



Texas Department of Transportation

VEHICLE TITLES AND REGISTRATION DIVISION • AUSTIN, TEXAS 78779-0001 • (512) 465-7611

January 31, 2000

Registration and Title Bulletin #10-00

TO: All County Tax Assessor-Collectors

SUBJECT: Odometer Replacement Policy

PURPOSE

To advise you of procedures for certification of mileage when an odometer is repaired or replaced and provide you with revisions to the Vehicle Title Manual.

DETAILS:

Federal Law, 49 U.S.C., Section 32704, has been amended to address certification of mileage when an odometer is repaired or replaced. The law now provides "a person may service, repair, or replace an odometer of a motor vehicle if the mileage registered by the odometer remains the same as before the service, repair, or replacement." However, if the mileage cannot remain the same, "the person shall adjust the odometer to read zero; and the owner of the vehicle or agent of the owner shall attach a written notice to the left door frame of the vehicle specifying the mileage before the service, repair, or replacement and the date of the service, repair or replacement." A copy of 49 U.S.C., Section 32704 is attached.

NEW POLICY

When the vehicle is subsequently transferred, it is the responsibility of the seller to indicate the odometer reading. The odometer brand certification will always be **Not Actual**.

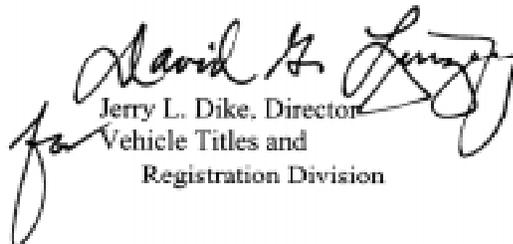
COUNTY ACTION

There are no restrictions or guidelines as to who has the authority to repair or replace a malfunctioning odometer. The owner should be advised to maintain proper records in order to avoid any type of problem or civil liability relating to the odometer repair or replacement.

CONTACT(S)

We appreciate the efforts your offices make to ensure accuracy when processing title transactions such as these. If you have any questions or need additional information, please contact your local VTR Regional Office. Thank you very much.

Sincerely,


Jerry L. Dike, Director
Vehicle Titles and
Registration Division

Attachments

cc: Texas Automobile Dealer's Association
Texas Independent Automobile Dealer's Association
All Law Enforcement Agencies
Salvage Associations/Industries
Financial Industry Partners

TITLE 49 - TRANSPORTATION

SUBTITLE VI - MOTOR VEHICLE AND DRIVER PROGRAMS

PART C - INFORMATION, STANDARDS, AND REQUIREMENTS

CHAPTER 327 - ODOMETERS

-HEAD-

Sec. 32704. Service, repair, and replacement

-STATUTE-

(a) Adjusting Mileage. - A person may service, repair, or replace an odometer of a motor vehicle if the mileage registered by the odometer remains the same as before the service, repair, or replacement. If the mileage cannot remain the same -

(1) the person shall adjust the odometer to read zero; and

(2) the owner of the vehicle or agent of the owner shall attach a written notice to the left door frame of the vehicle specifying the mileage before the service, repair, or replacement and the date of the service, repair, or replacement.

(b) Removing or Altering Notice. - A person may not, with intent to defraud, remove or alter a notice attached to a motor vehicle as required by this section.

-SOURCE-

(Pub. L. 103-272, Sec. 1(a), July 5, 1994, 108 Stat. 1049.)

-MISCL-

O. Vehicles with broken or inoperable odometers - When an Odometer Disclosure Statement contains a notation that the odometer is broken or inoperable, or that the electronic odometer displays "ERROR," the odometer reading can not indicate the actual mileage. Therefore, block two of the Odometer Disclosure Statement, indicating that the odometer reading is NOT the actual mileage, should be marked. If an odometer reading is recorded on the disclosure statement, it shall be indicated on the application for title. However, if a reading is not shown on the Odometer Disclosure Statement, it will be necessary to indicate six zeros (000000) on the application for title, Form 130-U.

P. Vehicles with repaired or replaced odometers.

NOTE: There are no restrictions or guidelines as to who has the authority to repair or replace a malfunctioning odometer.

1. When an odometer is serviced, repaired or replaced, the owner should be advised to maintain proper records of the repair or replacement in order to avoid any type of problem or civil liability relating to the repair or replacement.
2. If the mileage cannot remain the same (actual mileage cannot be determined), the odometer should be reset to zero. The owner or agent of the owner is also required to attach a written notice to the left doorframe of the vehicle specifying the mileage before the service, repair, or replacement and the date of the service, repair, or replacement.
3. When the vehicle is subsequently transferred, it is the responsibility of the seller to indicate the odometer reading. The odometer brand certification will always be **Not Actual**.

Q. Odometer discrepancies - If it appears that a conforming odometer disclosure statement on a Texas or an out-of-state title has been altered, the transaction shall be rejected for a Statement of Fact from the seller explaining the alteration. If the odometer reading on an Odometer Disclosure Statement, Form 40, appears to have been altered, the seller must execute another Odometer Disclosure Statement showing the correct odometer reading and must indicate whether the mileage is actual, not actual, or exceeds mechanical limits. The buyer (title applicant) must acknowledge this disclosure statement. An alteration of the odometer reading on a secure Dealer's Reassignment of Title for a Motor Vehicle, Form 41-A, or a secure power of attorney, Power of Attorney for Transfer of Ownership to a Motor Vehicle, Form VTR-271-A, may be corrected by executing another of the appropriate forms, or by completing a Statement of Fact, from the seller explaining the alteration, which is acknowledged by the buyer.

R. Errors discovered in the odometer reading or the odometer title brand on a certificate of title:

1. If the department is responsible for making an error in the odometer reading or title brand on a certificate of title, a corrected title will be issued by the department at "no charge." The recorded owner or lienholder, if applicable, should submit a request to the department for a "no charge" corrected title, which clearly indicates the error or errors, along with the incorrect negotiable title document.

2. However, if the department is not responsible for the error or errors, the owner of the vehicle should file an application for a corrected title with the county tax collector. The correct odometer reading and certification should be indicated on the application in blocks 6 and 18. Additionally, block 17 of the application should indicate one or both of the corrections. The application shall be supported by the current Texas Certificate of Title, a statement of fact from the seller (previous owner indicated on title) or transferor that made the error stating the correct mileage and/or certification and acknowledged by the purchaser (owner indicated on the title), and the applicable title fee.
 - S. Letter preceding numbers in odometer reading field. - The odometer reading field shall consist of numbers only. Any transaction that includes a printed letter in the odometer reading disclosed by the seller to the title applicant shall not be accepted unless a Statement of Fact signed by the seller and title applicant to verify the correct odometer reading is attached.
 - T. Application for Texas Certificate of Title, Form 130-U, fails to record an odometer reading - If an application for title, Form 130-U, fails to record an odometer reading, but the supporting evidence includes a correctly executed conforming odometer disclosure statement, such evidence may be used to determine the odometer reading on the application. If it is impossible to determine the mileage from the evidence submitted, the transaction will be rejected, unless the title transaction involves no change in ownership or an unrecovered stolen in which cases the odometer reading and certification can remain as currently recorded.
 - U. The odometer requirements outlined herein also apply to exempt agencies.
 - V. Some 1981 and 1982 General Motors vehicles were equipped with an "emission flag" which is a spring loaded device that will cover the odometer at a preset number of miles. The flag advises the owner to have the vehicle's emission control system checked. Reference to the "emission flag" or any other wording of that nature will not be accepted in lieu of the required odometer reading on an Odometer Disclosure Statement, Form 40, or any other conforming title assignment.
- II. The secure power of attorney, Power of Attorney for Transfer of Ownership to a Motor Vehicle, Form VTR-271-A, must be used when:
- A. A Power of Attorney to Transfer Ownership and to Disclose Mileage.

Use this form when the title to be transferred is a Texas Certificate of Title issued on or after April 30, 1990, and is physically held by a lienholder or the title has been lost. However, if the vehicle being transferred is exempt from odometer disclosure requirements due to the year model of the transfer document is non-conforming, a non-secure power of attorney, Power of Attorney to Transfer Motor Vehicle, Form VTR-271, may be used. When a dealer, insurance company, salvage yard, etc., buys a motor vehicle from an owner who does not have the title for either of these reasons and does not wish to return to the purchaser to complete the odometer disclosure statement and title assignment, this form should be completed as follows:

1. Part A is required to be executed and completed by both the seller and the buyer. It is suggested that both the original and the duplicate power of attorney contain original signatures.

Transportation Code § 501.072.

2. Upon securing the certificate of title, the buyer shall exercise the authority granted him by the seller by executing the assignment and odometer disclosure on the title. Any buyer, other than a dealer, is then required to file an application for title in the buyer's name supported by this power of attorney.

B. Power of Attorney to Review Title Documents and Acknowledge Disclosure.

1. If the dealer retails the motor vehicle before he receives the certificate of title, his purchaser may grant power of attorney to the dealer to execute the purchaser's acknowledgment of the odometer disclosure.
2. In this instance, Part B of the power of attorney must be executed by the retail purchaser and the dealer.

C. Certification.

1. The dealer, upon securing the certificate of title, shall exercise the authority granted to him in Parts A and B and shall execute Part C.

NOTE: If both Parts A and B have been completed, the dealer must execute Part C.

2. Unless the sale involves an out-of-state purchaser, the dealer must then file the application for title supported by the secure power of attorney, other required documents, and fees with the county tax collector where the vehicle was bought, is encumbered, or the owner resides.

- III. The department has included the statement addressed in Section 501.021(b) on the face of the new conforming Original and Certified Copy Texas Certificate of Title. It is located directly below the line provided for the signature of the owner or agent.

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