

Assembled and Reconstructed Vehicles

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Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Topics

- ❑ Petition for Rule Making
- ❑ United States Code
- ❑ Texas Transportation Code
- ❑ Texas Occupations Code
- ❑ Assembled Vehicle Rule History
- ❑ Assembled Vehicle Examples

Petition for Rule Making

"There has been recent activity as to the titling and registration of...assembled, replica, custom vehicles, street rods, and dune buggy..."

"I would respectfully request in this petition for the Texas Department of Motor Vehicles... to ensure those vehicles maintain their respective titles and registration for continued use on Texas streets and roadways."

Rule History –

TAC 217.3 (Motor Vehicle Titles)

9/2/12 to 4/5/14 – “Vehicles that may not be titled. The department will not title a vehicle...that does not have a body, motor, and frame manufactured by a motor vehicle manufacturer.”

4/6/14 to 3/8/16 – “An assembled vehicle may be titled if: ... it is not designed as a dune buggy, designed by the manufacturer for on-track racing, or designed by the manufacturer as an off-road passenger vehicle;...”

3/9/16 to Current– “ Not Eligible for Title. The following are not eligible for a Texas title regardless of the vehicle's previous title and/or registration in this or any other jurisdiction:...vehicles designed or determined by the department to be a dune buggy

Types of Vehicle Construction

- ❑ Original Manufactured¹ (Licensed Manufacturer)
- ❑ Rebuilt
 - **Reconstructed (Brand)**¹
 - **Rebuilt Salvage (Brand)**¹
- ❑ Assembled
 - **Newly Assembled**¹ – *One-off vehicle that meets current federal safety standards*
 - **Replicas**¹ - Resembles previously manufactured vehicle
 - **Race Cars**² – Vehicle Designed for on track racing
 - **Stripped Down Vehicles**² – Vehicle with portion of body removed
 - **Dune Buggy**² – There is no standard definition
 - **Merged Vehicles**² – Vehicle constructed from various vehicle classes

1 - *Eligible for title and registration*

2 - *Not eligible for title or registration*

Assembled Vehicle

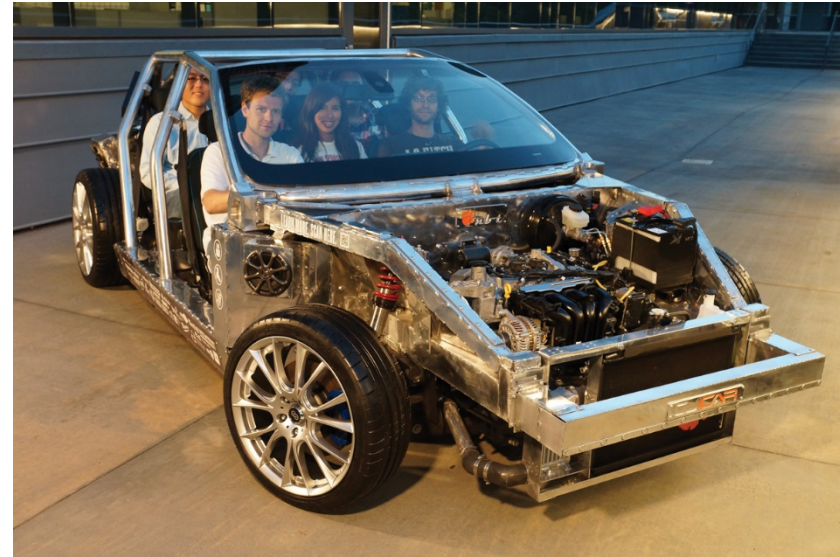
An **assembled vehicle** is: a vehicle assembled from the three basic component parts (motor, frame, and body), except that a motorcycle must have a frame and motor, and a trailer or travel trailer will have no motor, and that is:

- i. assembled from new or used materials and parts by someone not regulated as a motor vehicle manufacturer;
- ii. altered or modified to the extent that it no longer reflects the original manufacturer's configuration; or
- iii. assembled from a kit, even if a Manufacturer's Certificate of Origin or Manufacturer's Statement of Origin is provided.

On-Track Racing (Not Titled or Registered)

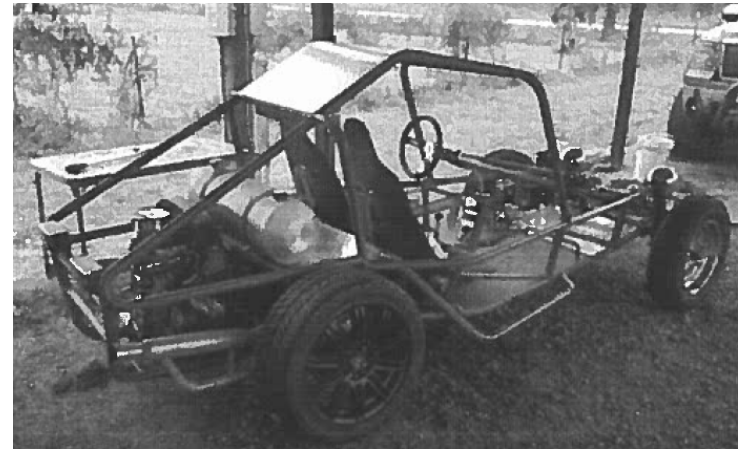


Stripped Vehicle (Not Titled or Registered)



Dune Buggy

(Not Titled or Registered)



Manufacturing or Assembling of Vehicles and Parts

- ❑ Licensed Manufacturing or Assembly of Vehicles
 - Licensed Manufacturer
 - Licensed Converters
 - Licensed Salvage Rebuilders
- ❑ Unlicensed Manufacturing or Assembly of Vehicles
 - Manufacturer of On-Track Vehicles
 - Individuals (home built)
- ❑ Parts Manufacturing
 - Kit Car Parts Manufacturer
 - Parts Manufacturer

Texas Statutes



Occupations Code 2301.002 - Converter

Converter means a person who before the retail sale of a motor vehicle:

(A) assembles, installs, or affixes a body, cab, or special equipment to a chassis; or

(B) substantially adds, subtracts from, or modifies a previously assembled or manufactured motor vehicle other than a motor home, ambulance, or fire-fighting vehicle.

Occupations Code 2301.002 - Manufacturer

"Manufacturer" means a person who manufactures or assembles new motor vehicless.

Transportation Code – Chapter 501

- Section 501.002

- First sale means the transfer of a vehicle that has never been titled or registered

- Section 501.025

- Manufacturer's certificate of origin required on first sale

- Section 501.038

- Certificate of title for custom vehicle or street rod must include the word replica

Transportation Code 504.501 – Custom Vehicle and Street Rod

Custom vehicle is at least 25 years old and of a model year after 1948, or manufactured to resemble a vehicle that is at least 25 years old and of a model year after 1948; and has been altered from the manufacturer's original design, or has a body constructed from materials not original to the vehicle.

Street rod is manufactured before 1949, or after 1948 to resemble a vehicle manufactured before 1949; and is altered from the manufacturer's original design, or has a body constructed from materials not original to the vehicle.

United States Code



United States Code 30102 - Definitions

"Manufacturer" means a person--

- (A) manufacturing or assembling motor vehicles or motor vehicle equipment; or
- (B) importing motor vehicles or motor vehicle equipment for resale.

"Motor vehicle" means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

United States Code 30102 - Definitions

“Motor vehicle equipment means

(A) any system, part, or component of a motor vehicle as originally manufactured;

(B) any similar part or component manufactured or sold for replacement or improvement of a system, part, or component, or as an accessory or addition to a motor vehicle; ...”

United States Code 30112 – Prohibition on Manufacturing and Selling

"...a person may not manufacture for sale, sell, offer for sale, introduce or deliver for introduction in interstate commerce, or import into the United States, any motor vehicle or motor vehicle equipment manufactured on or after the date an applicable motor vehicle safety standard prescribed under this chapter takes effect unless the vehicle or equipment complies with the standard and is covered by a certification..."

United States Code 30112 – Prohibition on Manufacturing and Selling

- ❑ The section does not apply to:
 - A motor vehicles or motor vehicle equipment after the first sale
 - Export vehicles
 - Imported vehicles that meet the standard
 - Imported vehicles that meet certain exemptions
 - Motor vehicles that are at least 25 years old

United States Code 30113 – General Exemptions

- ❑ A manufacturer may apply for an exemption to motor vehicle safety standards.
- ❑ If granted, the manufacturer must affix a permanent label to the motor vehicle.
- ❑ The Secretary of Transportation may require written notification of an exemption be delivered to the dealer and first purchaser of the vehicle.
- ❑ Exemptions are not more than 3 years.

United States Code 30114 – Special Exemptions

- ❑ Low-volume manufacturer can apply for exemption of not more than 325 replica motor vehicles per year.
 - Replica intended to resemble the body of another motor vehicle manufactured at least 25 years before the manufacture of the replica and must be manufactured under a license for the original vehicle
- ❑ If granted, the low-volume manufacturer must affix a permanent label to the motor vehicle.
- ❑ The Secretary of Transportation may require written notification of an exemption be delivered to the dealer and first purchaser of the vehicle.
- ❑ Low-volume manufacturer shall submit an annual report of the number and description of replica vehicles exempted.

Manufacturer Types

US Code

Type of Manufacturer	Units
Manufacturer	≥ 1
Low Volume Manufacturer	$\leq 5,000$
Replica Manufacturer	≤ 325
Vehicle Equipment Manufacturer	≥ 1

Texas Code

Type of Manufacturer	Vehicles
Manufacturer	> 1

Requirements for Manufacturers of Motor Vehicles

- ❑ Designate agent for service process
- ❑ Certify compliance with FMVSS
- ❑ Affix certification label
- ❑ Submit identifying information within 30 days of manufacturing
- ❑ Assign a VIN to a motor vehicle
- ❑ Tire information labeling
- ❑ Notify NHTSA of non-compliance or defects
- ❑ Notify owners and dealers and provide remedy for defects
- ❑ Submit quarterly report under Early Warning Reporting
- ❑ Maintain Records
- ❑ Comply with average fuel economy standards

Federal Motor Vehicle Safety Standards (FMVSS)

Equipment Standards (examples):

Standard No. 101 - Controls and Displays

Standard No. 104 - Windshield Wiping and Washing Systems

Standard No. 108 - Lamps, Reflective Devices, and Associated Equipment

Standard No. 111 - Rearview Mirrors

Standard No. 113 - Hood Latch System

Standard No. 125 - Warning Devices

Standard No. 201 - Occupant Protection in Interior Impact

Standard No. 203 - Impact Protection for the Driver from the Steering Control System

Standard No. 209 - Seat Belt Assemblies

Standard No. 210 - Seat Belt Assembly Anchorages

Standard No. 212 - Windshield Mounting

Standard No. 214 - Side Impact Protection

National Highway Traffic Safety Administration Interpretations

- Is a dune buggy subject to Federal Motor Vehicle Safety Standards?
 - "...a vehicle that is 'street legal,' i.e., which is manufactured for use on the public roads, is required to comply with all applicable Federal motor vehicle safety standards."
 - "These standards include the requirements to provide air bags for the driver and outboard front seat passenger."
 - The manufacturer "is also required to submit to this agency certain information relating to its VIN in accordance with 49 CFR Part 565 Vehicle Identification Number."
 - The manufacturer "is also required, within 30 days after it commences manufacture of motor vehicles, to file with us an information statement in compliance with 49 CFR Part 566 Manufacturer Identification."

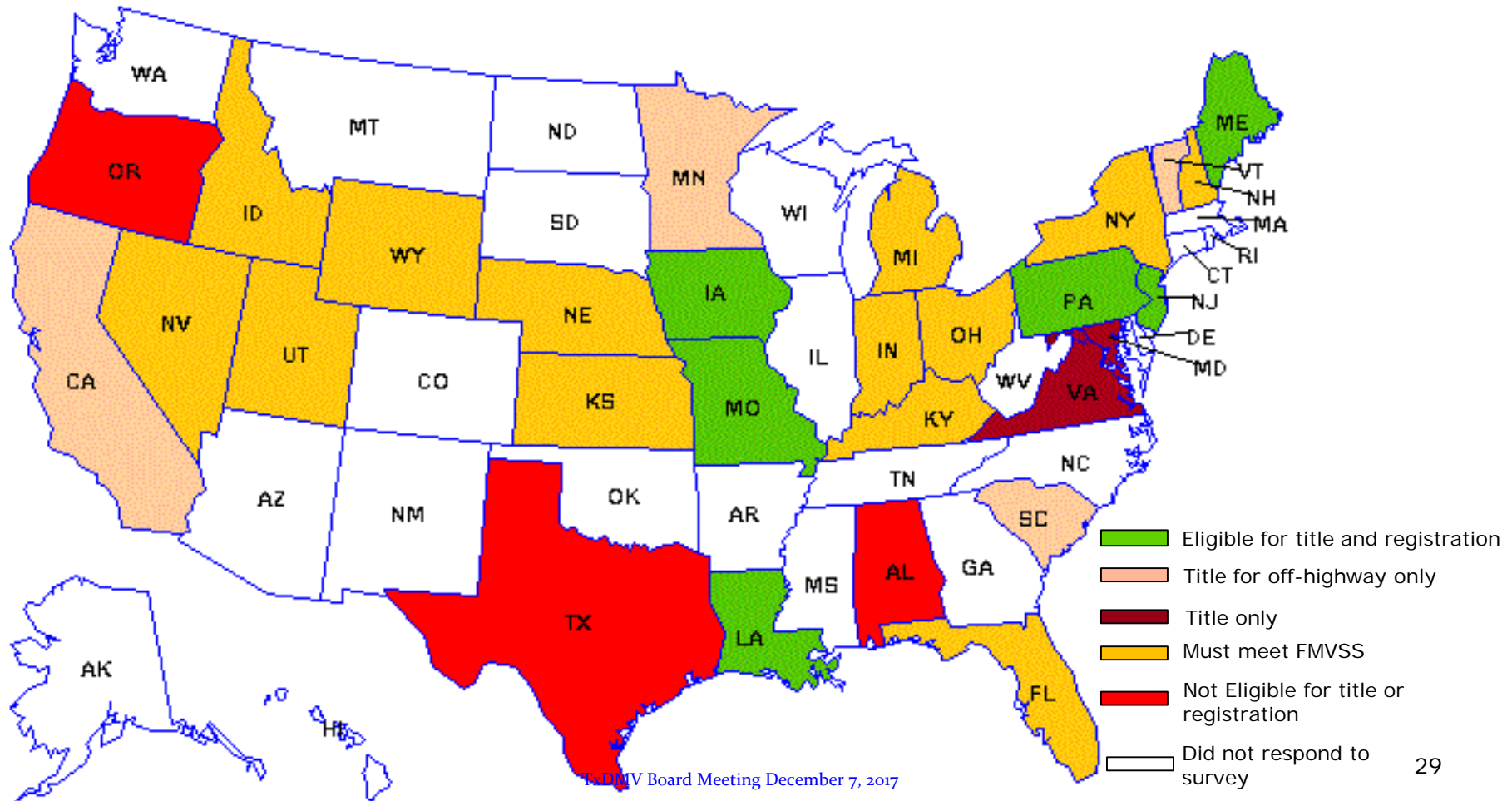
National Highway Traffic Safety Administration Interpretations

- ▣ Is the assembler of a kit car considered a manufacturer?
 - "...we would regard the person installing the engine and transmission of a kit car, whether the kit purchaser or a commercial entity, as the manufacturer of the vehicle and responsible for its compliance with the Federal motor vehicle safety standards..." and the "...assembler of a single kit car is a 'manufacturer'."
 - "...a person who assembled a kit car which did not comply with Federal motor vehicle safety standards and then drove the vehicle on public roads would be in violation of this section."
(49 U.S.C. 30112)
 - "...in addition to facing a potential Federal enforcement action,...in the event of a crash, there could be potential liability issues both for the assembler of the kit car and for the kit manufacturer."

States Survey Regarding Dune Buggies



State Survey on Title and Registration of Dune Buggies



Currently Not Eligible for Title in Texas - TAC 217.3

The following are **not eligible** regardless of their construction

- vehicles that are missing or are stripped of their motor, frame, or body, to the extent that it materially alters the manufacturer's original design or makes the vehicle unsafe for on-road operation as determined by the department
- vehicles designed or determined by the department to be a dune buggy
- vehicles designed or determined by the department to be for on-track racing, unless such vehicles meet Federal Motor Vehicle Safety Standards (FMVSS) for on-road use and are reported to the National Highway Traffic Safety Administration
- vehicles designed or determined by the department to be for off-road use only, ...
- vehicles assembled, built, constructed, rebuilt, or reconstructed in any manner with a body or frame from a vehicle which is a "nonrepairable motor vehicle" ...

American Association of Motor Vehicle Administrators (AAMVA)



Best Practices

AAMVA Best Practices

Specialty Constructed Vehicles

- ✓ Assign a new Vehicle Identification Number (VIN)
- ✓ Require structural integrity and mechanical safety inspection
- ✗ Assign the model year as year of inspection
- ✓ Make should indicate not manufactured vehicle
- ✓ Leave the model field blank
- ✓ Capture vehicle type in body style field
- ✓ Review and retain source document

AAMVA Best Practice

Reconstructed Vehicles

- ✓ Obligate owners declare vehicle is reconstructed
- ✓ Ensure parts are not from stolen vehicles
- ★ Require and maintain file of certification by professional engineer
- ✓ Require official ownership documents from vehicle and any replacement parts
- ✓ Require and maintain on file the bill of sale, receipts for major component parts
- ✓ Collect and record VINs on VIN bearing parts

AAMVA Best Practice

Reconstructed Vehicles (cont.)

- ✓ The year, make and model should be of the original or primary vehicle
- ✓ Brand the vehicle "reconstructed"
- ✓ Assign a VIN if the vehicle does not have one
- ✗ Designate on the title record that the engineer's report is on file
- ✓ Carry forward brands from other states

AAMVA Best Practice

Replica Vehicles

- ✓ Ensure parts are not from stolen vehicles
- ★ Require an inspection based on use on roads
 - ✗ Mechanical safety inspection for *limited use*
 - ★ Mechanical safety inspection and certification from engineer for unlimited use
- ✓ Require official ownership documents prior to re-titling
- ✓ Require and maintain on file the bill of sale, receipts for major component parts
- ✓ Collect and record VINs on VIN bearing parts

AAMVA Best Practice

Replica Vehicles (cont.)

- ✗ The year, make and model should be of the original or primary vehicle
- ✓ Brand the vehicle "Replica"
- ✓ Assign a VIN if the vehicle does not have one
- ✗ Designate on the title record that the engineer's report is on file
- ✗ Establish procedure for owner to certify the vehicles is for show or parades
- ✓ Carry forward brands from other states

Recommendation

- ❑ Create working group of stakeholders.
- ❑ The working group will be charged with evaluating state and federal regulations relating to assembled and reconstructed vehicles.
- ❑ Make recommendations for possible statutory and administrative rule changes.

Questions and Feedback

