who is interested in tracing or locating a stolen motor vehicle may at a reasonable time:

(1) enter the premises of a business regulated under one of those chapters; and

(2) inspect or copy any document, record, vehicle, part, or other item regulated under one of those chapters.

(b) For the purposes of tracing or locating a stolen motor vehicle on the premises of a person engaging in a business or activity regulated under this chapter who is also licensed under Chapter 348, Finance Code, only an officer of the Department of Public Safety may at a reasonable time:

(1) enter the premises of the person's business; and

(2) inspect or copy any document, record, vehicle, part, or other item regulated under this chapter or Chapter 348, Finance Code.

(c) A person engaging in a business or activity regulated under this chapter shall cooperate with a person conducting an inspection under this section to assist in the recovery of stolen motor vehicles and parts and to prevent the sale or transfer of stolen motor vehicles and parts.

(d) An entry or inspection occurs at a reasonable time for purposes of Subsection (a) or (b) if the entry or inspection occurs:

(1) during normal business hours of the person or activity regulated under a chapter listed in Subsection (a) or (b);
or

(2) while an activity regulated under a chapter listed in Subsection (a) or (b) is occurring on the premises.

Added by Acts 2005, 79th Leg., Ch. 761, § 6, eff. September 1, 2005.

SUBCHAPTER B. REQUIREMENT APPLICABLE TO OWNERS OF CERTAIN MOTOR VEHICLES

§ 2305.051. REPLACEMENT OF CYLINDER BLOCK. The owner of a motor vehicle registered under Chapter 502, Transportation Code, that has a damaged cylinder block replaced shall have the original engine number of the motor vehicle stamped with a steel die on the replacement cylinder block.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

SUBCHAPTER C. ENFORCEMENT

§ 2305.101. CRIMINAL PENALTY. (a) A person commits an offense if the person violates this chapter or a rule adopted under this chapter.

(b) Except as provided by Subsection (c), an offense under this section is punishable by a fine of not less than \$10 and not more than \$100.

(c) An offense under this chapter that consists of the violation of Section 2305.007 is a Class A misdemeanor.

Added by Acts 2001, 77th Leg., ch. 1421, § 5, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 761, § 7, eff. September 1, 2005.