



Texas Department of Transportation

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

November 20, 2000

Registration and Title Bulletin # 103-00

TO: ALL COUNTY TAX ASSESSOR-COLLECTORS

SUBJECT: PROPOSED RULE AMENDMENTS

PURPOSE

To provide copies of proposed amendments to Title 43, Texas Administrative Code, §17.2 (Definitions), §17.3 (Certificate of Title), §17.8 (Certificate of Title for Salvage Vehicles), and §17.51 (Registration Reciprocity Agreements).

DETAILS

Attached are proposed rules which were published in the Texas Register on November 10, 2000. Written comments regarding these proposed rules may be submitted to Mr. Jerry Dike, Director, Vehicle Titles and Registration Division, 125 East 11th Street, Austin, Texas 78701-2483. The deadline for receipt of comments is 5:00 p.m. on December 11, 2000.

CONTACT(S)

Questions regarding these proposed rules may be directed to your local Vehicle Titles and Registration Division regional office, or to Mr. David Linzey, Director of Headquarter Operations, at (512) 465-7719. Thank you.

Sincerely,



Jerry L. Dike, Director
Vehicle Titles and
Registration Division

Attachment

Subchapter A,
Motor Vehicle Certificates of Title

§17.2 – Definitions

§17.3 - Certificate of Title

§17.8 - Certificate of Title for Salvage Vehicles

1 SUBCHAPTER A. MOTOR VEHICLE CERTIFICATES OF TITLE.

2 §17.2. Definitions. The following words and terms, when used in
3 this subchapter, shall have the following meanings, unless the
4 context clearly indicates otherwise.

5 (1) Actual cash value - The market value of a motor
6 vehicle as determined:

7 (A) from publications commonly used by the automotive
8 and insurance industries to establish the value of motor
9 vehicles; or

10 (B) if the entity determining the value is an insurance
11 company, by any other procedure recognized by the insurance
12 industry, including market surveys, that is applied by the
13 company in a uniform manner.

14 (2) Automobile recycler - A person in the business of
15 dealing in salvage motor vehicles for the purpose of dismantling
16 the vehicles to sell used parts, or a person otherwise engaged in
17 the business of acquiring, selling, or dealing in salvage parts
18 for reuse or resale as parts. The term includes a dealer in used
19 motor vehicle parts.

20 (3) Alias - The name of a vehicle owner reflected on the
21 certificate of title, different than the name of the legal owner
22 of the vehicle.

23 (4) Alias certificate of title - A title document issued
24 by the department for a vehicle that is used by an exempt law

1 enforcement agency in covert criminal investigations.

2 (5) Bond release letter - Written notification from the
3 United States Department of Transportation authorizing United
4 States Customs to release the bond posted for an imported motor
5 vehicle to ensure compliance with federal motor vehicle safety
6 standards.

7 (6) Casual sale - The sale at auction of not more than one
8 nonrepairable motor vehicle or new or late model salvage motor
9 vehicle to the same person during a calendar year.

10 (7) Certificate of title - A written instrument that
11 [~~which~~] may be issued solely by and under the authority of the
12 department and that [~~which~~] reflects the transferor,
13 transferee, vehicle description, license plate and lien
14 information, and rights of survivorship agreement as specified in
15 this subchapter or as [~~may be~~] required by the department.

16 (8) Certificate of title application - A form prescribed
17 by the division director that reflects the information required
18 by the department to create a motor vehicle title record.

19 (9) Date of sale - The date of the transfer of possession
20 of a specific vehicle from a seller to a purchaser.

21 (10) Department - The Texas Department of Transportation.

22 (11) Distributor - A person engaged in the business of
23 selling to a dealer motor vehicles bought from a manufacturer.

24 (12) Division director - The director of the department's

1 Vehicle Titles and Registration Division.

2 (13) Executive administrator - The director of a federal
3 agency, the director of a Texas state agency, the sheriff of a
4 Texas county, or the chief of police of a Texas city who by law
5 possesses the authority to conduct covert criminal
6 investigations.

7 (14) Exempt agency - A governmental body exempt by law
8 from paying registration fees for motor vehicles.

9 (15) Federal motor vehicle safety standards - Motor
10 vehicle safety requirements promulgated by the United States
11 Department of Transportation, National Highway Traffic Safety
12 Administration, set forth in Title 49 [~~19~~], Code of Federal
13 Regulations.

14 (16) First sale - A bargain, sale, transfer, or delivery
15 with intent to pass an interest [~~therein~~], other than a lien, and
16 accompanied by registration, of a motor vehicle that [~~which~~] has
17 not been previously registered in this state or elsewhere.

18 (17) Flood damage - A remark that is initially indicated
19 on a salvage or nonrepairable motor vehicle certificate of title
20 to denote that the damage to the vehicle was caused exclusively
21 by flood and that [~~which~~] is carried forward upon subsequent
22 title issuance.

23 (18) House moving dolly - An apparatus consisting of metal
24 beams and axles used to move houses. House moving dollies, by

1 nature of their construction and use, actually form a large semi-
2 trailer.

3 (19) House trailer - A vehicle without automotive power
4 designed for human habitation and for carrying persons and
5 property upon its own structure and for being drawn by a motor
6 vehicle, not to include manufactured housing.

7 (20) Identification certificate - A form issued by an
8 inspector of an authorized safety inspection station on a vehicle
9 previously registered or titled in another state or country in
10 accordance with Transportation Code, §548.256.

11 (21) Implements of husbandry - Farm implements, machinery,
12 and tools used in tilling the soil, including self-propelled
13 machinery specifically designed or especially adapted for
14 applying plant food materials or agricultural chemicals. This
15 term does not include an implement unless it is [~~implements that~~
16 ~~are not~~] designed or adapted for the sole purpose of transporting
17 [~~the~~] farm materials or chemicals, or any passenger car or truck.

18 (22) Importer - A person, except a manufacturer, who
19 brings any used motor vehicle into this state for the purpose of
20 sale within this state.

21 (23) Insurance company - A person authorized to write
22 automobile insurance in Texas or an out-of-state insurance
23 company that pays a loss claim for a motor vehicle in Texas.

24 (24) Late model motor vehicle - A motor vehicle with a

1 model year equal to the then current calendar year or one of the
2 five preceding calendar years.

3 (25) Late model salvage motor vehicle - A late model motor
4 vehicle, other than a late model vehicle that is a nonrepairable
5 motor vehicle, that is damaged to the extent that the total
6 estimated cost of repairs, other than repairs related to hail
7 damage but including parts and labor, is equal to or greater than
8 an amount equal to 75% of the actual cash value of the vehicle in
9 its predamaged condition.

10 (26) Lien - A security interest, as defined in Business
11 and Commerce Code, §1.201(37), of whatsoever kind or character
12 whereby an interest, other than an absolute title, is sought to
13 be held or given in a motor vehicle, and a lien created or given
14 by constitution or statute in a motor vehicle.

15 (27) Major component part - One of the following parts of
16 a motor vehicle:

17 (A) the engine;

18 (B) the transmission;

19 (C) the frame;

20 (D) the right or left front fender;

21 (E) the hood;

22 (F) a door allowing entrance to or egress from the
23 passenger compartment of the vehicle;

24 (G) the front or rear bumper;

NOTE: Additions Underlined
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Exhibit A

- 1 (H) the right or left quarter panel;
2 (I) the deck lid, tailgate, or hatchback;
3 (J) the cargo box of a pickup truck;
4 (K) the cab of a truck; or
5 (L) the body of a passenger vehicle.

6 (28) Manufacturer - A person regularly engaged in the
7 business of manufacturing or assembling new motor vehicles,
8 either within this state or elsewhere.

9 (29) Manufacturer's certificate of origin - A form
10 prescribed by the department showing the original transfer of a
11 new motor vehicle from the manufacturer to the original
12 purchaser, whether importer, distributor, dealer, or owner, and
13 when presented with an application for certificate of title,
14 showing [~~show thereon~~], on appropriate forms [~~to be~~] prescribed
15 by the department, each subsequent transfer between distributor
16 and dealer, dealer and dealer, and dealer and owner.

17 (30) Moped - A motor driven cycle whose attainable speed
18 is not more than 30 miles per hour and that is equipped with a
19 motor that produces not more than two-brake horsepower. If an
20 internal combustion engine is used, the piston displacement may
21 not exceed 50 cubic centimeters and the power drive system may
22 not require the operator to shift gears.

23 (31) Motor vehicle - Any motor driven or propelled vehicle
24 required to be registered under the laws of this state; a trailer

1 or semitrailer, other than manufactured housing, that has a gross
2 vehicle weight that exceeds 4,000 pounds; a house trailer; a
3 four-wheel all-terrain vehicle designed by the manufacturer for
4 off-highway use that is not required to be registered under the
5 laws of this state; or a motorcycle, motor-driven cycle, or moped
6 that is not required to be registered under the laws of this
7 state, other than a motorcycle, motor-driven cycle, or moped
8 designed for and used exclusively on a golf course. [Every kind
9 of motor driven or propelled vehicle required to be registered
10 under the laws of the state, including trailers, house trailers,
11 and semitrailers, and shall also include motorcycles, motor-
12 driven cycles, mopeds, and four wheel all terrain vehicles
13 designed by the manufacturer for off highway use, whether or not
14 the vehicle is required to be registered under Transportation
15 Code, Chapter 501. The term motor vehicle does not include
16 manufactured housing, motorcycles, motor driven cycles, and
17 mopeds designed for and used exclusively on golf courses.]

18 (32) Motor vehicle importation form - An importer's
19 declaration form prescribed by the United States Department of
20 Transportation and certified by United States Customs that
21 relates to an imported motor vehicle's compliance with federal
22 motor vehicle safety standards.

23 (33) Negotiable title - A title that may be used to
24 transfer an interest or ownership in a motor vehicle, or to

1 establish a new lien.

2 (34) New model motor vehicle - A motor vehicle with a
3 model year that is newer than the current calendar year.

4 (35) New model salvage motor vehicle - A new model motor
5 vehicle, other than a new model vehicle that is a nonrepairable
6 motor vehicle, that is damaged to the extent that the total
7 estimated cost of repairs, other than repairs related to hail
8 damage but including parts and labor, is equal to or greater than
9 an amount equal to 75% of the actual cash value of the vehicle in
10 its predamaged condition.

11 (36) New motor vehicle - A motor vehicle that [~~which~~] has
12 never been the subject of a first sale either within this state
13 or elsewhere.

14 (37) Non-negotiable title - A title that may be used only
15 as evidence of title and may not be used to transfer any interest
16 or ownership in a motor vehicle, or to establish a new lien.

17 (38) Nonrepairable motor vehicle - A new or late model
18 motor vehicle that is damaged or missing a major component part
19 to the extent that the total estimated cost of repairs to rebuild
20 or reconstruct the vehicle, including parts and labor other than
21 the costs of materials and labor for repainting the vehicle and
22 excluding sales taxes on the total cost of the repairs, and
23 excluding the cost of repairs to repair hail damage, is equal to
24 or greater than an amount equal to 95% of the actual cash value

1 of the vehicle in its predamaged condition.

2 (39) Nonrepairable motor vehicle certificate of title - A
3 document issued by the department that evidences ownership of a
4 nonrepairable motor vehicle.

5 (40) Non United States standard motor vehicle - A motor
6 vehicle not manufactured in compliance with federal motor vehicle
7 safety standards.

8 (41) Obligor - An individual who is required to make
9 payments under the terms of a support order for a child.

10 (42) Older model motor vehicle - A motor vehicle that was
11 manufactured in a model year before the sixth preceding model
12 year, including the current model year..

13 (43) Other negotiable evidence of ownership - A document,
14 other than a Texas certificate of title or a salvage certificate
15 of title, that relates to a motor vehicle and that [~~which~~] the
16 department considers sufficient to support issuance of a Texas
17 certificate of title for the vehicle.

18 (44) Out-of-state buyer - A person licensed by another
19 state or jurisdiction in an automotive business if the department
20 has listed the holders of the [~~such~~] license as permitted
21 purchasers of salvage motor vehicles or nonrepairable motor
22 vehicles based on substantially similar licensing requirements
23 and on whether salvage vehicle dealers licensed in Texas are
24 permitted to purchase salvage motor vehicles or nonrepairable

1 motor vehicles in the other state or jurisdiction.

2 (45) Owner - A person, firm, association, or corporation,
3 other than a manufacturer, importer, distributor, or dealer,
4 claiming title to a motor vehicle, or having a right to operate a
5 motor vehicle pursuant to a lien [~~on a motor vehicle~~] after the
6 motor vehicle has been the subject of a [~~the~~] first sale, except
7 the Federal Government and its agencies, and except the State of
8 Texas and a governmental subdivision or agency [~~thereof~~] not
9 required by law to register motor vehicles owned or used
10 [~~thereby~~] in this State.

11 (46) Person - An individual, firm, corporation, company,
12 partnership, or other entity.

13 (47) Rebuilder - A person that acquires and repairs, for
14 operation on public highways, five or more new or late model
15 salvage motor vehicles in any 12-month period.

16 (48) Rebuilt salvage - A remark indicated on the face of a
17 certificate of title issued by the department that evidences
18 ownership of a rebuilt salvage motor vehicle.

19 (49) Safety certification label - A label placed on a
20 motor vehicle by a manufacturer certifying that the motor vehicle
21 complies with all federal motor vehicle safety standards.

22 (50) Salvage motor vehicle - A new or late model motor
23 vehicle, other than a new or late model vehicle that is a
24 nonrepairable motor vehicle, that is damaged to the extent that

1 the total estimated cost of repairs, other than repairs related
2 to hail damage but including parts and labor, is equal to or
3 greater than an amount equal to 75% of the actual cash value of
4 the vehicle in its predamaged condition.

5 (51) Salvage motor vehicle certificate of title - A
6 document issued by the department that evidences ownership of a
7 salvage motor vehicle.

8 (52) Salvage vehicle - A term that [~~which~~] refers to both
9 salvage and nonrepairable vehicles.

10 (53) Salvage vehicle dealer - A person who is engaged in
11 this state in the business of acquiring, selling, or otherwise
12 dealing in salvage vehicles or vehicle parts of a type required
13 to be covered by a salvage vehicle certificate of title or
14 nonrepairable vehicle certificate of title under a license issued
15 by the department that allows the holder of the license to
16 acquire, sell, dismantle, repair, or otherwise deal in salvage
17 vehicles.

18 (54) Semi-Trailer - A vehicle of the trailer type having a
19 gross weight in excess of four thousand (4,000) pounds so
20 designed or used in conjunction with a motor vehicle that some
21 part of its own weight and that of its load rests upon or is
22 carried by another vehicle.

23 (55) Statement of fact - A written declaration that
24 supports an application for a certificate of title, that is

1 executed by the seller or involved party of a motor vehicle, and
2 that clarifies an error made on evidence of ownership [~~which~~
3 ~~supports the application for certificate of title~~].

4 (56) Subsequent sale - The bargain, sale, transfer, or
5 delivery of a motor vehicle that has been previously registered
6 or licensed in this state or elsewhere, with intent to pass an
7 interest in the vehicle, other than a lien, regardless of where
8 the bargain, sale, transfer, or delivery occurs, and the
9 registration of the vehicle if registration is required under the
10 laws of this state. [~~A bargain, sale, transfer, or delivery,~~
11 ~~with intent to pass an interest therein, other than a lien, of a~~
12 ~~motor vehicle which has been registered with this state or~~
13 ~~elsewhere, save and except when such vehicle is not required~~
14 ~~under law to be registered in this State.]~~

15 (57) Token trailer fee - A registration fee paid for
16 certain semitrailers, meeting the qualifications delineated in
17 Transportation Code, §502.167, and used in combination with truck
18 tractors or commercial motor vehicles whose registration is based
19 upon a combined gross weight.

20 (58) Trailer - Every vehicle having a gross unloaded
21 weight in excess of four thousand (4,000) pounds and designed or
22 used to carry its load wholly on its own structure and to be
23 drawn by a motor vehicle.

24 (59) Used motor vehicle - A motor vehicle that has been

1 the subject of a first sale, whether within this state or
2 elsewhere.

3 (60) Vehicle identification number - A number, assigned by
4 the manufacturer of a motor vehicle or the department, that
5 describes the motor vehicle for purposes of identification.

6 (61) Verifiable proof - Additional documentation required
7 of a vehicle owner, lienholder, or agent executing an application
8 for a certified copy of a certificate of title.

9 (A) Individual applicant. If the applicant is an
10 individual, verifiable proof consists of a copy of a current
11 photo identification issued by this state or by the United
12 States.

13 (B) Business applicant. If the applicant is a
14 business, verifiable proof consists of a letter of signature
15 authority on original letterhead, a business card, or a copy of
16 employee identification and a copy of current photo
17 identification issued by this state or by the United States.

18 (C) Power of attorney. If the applicant is a person in
19 whose favor a power of attorney has been executed by the owner or
20 lienholder, verifiable proof consists of the documentation
21 required under subparagraphs (A) or (B) of this subsection both
22 for the owner or lienholder and for the person in whose favor the
23 power of attorney is executed.

24

1 §17.3. Motor Vehicle Certificates of Title.

2 (a) Certificates of title. Unless otherwise exempted by law
3 or this chapter, the owner of any vehicle that is required to be
4 registered in accordance with Transportation Code, Chapter 502,
5 shall apply for a Texas certificate of title in accordance with
6 Transportation Code, Chapter 501.

7 (1) Motorcycles, motor-driven cycles, and mopeds.

8 (A) The title requirements of a motorcycle are the same
9 requirements prescribed for any motor vehicle.

10 (B) A motorcycle, motor-driven cycle, or moped designed
11 for or used exclusively on golf courses is not classified as a
12 motor vehicle and, therefore, title cannot be issued until the
13 unit is registered.

14 (C) A vehicle that meets the criteria for a moped and
15 has been certified as a moped by the Department of Public Safety
16 will ~~must~~ be registered and titled as a moped. If the vehicle
17 does not appear on the list of certified mopeds published by that
18 agency, the vehicle will be treated as a motorcycle for title and
19 registration purposes.

20 (D) A motor installed on a bicycle must be certified by
21 the Department of Public Safety before the vehicle may be
22 classified as a moped.

23 (2) Farm vehicles.

24 (A) The term motor vehicle does not apply to implements

1 of husbandry, which may not be titled.

2 (B) Farm tractors owned by agencies exempt from
3 registration fees in accordance with Transportation Code,
4 §502.202, are required to be titled and registered with "Exempt"
5 license plates issued in accordance with Transportation Code,
6 §502.201.

7 (C) Farm tractors used as road tractors to mow rights of
8 way or used to move commodities over the highway for hire are
9 required to be registered and titled.

10 (3) Exemptions from title. Vehicles registered with the
11 following distinguishing license plates may not be titled under
12 Transportation Code, Chapter 501:

13 (A) vehicles eligible for machinery license plates in
14 accordance with Transportation Code, §502.276 [7] and §502.278;

15 (B) vehicles eligible for farm trailer license plates in
16 accordance with Transportation Code, §502.163; and

17 (C) vehicles eligible for permit license plates in
18 accordance with Transportation Code, §§502.351-502.353.

19 (4) Trailers, semitrailers, and house trailers. Owners of
20 trailers and semitrailers shall [~~must~~] apply for and receive a
21 Texas certificate of title for any stand alone (full) trailer,
22 including homemade full trailers, having an empty weight in
23 excess of 4,000 pounds or any semitrailer having a gross weight
24 in excess of 4,000 pounds. House trailer-type vehicles must meet

1 the criteria outlined in subparagraph (C) of this paragraph in
2 order to be titled.

3 (A) In the absence of a manufacturer's rated carrying
4 capacity for a trailer or semitrailer, the rated carrying
5 capacity will not be less than one-third of its empty weight.

6 (B) Mobile office trailers, mobile oil field
7 laboratories, and mobile oil field bunkhouses are not designed as
8 dwellings, but are classified as commercial semitrailers and must
9 be registered and titled as commercial semitrailers if operated
10 upon the public streets and highways.

11 (C) House trailer-type vehicles and camper trailers must
12 meet the following criteria in order to be titled.

13 (i) A house trailer-type vehicle designed for living
14 quarters and that is eight body feet or more in width or forty
15 body feet or more in length (not including the hitch), is
16 classified as a mobile home and is titled under the Texas
17 Manufactured Housing Standards Act, Texas Civil Statutes, Article
18 5221f, administered by the Department of Housing and Community
19 Affairs.

20 (ii) A house trailer-type vehicle that is less than
21 eight feet in width and less than forty feet in length is
22 classified as a travel trailer and shall [~~must~~] be registered and
23 titled.

24 (iii) A camper trailer shall [~~must~~] be titled as a

1 house trailer and shall ~~[must]~~ be registered with travel trailer
2 license plates.

3 (b) Initial application for certificate of title.

4 (1) Place of application. When motor vehicle ownership is
5 transferred, except as provided by Transportation Code, Chapters
6 501 and 502 and by §17.8(a)(1) of this subchapter, a certificate
7 of title application must be filed with the county tax assessor-
8 collector in the county in which the applicant resides or in the
9 county in which the motor vehicle was purchased or encumbered,
10 within 20 working days of the date of sale.

11 (2) Information to be included on application. An
12 applicant for an initial certificate of title must file an
13 application on a form prescribed by the department. The form
14 will at a minimum require the:

15 (A) motor vehicle description including, but not limited
16 to, the motor vehicle's:

17 (i) year;

18 (ii) make;

19 (iii) model;

20 (iv) identification number;

21 (v) body style;

22 (vi) manufacturer's rated carrying capacity in tons
23 for commercial motor vehicles; and

24 (vii) empty weight;

1 (B) license plate number, if the motor vehicle is
2 subject to registration under Transportation Code, Chapter 502;

3 (C) the odometer reading and brand, or the word "exempt"
4 if the motor vehicle is exempt from federal and state odometer
5 disclosure requirements;

6 (D) previous owner's name and city and state of
7 residence;

8 (E) name and complete address of the applicant;

9 (F) name and mailing address of any lienholder and the
10 date of lien, if applicable;

11 (G) signature of the seller of the motor vehicle or the
12 seller's authorized agent and the date the certificate of title
13 application was signed;

14 (H) signature of the applicant or the applicant's
15 authorized agent and the date the certificate of title
16 application was signed; and

17 (I) applicant's social security number, if the
18 application is filed in a county in which the department's
19 automated registration and title system has been implemented,
20 with the following exceptions:

21 (i) an application filed in the name of an entity that
22 does not have a social security number, or

23 (ii) an individual applicant who does not have a
24 social security number, in which case the applicant [~~is~~

1 ~~individual applicant who does not have a social security number]~~
2 must execute a statement to that effect on a form prescribed by
3 the department[+].

4 (3) Serial number. If no serial number is die-stamped by
5 the manufacturer on a motor vehicle, house trailer, trailer,
6 semi-trailer, or item of equipment required to be titled, or if
7 the serial number assigned and die-stamped by the manufacturer
8 has been lost, removed, or obliterated, the department will upon
9 proper application, presentation of evidence of ownership, and
10 presentation of evidence of a law enforcement physical
11 inspection, assign a serial number to the motor vehicle, trailer,
12 or equipment. The manufacturer's serial number or the assigned
13 serial number will be used by the department as the major
14 identification of the motor vehicle or trailer in the issuance of
15 a certificate of title.

16 (4) Accompanying documentation. The certificate of title
17 application must be supported by, at a minimum, the following
18 documents:

19 (A) evidence of vehicle ownership, as described in
20 subsection (c) of this section;

21 (B) an odometer disclosure statement properly executed
22 by the seller of the motor vehicle and acknowledged by the
23 purchaser, if applicable;

24 (C) the identification certificate required by

1 Transportation Code, \$548.256, and Transportation Code, \$501.030,
2 if the vehicle was last registered in another state or country;
3 and

4 (D) a release of any liens, provided that if any liens
5 are not released, they will be carried forward on the new
6 certificate of title application with the following limitations.

7 (i) An out-of-state lien recorded on out-of-state
8 evidence as described in subsection (c) of this section cannot be
9 carried forward to a Texas title when there is a transfer of
10 ownership, unless a release of lien or authorization from the
11 lienholder is attached.

12 (ii) A lien recorded on out-of-state evidence as
13 described in subsection (c) of this section is not required to be
14 released when there is no transfer of ownership from an out-of-
15 state title and the same lienholder is being recorded on the
16 Texas application as is recorded on the out-of-state title.

17 (c) Evidence of motor vehicle ownership. Evidence of motor
18 vehicle ownership properly assigned to the applicant must
19 accompany the certificate of title application. Evidence must
20 include, but is not limited to, the following documents.

21 (1) New motor vehicles. A manufacturer's certificate of
22 origin assigned by the manufacturer or the manufacturer's
23 representative or distributor to the original purchaser is
24 required for a new motor vehicle that is sold or offered for

1 sale.

2 (A) The manufacturer's certificate of origin must be in
3 the form prescribed by the division director and must contain, at
4 a minimum, the following information:

5 (i) motor vehicle description including, but not
6 limited to, the motor vehicle's year, make, model, identification
7 number, body style and empty weight;

8 (ii) the manufacturer's rated carrying capacity in
9 tons when the manufacturer's certificate of origin is invoiced to
10 a licensed Texas motor vehicle dealer and is issued for
11 commercial motor vehicles as that term is defined in
12 Transportation Code, Chapter 502; and

13 (iii) a statement identifying a motor vehicle designed
14 by the manufacturer for off-highway use only.

15 (B) When a motor vehicle manufactured in another country
16 is sold directly to a person other than a manufacturer's
17 representative or distributor, the manufacturer's certificate of
18 origin must be assigned to the purchaser by the importer.

19 (2) Used motor vehicles.

20 [~~(A) Evidence of ownership.~~] A certificate of title
21 issued by the department, a certificate of title issued by
22 another state if the motor vehicle was last registered and titled
23 in another state, or other evidence of ownership must be
24 relinquished in support of the certificate of title application

1 for any used motor vehicle. A letter of Title and Registration
2 verification is required from a vehicle owner coming from a state
3 that no longer titles vehicles after a certain period of time.

4 ~~[(B) Rights of survivorship. A signed "rights of~~
5 ~~survivorship" agreement may be executed by a natural person~~
6 ~~acting in an individual capacity in accordance with~~
7 ~~Transportation Code, §501.031.]~~

8 (3) Imported motor vehicles. An application for
9 certificate of title for a motor vehicle last registered or
10 titled in a foreign country must be supported by documents
11 including, but not limited to, the following:

12 (A) the motor vehicle registration certificate or other
13 verification issued by a foreign country reflecting the name of
14 the applicant as the motor vehicle owner, or reflecting that
15 legal evidence of ownership has been legally assigned to the
16 applicant; and

17 (B) for motor vehicles that are less than 25 years old,
18 proof of compliance with United States Department of
19 Transportation (USDOT) regulations, including, but not limited
20 to, the following documents:

21 (i) the original bond release letter with all
22 attachments advising that the motor vehicle meets federal motor
23 vehicle safety requirements or a letter issued by the USDOT,
24 National Highway Traffic Safety Administration, verifying the

1 issuance of the original bond release letter;

2 (ii) a legible copy of the motor vehicle importation
3 form validated with an original United States Customs stamp,
4 date, and signature as filed with the USDOT confirming the
5 exemption from the bond release letter required in clause (i) of
6 this subparagraph, or a copy thereof certified by United States
7 Customs;

8 (iii) a verification of motor vehicle inspection by
9 United States Customs certified on its letterhead and signed by
10 its agent verifying that the motor vehicle complies with USDOT
11 regulations;

12 (iv) a written confirmation that a physical inspection
13 of the safety certification label has been made by the department
14 and that the motor vehicle meets United States motor vehicle
15 safety standards;

16 (v) the original bond release letter, verification
17 thereof, or written confirmation from the previous state
18 verifying that a bond release letter issued by the USDOT was
19 relinquished to that jurisdiction, if the non United States
20 standard motor vehicle was last titled or registered in another
21 state for one year or less; or

22 (vi) verification from the vehicle manufacturer on its
23 letterhead stationary.

24 (4) Alterations to documentation. An alteration to a

1 registration receipt, certificate of title, manufacturer's
2 certificate, or other evidence of ownership constitutes valid
3 reason for the rejection of any transaction to which altered
4 evidence is attached.

5 (A) Altered lien information on any surrendered evidence
6 of ownership requires a release from the original lienholder or a
7 statement from the proper authority of the state in which the
8 lien originated. The statement must verify the correct lien
9 information.

10 (B) A strikeover that leaves any doubt about the
11 legibility of any digit in any document will not be accepted.

12 (C) A corrected manufacturer's certificate of origin
13 will be required if the manufacturer's certificate of origin
14 contains an:

15 (i) incomplete or altered vehicle identification
16 number;

17 (ii) alteration or strikeover of the vehicle's year
18 model;

19 (iii) alteration or strikeover to the body style, or
20 omitted body style on the manufacturer's certificate of origin;
21 or

22 (iv) alteration or strikeover to the manufacturer's
23 rated carrying capacity.

24 (D) A Statement of Fact may be requested to explain

1 errors, corrections, or conditions from which doubt does or could
2 arise concerning the legality of any instrument. A Statement of
3 Fact will be required in all cases:

4 (i) where the date of sale on an assignment has been
5 erased or altered in any manner; or

6 (ii) of alteration or erasure on a Dealer's
7 Reassignment of Title.

8 (5) Rights of survivorship. A signed "rights of
9 survivorship" agreement may be executed by a natural person
10 acting in an individual capacity in accordance with
11 Transportation Code, §501.031.

12 (d) Certificate of title issuance. Upon receiving a
13 completed application for certificate of title, along with the
14 title application fee of \$13 and any other applicable fees, the
15 department or its designated agent will process and issue a
16 certificate of title.

17 (1) Negotiable titles. The department will issue and mail
18 or deliver negotiable titles, marked "Original," to the applicant
19 or, in the event that there is a lien disclosed in the
20 application, to the first lienholder.

21 (2) Non-negotiable titles. The department will issue non-
22 negotiable titles, which may be used only as evidence of title
23 and may not be used to transfer any interest or ownership in a
24 motor vehicle or to establish a new lien, in the following

1 circumstances.

2 (A) In the event that there is a lien disclosed in the
3 application, a duplicate certificate of title marked "Duplicate
4 Original" will be mailed or delivered to the address of the
5 applicant as disclosed upon the application.

6 (B) In the event that the owner of a vehicle last
7 registered or titled in another state (and subject to
8 registration in this state) cannot or does not wish to relinquish
9 the negotiable out-of-state evidence of ownership to obtain a
10 negotiable Texas title, a duplicate certificate of title marked
11 "Registration Purposes Only" will be mailed or delivered to the
12 address of the applicant as disclosed upon the application. In
13 instances in which the title or registration receipt is assigned
14 to the applicant, an application for "Registration Purposes Only"
15 will not be processed.

16 (e) Replacement of certificate of title. If a certificate
17 of title is lost or destroyed, the department will issue ~~owner~~
18 ~~or lienholder may obtain~~ a certified copy of the ~~that~~ title to
19 the owner, the lienholder, or a verified agent of the owner or
20 lienholder ~~[upon proper application with the department]~~ in
21 accordance with Transportation Code, Chapter 501, upon proper
22 application and payment of the appropriate fee to the department.

23 (1) Certified copy.

24 (A) Issuance. An application for a certified copy must

1 be properly executed and supported by appropriate verifiable
2 proof for the vehicle owner, lienholder, or agent.

3 [~~(A) Applicant who is a vehicle owner, lienholder, or~~
4 ~~verified agent.~~]

5 (i) If the applicant requests that a certified copy be
6 issued before the fourth business day following application, the
7 application must be made in person ~~(and the applicant must~~
8 ~~present valid personal identification, including a photograph,~~
9 ~~issued by an agency of this state or of the United States).~~

10 (ii) An applicant other than the vehicle owner,
11 lienholder, or verified agent must apply for a certified copy of
12 a certificate of title by mail.

13 (B) Denial. If issuance of a certified copy is denied,
14 the applicant may resubmit the request with the required
15 verifiable proof or may pursue the privileges available in
16 subsection (g)(2)(A) and (B) of this section.

17 [~~(ii) If the applicant is an agent, the applicant must~~
18 ~~present verifiable proof that he or she is an agent of the owner~~
19 ~~or lienholder. This proof may include a power of attorney,~~
20 ~~business card, written authorization on company letterhead, or~~
21 ~~employee identification.]~~

22 [~~(B) Applicant other than the vehicle owner,~~
23 ~~lienholder, or verified agent.]~~

24 [~~(i) The department will not issue a certified copy of~~

1 ~~a certificate of title to an applicant other than the vehicle~~
2 ~~owner, lienholder, or verified agent before the fourth business~~
3 ~~day after application has been made.]~~

4 ~~[(ii) An applicant other than the vehicle owner,~~
5 ~~lienholder, or verified agent may only apply for a certified copy~~
6 ~~of a certificate of title by mail.]~~

7 (2) Certified copy designation. A certified copy of an
8 existing certificate of title will be marked "Certified Copy"
9 until ownership of the vehicle is transferred, when the words
10 "Certified Copy" will be eliminated from the new certificate of
11 title.

12 (3) Fees. The fee for obtaining a certified copy of a
13 certificate of title is \$2.00 if the application is processed at
14 the department's headquarters office and \$5.45 if the application
15 is processed at one of the department's regional offices.

16 (4) Recovery of lost title. In the event that the
17 "Duplicate Original" or "Original" certificate of title is
18 recovered, the owner shall relinquish the "Duplicate Original" or
19 "Original" certificate of title [certified copy] to the
20 department for cancellation. Thereafter, if a subsequent
21 application for certificate of title is filed in the current
22 owner's name, the department will issue an "Original" certificate
23 of title.

24 (f) Department notification of second hand vehicle

1 transfers. A transferor of a motor vehicle may voluntarily make
2 written notification to the department of the sale of the
3 vehicle, in accordance with Transportation Code, Chapter 520,
4 Subchapter C, [~~Texas Civil Statutes, Article 6687-5 as amended~~],
5 and this subsection.

6 (1) Notification form. The department will provide a form
7 for written notice of transfer. The form will include the:

- 8 (A) vehicle identification number of the vehicle;
9 (B) license plate number issued to the vehicle, if any;
10 (C) full name and address of the transferor;
11 (D) full name and address of the transferee;
12 (E) date the transferor delivered possession of the
13 vehicle to the transferee;
14 (F) signature of the transferor; and
15 (G) date the transferor signed the form.

16 (2) Records. Upon receipt of written notice of transfer
17 and a \$5.00 fee from the transferor of a motor vehicle, the
18 department will mark its records to indicate the date of transfer
19 and the full name and address of the transferee.

20 (3) Ownership of transferred vehicle. After the date of
21 the transfer of the vehicle as shown in the department records,
22 the transferee of the vehicle is rebuttably presumed to be:

- 23 (A) the owner of the vehicle; and
24 (B) subject to civil and criminal liability arising out

1 of the use, operation, or abandonment of the vehicle, to the
2 extent that ownership of the vehicle subjects the owner of the
3 vehicle to criminal or civil liability under another provision of
4 the law.

5 (4) Certificate of title issuance. A certificate of title
6 will [~~may~~] not be issued in the name of a transferee until the
7 transferee files an application for the certificate of title as
8 described in this section.

9 (g) Suspension, revocation, or refusal to issue Certificates
10 of Title.

11 (1) Grounds for title suspension, revocation, or refusal
12 to issue. The department will refuse issuance of a certificate
13 of title, or having issued a certificate of title, will suspend
14 or revoke the certificate of title if the:

15 (A) application contains any false or fraudulent
16 statement;

17 (B) applicant has failed to furnish required information
18 requested by the department;

19 (C) applicant is not entitled to the issuance of a
20 certificate of title under Transportation Code, Chapter 501;

21 (D) department has reasonable grounds to believe that
22 the vehicle is a stolen or converted vehicle or that the issuance
23 of a certificate of title would constitute a fraud against the
24 rightful owner or a mortgagee;

1 (E) registration of the vehicle stands suspended or
2 revoked; or

3 (F) required fee has not been paid.

4 (2) Contested case procedure. Any person who has an
5 interest in a motor vehicle to which the department has refused
6 to issue a certificate of title or has suspended or revoked the
7 certificate of title may contest the department's decision in
8 accordance with Transportation Code, §501.052 and §501.053, in
9 the following manner.

10 (A) Hearing. Any person who has an interest in a motor
11 vehicle to which the department has refused to issue a
12 certificate of title or has suspended or revoked the certificate
13 of title may apply for a hearing to the designated agent of the
14 county in which the applicant resides (~~they reside for a~~
15 ~~hearing~~). At the hearing the applicant and the department may
16 submit evidence, and a ruling of the designated agent will bind
17 both parties. An applicant wishing to appeal the ruling of the
18 designated agent may do so to the County Court of the county in
19 which the applicant resides.

20 (B) Alternative to hearing. In lieu of a hearing, any
21 person who has an interest in a motor vehicle to which the
22 department has refused to issue a certificate of title or has
23 suspended or revoked a certificate of title may file a bond with
24 the department, in an amount equal to one and one-half times the

1 value of the vehicle as determined by the department, and in a
2 form prescribed by the department. Upon the filing of the bond,
3 the department may issue a certificate of title. The bond shall
4 expire three years after the date it becomes effective and will
5 be returned to the person posting bond, upon expiration, unless
6 the department has been notified of the pendency of an action to
7 recover on the bond.

8 (h) Discharge of lien. A lienholder shall ~~[must]~~ provide
9 the owner, or the owner's designee, a discharge of the lien after
10 receipt of the final payment within the time limits specified in
11 Transportation Code, Chapter 501. The lienholder shall ~~[must]~~
12 submit one of the following documents:

13 (1) the certificate of title including an authorized
14 signature in the space reserved for release of lien;

15 (2) a release of lien form prescribed by the department,
16 with the form filled out to include the:

17 (A) certificate of title or document number, or a
18 description of the motor vehicle including, but not limited to,
19 the motor vehicle's:

20 (i) year;

21 (ii) make;

22 (iii) vehicle identification number; and

23 (iv) license plate number, if the motor vehicle is

24 subject to registration under Transportation Code, Chapter 502;

- 1 (B) printed name of lienholder;
- 2 (C) signature of lienholder or an authorized agent;
- 3 (D) printed name of the authorized agent if the agent's
4 signature is shown;
- 5 (E) telephone number of lienholder; and
- 6 (F) date signed by the lienholder;
- 7 (3) signed and dated correspondence submitted on company
8 letterhead that includes:
- 9 (A) a statement that the lien has been paid;
- 10 (B) a description of the vehicle as indicated in
11 paragraph (2)(A) of this subsection;
- 12 (C) a certificate of title or document number; or
- 13 (D) lien information;
- 14 (4) any out-of-state prescribed release of lien form,
15 including an executed release on a lien entry form;
- 16 (5) out-of-state evidence with the word "Paid" or "Lien
17 Satisfied" stamped or written in longhand on the face, followed
18 by the name of the lienholder, countersigned or initialed by an
19 agent, and dated; or
- 20 (6) original security agreements or copies of the original
21 security agreements if the originals or copies are stamped "Paid"
22 or "Lien Satisfied" with a company paid stamp or if they contain
23 a statement in longhand that the lien has been paid followed by
24 the company's name.

1

2 §17.8. Certificates of Title for Salvage Vehicles.

3 (a) Certificate of title applications for salvage vehicles.

4 (1) Place of application.

5 (A) When [~~ownership of~~] a new or late model salvage
6 motor vehicle or nonrepairable motor vehicle[~~which~~] has not
7 been issued a salvage motor vehicle certificate of title, a
8 nonrepairable motor vehicle certificate of title, or a comparable
9 ownership document issued by another state or jurisdiction [~~is~~
10 ~~transferred~~], and the vehicle will not be dismantled, scrapped,
11 or destroyed, a [~~the~~] person who acquires ownership shall [~~must~~]
12 submit a salvage and [~~e=~~] nonrepairable motor vehicle certificate
13 of title application to the department along with the applicable
14 fee within 10 days of receiving the title document that [~~which~~]
15 transfers ownership.

16 (B) A person who acquires ownership of a motor vehicle
17 other than a new or late model salvage motor vehicle or a
18 nonrepairable motor vehicle may voluntarily submit a salvage and
19 [~~e=~~] nonrepairable motor vehicle certificate of title application
20 to the department along with the applicable fee for issuance of a
21 salvage or nonrepairable motor vehicle certificate of title.

22 (C) When a new or late model salvage or nonrepairable
23 motor vehicle has been rebuilt and the vehicle's and parts'
24 identification numbers, as well as compliance with state safety

1 standards, have been certified to by a specially trained
2 commissioned officer of the [Texas] Department of Public Safety,
3 the owner shall file a certificate of title application with the
4 county tax assessor-collector in the county in which the
5 applicant resides[7] or in the county in which the motor vehicle
6 was purchased or encumbered. The application must be supported
7 by the evidence required by subsection (b)(2)(A), (B), or (C) of
8 this section.

9 (2) Information to be included on application.

10 (A) An applicant for a salvage or nonrepairable motor
11 vehicle certificate of title must [~~shall~~] submit an application
12 on a form prescribed by the department. A completed [~~The~~] form,
13 in addition to any other information required by the department,
14 must [~~shall~~] at a minimum include:

15 (i) the name and current address of the owner;

16 (ii) a description of the vehicle, including[7] the
17 motor vehicle's model year, make, model, identification number,
18 body style, manufacturer's rated carrying capacity in tons for
19 commercial motor vehicles, and empty weight;

20 (iii) a description of the damage to the vehicle;

21 (iv) the predamaged actual cash value of the vehicle;

22 (v) the odometer reading and brand, or the word

23 "exempt" if the motor vehicle is exempt from federal and state
24 odometer disclosure requirements;

1 (vi) the previous owner's name and city and state of
2 residence;

3 (vii) the name and mailing address of any lienholder
4 and the date of lien (applicable only in instances of salvage
5 motor vehicle certificate of title issuance);

6 (viii) the signature of the applicant or the
7 applicant's authorized agent and the date the certificate of
8 title application was signed; and

9 (ix) the adjusted estimated cost of repair parts and
10 labor [~~for the purpose of this section, the estimated cost of~~
11 ~~repair parts shall be determined by using a manual of repair~~
12 ~~costs or other instrument that is generally recognized and~~
13 ~~commonly used in the motor vehicle insurance industry to~~
14 ~~determine these costs or an estimate of the actual cost of the~~
15 ~~repair parts and the estimated labor costs shall be computed by~~
16 ~~using the hourly rate and time allocations that are reasonable~~
17 ~~and commonly assessed in the repair industry in the community in~~
18 ~~which the repairs are performed. The adjusted estimated cost of~~
19 ~~repairs is equal to the estimated cost of repairs, less any~~
20 ~~applicable deductions as defined in §17.2 of this title (relating~~
21 ~~to Definitions), for "late model salvage vehicle" or~~
22 ~~"nonrepairable motor vehicle")].~~

23 (I) In this clause the estimated cost of repair
24 parts shall be determined by using a manual of repair costs or

1 another instrument that is generally recognized and commonly used
2 in the motor vehicle insurance industry to determine those costs,
3 or an estimate of the actual cost of the repair parts and the
4 estimated labor costs shall be computed by using hourly rate and
5 time allocations that are reasonable and commonly assessed in the
6 repair industry in the community in which the repairs are
7 performed.

8 (II) The adjusted estimated cost of repairs is equal
9 to the estimated cost of repairs, less any applicable deductions
10 for late model salvage vehicles or nonrepairable motor vehicles.

11 (B) An applicant for a certificate of title involving a
12 transaction for a rebuilt salvage motor vehicle must ~~[shall]~~
13 submit an application on a form prescribed by the department, and
14 must ~~[shall]~~ present the application ~~[such]~~ to the tax assessor-
15 collector in the county in which the applicant resides [7] or in
16 the county in which the motor vehicle was purchased or
17 encumbered. A completed ~~[The]~~ form, in addition to any other
18 information required by the department, must ~~[shall]~~ at a minimum
19 ~~[require or]~~ include ~~[in the transaction]~~:

20 (i) the name and current address of the owner;

21 (ii) a description of the vehicle, which includes, but
22 is not limited to, the motor vehicle's model year, make, model,
23 identification number, body style, manufacturer's rated carrying
24 capacity in tons for commercial motor vehicles, and empty weight;

1 (iii) a description of each major component part used
2 to repair the vehicle and showing [~~shows~~] the identification
3 number required by federal law to be affixed to or inscribed on
4 the part;

5 (iv) a [~~the~~] description or disclosure of the
6 vehicle's former condition in a manner that is understandable to
7 a potential purchaser of the vehicle;

8 (v) the license plate number, if the motor vehicle is
9 subject to registration under Transportation Code, Chapter 502
10 [~~501~~];

11 (vi) the odometer reading and brand, or the word
12 "exempt" if the motor vehicle is exempt from federal and state
13 odometer disclosure requirements;

14 (vii) the previous owner's name and city and state of
15 residence;

16 (viii) the name and mailing address of any lienholder
17 and the date of lien, if applicable;

18 (ix) the signature of the seller of the motor vehicle
19 or the seller's authorized agent and the date the certificate of
20 title application was signed; and

21 (x) the signature of the applicant or the applicant's
22 authorized agent and the date the certificate of title
23 application was signed.

24 (3) Accompanying documentation.

1 (A) A ~~[The]~~ salvage and nonrepairable motor vehicle
2 certificate of title application must ~~[applications shall]~~ be
3 supported by, at a minimum, the following documents:

4 (i) evidence of vehicle ownership, as described in
5 subsection (b)(1) of this section;

6 (ii) an odometer disclosure statement properly
7 executed by the seller of the motor vehicle and acknowledged by
8 the purchaser, if applicable; ~~and~~

9 (iii) a release of any liens.

10 (B) The application for certificate of title for a
11 ~~[transaction involving]~~ a rebuilt salvage vehicle must ~~[shall]~~ be
12 supported by, at a minimum, the following documents:

13 (i) evidence of vehicle ownership, as described in
14 subsection (b)(2) of this section;

15 (ii) an odometer disclosure statement properly
16 executed by the seller of the motor vehicle and acknowledged by
17 the purchaser, if applicable;

18 (iii) proof of financial responsibility in the title
19 applicant's name, as required by Transportation Code, §502.153;

20 (iv) the identification certificate required by
21 Transportation Code, §548.256, and Transportation Code, §501.030,
22 if the vehicle was last registered in another state or country;

23 (v) a release of any liens, unless there is no
24 transfer of ownership from an out-of-state title and the same

1 lienholder is being recorded on the Texas application as is
2 recorded on the out-of-state title, and except that if a lien
3 recorded on out-of-state evidence is not released and transfer is
4 not authorized by the lienholder, the lien will not be carried
5 forward to a Texas title for a rebuilt salvage vehicle when there
6 is a transfer of ownership [~~er, if not released, an out-of-state~~
7 ~~lien (recorded on out-of-state evidence as described in~~
8 ~~subsection (b)(2) of this section) cannot be carried forward to a~~
9 ~~Texas title involving a rebuilt salvage when there is a transfer~~
10 ~~of ownership, unless a release of lien or authorization from the~~
11 ~~lienholder is attached. (A lien is not required to be released~~
12 ~~when there is no transfer of ownership from an out-of-state title~~
13 ~~and the same lienholder is being recorded on the Texas~~
14 ~~application as is recorded on the out-of-state title)]; and~~

15 (vi) a written statement signed by a specially trained
16 commissioned officer of the [Texas] Department of Public Safety
17 certifying to the department that the vehicle identification
18 numbers and parts identification numbers are accurate, that the
19 applicant has proof that the applicant owns the parts used to
20 repair the vehicle, that the vehicle can [~~may~~] be safely
21 operated, and that the vehicle complies with all applicable motor
22 vehicle safety standards of this state, except that [~~if~~] Texas
23 Salvage Certificates or comparable Salvage Certificates or
24 Salvage Certificates of Title issued by another state or

1 jurisdiction prior to March 1, 1996, are exempt from this
2 requirement if [~~However, if the supporting evidence of~~
3 ~~ownership is one of these documents,~~] an affidavit for a rebuilt
4 motor vehicle, as prescribed by the department, is [~~must be~~]
5 submitted with the application for certificate of title[~~7~~] and
6 the rebuilt salvage vehicle complies [~~must comply~~] with all
7 applicable motor vehicle safety standards of this state [~~7~~].

8 (b) Evidence of salvage motor vehicle ownership.

9 (1) Evidence of salvage motor vehicle ownership properly
10 assigned to the applicant must [~~shall~~] accompany the salvage and
11 [~~or~~] nonrepairable motor vehicle certificate of title
12 application. Evidence must [~~shall~~] include documentation
13 sufficient to show ownership, such as one of [~~but is not~~
14 ~~limited, to,~~] the following documents:

15 (A) an Original Texas Certificate of Title;

16 (B) a Certified Texas Certificate of Title;

17 (C) a Texas Salvage Certificate; or

18 (D) a comparable ownership document issued by another
19 state or jurisdiction.

20 (2) Evidence of motor vehicle ownership of [~~or~~] a rebuilt
21 salvage vehicle must be properly assigned to the applicant and
22 must [~~shall~~] accompany the certificate of title application
23 [~~involving the transaction~~]. Evidence must [~~shall~~] include one
24 of the following documents:

1 (A) a Texas Salvage Motor Vehicle Certificate of Title;

2 (B) a Texas Nonrepairable Motor Vehicle Certificate of
3 Title;

4 ~~[(C) a comparable Salvage Certificate or Salvage
5 Certificate of Title issued on or after March 1, 1996, by another
6 state or jurisdiction (However, such ownership documents issued
7 by another state or jurisdiction indicating the vehicle cannot be
8 rebuilt in the state or jurisdiction which issued the ownership
9 document, shall not be accepted as evidence of ownership for
10 purposes of this subsection);]~~

11 (C) [(C)] a Texas Salvage Certificate; or

12 (D) [(D)] a comparable Salvage Certificate or Salvage
13 Certificate of Title issued [prior to March 1, 1996,] by another
14 [state or] jurisdiction, except that this ownership document will
15 not be accepted if it indicates that the vehicle may not be
16 rebuilt in the jurisdiction that issued the ownership document
17 ~~[(However, such ownership documents issued by another state or
18 jurisdiction indicating the vehicle cannot be rebuilt in the
19 state or jurisdiction which issued the ownership document, shall
20 not be accepted as evidence of ownership for purposes of this
21 subsection)].~~

22 (c) Certificate of title issuance for salvage vehicles.

23 (1) Upon receipt of a completed salvage and nonrepairable
24 motor vehicle certificate of title application, along with the

1 prescribed fee of \$3.00 and the required documentation, the
2 department will [~~shall~~], before the sixth business day after the
3 date of receipt, issue the applicant a salvage or nonrepairable
4 motor vehicle certificate of title, as appropriate. If the
5 condition of salvage is caused exclusively by flood, a "Flood
6 Damage" notation will [~~shall~~] be reflected on the face of the
7 document and will [~~shall~~] be carried forward upon subsequent
8 title issuance.

9 (A) Transportation Code, §501.0921(a), [~~Texas Civil~~
10 ~~Statutes, Article 6687-1, §37A(j)~~] provides that a person who
11 holds a salvage motor vehicle certificate of title is entitled to
12 record a lien on the vehicle. If a salvage and [~~or~~]
13 nonrepairable motor vehicle certificate of title application
14 records a lien, the [~~such~~] lien is only applicable with the
15 issuance of a salvage motor vehicle certificate of title.
16 Presentation of the application disclosing [~~with~~] the lien
17 [~~disclosed therein~~] and surrender of the current salvage motor
18 vehicle certificate of title, along with the applicable fee, to
19 the department will [~~shall~~] constitute the notation of a lien on
20 a salvage motor vehicle certificate of title. When a salvage
21 motor vehicle certificate of title recording a lien is issued,
22 the original will be mailed to the lienholder. For proof of
23 ownership purposes, the applicant will be mailed a receipt or
24 printout of the newly established motor vehicle record, which

1 will record [~~records~~] the lien.

2 (B) A nonrepairable motor vehicle certificate of title
3 will [~~must~~] state on its face that, except as provided by
4 Transportation Code, §501.0927, [~~Texas Civil Statutes, Article~~
5 ~~6697-1, §37A(n) and (p),~~] the vehicle:

6 (i) may not be issued a regular certificate of title
7 and may not be [~~or~~] registered in this state; and

8 (ii) may only be used for parts or scrap metal.

9 (2) Upon receiving a completed certificate of title
10 application for a rebuilt salvage transaction, along with the
11 applicable fees and required documentation, the department or its
12 designated agent will process and issue a certificate of title
13 that will include [~~which includes~~] a "Rebuilt Salvage" remark
14 on its face and describes or discloses the vehicle's former
15 condition in a manner that is understandable to a potential
16 purchaser of the vehicle. If the application is for [~~transaction~~
17 ~~is or~~] a new or late model salvage vehicle that has been
18 assembled from component parts or a new or late model salvage
19 vehicle for which a Texas Salvage Certificate is being
20 surrendered, only the "Rebuilt Salvage" remark will be reflected
21 on the face of the certificate of title.

22 (3) On proper application by the owner of a vehicle that
23 is brought into this state from another [~~state or~~] jurisdiction
24 and for which a [~~that has or any~~] certificate of title issued by

1 the other [~~state or~~] jurisdiction contains a "Rebuilt,"
2 "Salvage," "Nonrepairable," or analogous notation, the department
3 will [~~shall~~] issue the applicant a certificate of title or other
4 appropriate document for the vehicle. A certificate of title or
5 other appropriate document issued under this subsection will
6 [~~must, in addition to other information required by the~~
7 ~~department,~~] show on its face:

8 (A) the date of issuance;

9 (B) the name and address of the owner;

10 (C) any registration number assigned to the vehicle;

11 (D) a description of the vehicle as determined by the
12 department; and

13 (E) any notation the department considers necessary or
14 appropriate.

15 (d) Replacement of certificates of title for salvage
16 vehicles. If a salvage or nonrepairable certificate of title is
17 lost, the department will issue a certified copy of the
18 certificate of title to the vehicle owner, lienholder, or
19 verifiable agent on submission of verifiable proof and payment of
20 the appropriate fee as provided in §17.3(e)(1)(A). An
21 application for a certified copy of a salvage and nonrepairable
22 certificate of title will only be processed at the department's
23 Austin Headquarters Office. The certified copy will contain the
24 words [~~The owner or lienholder of a lost or destroyed~~

1 ~~certificate of title for a salvage vehicle may obtain a certified~~
2 ~~copy of that title upon proper application and applicable fee~~
3 ~~being submitted to the department. The appropriate certificate~~
4 ~~of title for a salvage vehicle will be issued and shall reflect]~~
5 "Certified Copy" and the date issued. The [~~appropriate~~] motor
6 vehicle record will be noted accordingly until [~~such time that~~]
7 ownership of the vehicle is transferred, when the notation will
8 be eliminated from the new certificate of title.

9 (e) Transfer of ownership.

10 (1) New or late model salvage motor vehicles.

11 (A) Transfer of a salvage or nonrepairable motor vehicle
12 without a salvage or nonrepairable motor vehicle certificate of
13 title. A person who owns a new or late model salvage motor
14 vehicle may not sell, transfer, or release the vehicle to a
15 person other than a salvage vehicle dealer, the former owner of
16 the vehicle, a governmental entity, an out-of-state licensed
17 buyer, a buyer in a casual sale at auction, or a person described
18 by Texas Civil Statutes, Article 6687-2b[~~,—S~~](g), and shall
19 deliver to that person a properly assigned certificate of title
20 for the vehicle. If the assigned certificate of title is not a
21 salvage motor vehicle certificate of title, a nonrepairable motor
22 vehicle certificate of title, or a comparable ownership document
23 issued by another [~~state or~~] jurisdiction, the purchaser shall
24 follow the procedures described in subsections (a)(1)(A),

1 (a) (2) (A), (a) (3) (A), and (b) (1) of this section.

2 (B) Transfer of a salvage or nonrepairable motor vehicle
3 by assignment of a salvage or nonrepairable motor vehicle
4 certificate of title. An owner, including [~~either than~~] an
5 insurance company, may sell a new or late model salvage motor
6 vehicle by assignment of a salvage or nonrepairable motor vehicle
7 certificate of title for the vehicle only to a salvage vehicle
8 dealer in this state, an out-of-state licensed buyer, a buyer in
9 a casual sale at auction, or a person described by Texas Civil
10 Statutes, Article 6687-2b[~~, 5~~] (g).

11 [~~(C) Transfer of a salvage or nonrepairable motor~~
12 ~~vehicle by an insurance company. An insurance company may sell a~~
13 ~~new or late model salvage motor vehicle by assignment of a~~
14 ~~salvage or nonrepairable motor vehicle certificate of title for~~
15 ~~the vehicle only to a salvage vehicle dealer, an out-of-state~~
16 ~~licensed buyer, a buyer in a casual sale at auction, or a person~~
17 ~~described by Texas Civil Statutes, Article 6687-2b, 5(g).]~~

18 (C) [~~(D)~~] Exemption. The owner of a new or late model
19 salvage motor vehicle or a nonrepairable motor vehicle so
20 classified solely because of water damage caused by flood
21 conditions is not prohibited from selling the vehicle to any
22 person.

23 (2) Motor vehicle other than a new or late model salvage
24 or nonrepairable motor vehicle.

1 (A) If an insurance company acquires ownership of a
2 motor vehicle other than a new or late model salvage or
3 nonrepairable motor vehicle [~~this type of vehicle~~] through
4 payment of a claim, the company shall, on delivery of the vehicle
5 to a buyer of the vehicle, deliver to the buyer a properly
6 assigned certificate of title for the vehicle.

7 (B) An insurance company or other person who acquires
8 ownership of a motor vehicle other than a new or late model
9 salvage or nonrepairable motor vehicle [~~this type of vehicle~~] may
10 voluntarily and upon proper application obtain a salvage or
11 nonrepairable motor vehicle certificate of title.

12 (f) Notification required of an insurance company. When an
13 insurance company pays a total loss claim on a late model salvage
14 or nonrepairable motor vehicle and does not acquire ownership of
15 that vehicle, the [~~An insurance~~] company shall submit to the
16 department, before the 31st day after the date of the payment of
17 the claim, on the form prescribed by the department, a report
18 stating that:

19 (1) the insurance company has paid a total loss claim on
20 the late model salvage motor vehicle or nonrepairable motor
21 vehicle; and

22 (2) the insurance company has not acquired ownership of
23 the late model salvage motor vehicle or nonrepairable motor
24 vehicle.

1 (g) Noting of motor vehicle record with total loss claim
2 information. Upon receipt of the report described in subsection
3 (f) of this section, the department will place an appropriate
4 notation on the [~~shall note the appropriate~~] motor vehicle record
5 [~~accordingly~~] to prevent transfer of ownership prior to the
6 issuance of a salvage or nonrepairable motor vehicle certificate
7 of title.

8 (h) Acquisition of salvage vehicles for the purpose of
9 dismantling, scrapping, or destruction.

10 (1) A salvage vehicle dealer that acquires ownership of a
11 new or late model salvage or nonrepairable motor vehicle for the
12 purpose of dismantling, scrapping, or destruction [~~such purposes~~]
13 shall, before the 31st day after the date the dealer acquires the
14 vehicle, submit to the department, on the form prescribed by the
15 department, a report stating that the vehicle will be dismantled,
16 scrapped, or destroyed, accompanied by a properly assigned
17 regular certificate of title, a salvage or nonrepairable motor
18 vehicle certificate of title, or a comparable ownership document
19 issued by another [~~state or~~] jurisdiction for the vehicle.

20 (2) A salvage vehicle dealer that acquires an older model
21 vehicle for the purpose of dismantling, scrapping, or destruction
22 [~~such purposes~~] shall submit the report addressed in paragraph
23 (1) of this subsection and shall keep on the dealer's business
24 premises a record of the vehicle [7] until the third anniversary

1 of the date the report on the vehicle is submitted to the
2 department.

3 (i) Receipt of the report and the ownership documents by the
4 department. On receipt of the report and the ownership
5 documents, the department will [~~shall~~] issue the salvage vehicle
6 dealer a receipt [~~for the certificate of title, salvage or~~
7 ~~nonrepairable motor vehicle certificate of title, or a comparable~~
8 ~~ownership document issued by another state or jurisdiction~~].

9 (j) Noting of motor vehicle records on which ownership
10 documents have been surrendered to the department. The
11 department will place an appropriate notation on [~~note~~
12 ~~applicable~~] motor vehicle records on which ownership documents
13 have been surrendered to the department by salvage vehicle
14 dealers [~~with an appropriate notation~~].

15 This agency hereby certifies that the proposal has been
16 reviewed by legal counsel and found to be within the agency's
17 legal authority to adopt.

18 Filed with the Office of the Secretary of State on October
19 30, 2000.

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Richard D. Monroe
General Counsel
Texas Department of Transportation

Subchapter B,
Motor Vehicle Registration

§17.51 - Registration Reciprocity Agreement



1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §17.51. Registration Reciprocity Agreements.

3 (a) Purpose. To promote and encourage the fullest possible
4 use of the highway system and contribute to the economic
5 development and growth of the State of Texas and its residents,
6 the department is authorized by Transportation Code, §502.054
7 [~~Texas Civil Statutes, Article 6675a-16~~], to enter into
8 agreements with duly authorized officials of other jurisdictions,
9 including any state of the United States, the District of
10 Columbia, a state or province of a foreign country, or a
11 territory or possession of either the United States or of a
12 foreign country, and [~~or~~] to provide for the registration of
13 vehicles by Texas residents and nonresidents on an allocation or
14 mileage apportionment basis, and [~~or~~] to grant exemptions from
15 the payment of registration fees by nonresidents if the [~~provided~~
16 ~~such~~] grants are reciprocal to Texas residents.

17 (b) Definitions. The following words and terms, when used
18 in this section, shall have the following meanings, unless the
19 context clearly indicates otherwise.

20 (1) Cab card - The apportioned vehicle registration
21 receipt that contains, but is not limited to, the vehicle
22 description and the registered weight at which the vehicle may
23 operate in each jurisdiction.

24 (2) [~~the~~] Department - The Texas Department of

1 Transportation.

2 (3) Director - The director of the Vehicle Titles and
3 Registration Division, Texas Department of Transportation.

4 (4) [~~2~~] Executive director - The chief executive officer
5 of the department.

6 (5) Temporary operating authority permit - A temporary
7 registration permit issued by the department that authorizes the
8 operation of a vehicle for 45 days subject to all rights and
9 privileges afforded to a vehicle displaying apportioned
10 registration.

11 (c) Multilateral agreements.

12 (1) Authority. The executive director may on behalf of
13 the department enter a multilateral agreement with the duly
14 authorized officials of two or more other jurisdictions to carry
15 out the purpose of this section.

16 (2) International registration plan.

17 (A) Applicability. The international registration plan
18 is a registration reciprocity agreement among states of the
19 United States and other jurisdictions [~~provinces of Canada~~]
20 providing for payment of license fees on the basis of fleet miles
21 operated in various jurisdictions. Its purpose is to promote and
22 encourage the fullest possible use of the highway system by
23 authorizing apportioned registration for commercial motor
24 vehicles and payment of appropriate vehicle registration fees

1 and~~(7)~~ thus contributing to the economic development and growth
2 of the member jurisdictions.

3 (B) Adoption. The department adopts by reference the
4 ~~[AMWA]~~ International Registration Plan with Official Commentary,
5 August 22, 1994 ~~[March 1, 1991]~~, edition (IRP). This document
6 will be periodically amended by its members. Copies of the
7 document are available for review in the ~~(Division of Motor)~~
8 Vehicle Titles and Registration Division, Texas Department of
9 Transportation, 4000 ~~[40th and]~~ Jackson Avenue ~~[Streets]~~, Austin.
10 Copies ~~[also]~~ are also available on request.

11 ~~[(C) Definitions.]~~ The following words and terms, when
12 used in the IRP or in this subparagraph ~~[paragraph]~~, shall have
13 the following meanings, unless the context clearly indicates
14 otherwise.

15 ~~[(1) AMWA. The American Association of Motor Vehicle~~
16 ~~Administrators. A voluntary, nonprofit, tax exempt, educational~~
17 ~~organization of state and provincial officials in the United~~
18 ~~States and Canada.]~~

19 (1) ~~[(1)]~~ Apportionable vehicle - Any vehicle, except
20 recreational vehicles, vehicles displaying restricted plates,
21 city pickup and delivery vehicles, buses used in transportation
22 of chartered parties, and government-owned vehicles, used or
23 intended for use in two or more member jurisdictions that
24 allocate or proportionally register vehicles and ~~[(e)]~~ used either

1 for the transportation of persons for hire or designed, used, or
2 maintained primarily for the transportation of property and:

3 (I) is a power unit having two axles and a gross
4 vehicle weight or registered gross vehicle weight in excess of
5 26,000 pounds or 11,793.401 kilograms;

6 (II) is a power unit having three or more axles,
7 regardless of weight;

8 (III) is used in combination, when the weight of
9 such combination exceeds 26,000 pounds or 11,793.401 kilograms
10 gross vehicle weight; or

11 (IV) at the option of the registrant, trucks and
12 truck tractors, and combinations of vehicles~~[, or combinations~~
13 ~~thereof,]~~ having a gross vehicle weight of 26,000 pounds or
14 11,793.401 kilograms or less and ~~[two axle vehicles and]~~ buses
15 used in transportation of chartered parties.

16 ~~(iii) Cab card - The apportioned vehicle registration~~
17 ~~receipt which contains, but is not limited to, the vehicle~~
18 ~~description and the registered weight the vehicle may operate in~~
19 ~~each jurisdiction.]~~

20 (iii) ~~(iv)~~ Commercial vehicle - A vehicle or
21 combination designed and used for the transportation of persons
22 or property in furtherance of any commercial enterprise, for hire
23 or not for hire.

24 ~~(iv) Director - The director of the Division of Motor~~

1 ~~Vehicle Titles and Registration, Texas Department of~~
2 ~~Transportation.]~~

3 (iv) [~~(vi)~~] Erroneous issuance - Apportioned
4 registration issued based on erroneous information provided to
5 the department.

6 (v) [~~(vii)~~] Established place of business - A physical
7 structure owned, leased, or rented by the fleet registrant and
8 maintained in accordance with the provisions of the International
9 Registration Plan, Articles II and IX.

10 (vi) [~~(viii)~~] Fleet miles - All mileage operated by an
11 apportionable vehicle or vehicles used to calculate registration
12 fees for the various jurisdictions.

13 ~~[(ix) Temporary operating authority permit - A~~
14 ~~temporary registration permit issued by the department which~~
15 ~~authorizes the operation of a vehicle for 45 days subject to all~~
16 ~~rights and privileges afforded to a vehicle displaying~~
17 ~~apportioned registration.]~~

18 (C) [~~(9)~~] Application.

19 (i) An applicant must submit an application to the
20 department on a form prescribed by the director together with
21 [~~such~~] additional documentation as [~~may be~~] required by the
22 director.

23 (ii) Upon approval of the application, the department
24 will compute the appropriate registration fees and notify the

1 registrant.

2 (D) [~~(E)~~] Fees. Upon receipt of the applicable fees in
3 the form of a check (other than personal), cashier's check, or
4 money order made payable in United States funds, the department
5 will issue one license plate and cab card for each vehicle
6 registered.

7 (E) [~~(F)~~] Display.

8 (i) The license plate issued to a power unit shall
9 [~~must~~] be installed on the front of the vehicle, and the license
10 plate issued for a trailer shall [~~must~~] be installed on the rear
11 of the vehicle.

12 (ii) The cab card shall [~~must~~] be carried at all times
13 in (on) the vehicle in accordance with Transportation Code
14 \$621.002 [~~Texas Civil Statutes, Article 6701d-11, §(a)~~].

15 (F) [~~(G)~~] Audit. An audit of the registrant's vehicle
16 operational records may be conducted by the department according
17 to the IRP provisions. Upon request, the registrant shall [~~must~~]
18 provide the operational records for audit in unit number order,
19 in sequence by date, and including [~~containing~~], but not limited
20 to, [~~+~~]

21 [~~(i)~~] a recap of mileage traveled by each individual
22 truck on a monthly or quarterly basis with mileage totaled
23 separately for each jurisdiction in which the vehicle traveled [~~+~~
24 ~~and~~]

1 ~~[(ii) proof of payment of fees due to a bilateral~~
2 ~~jurisdiction if the registrant's application for apportioned~~
3 ~~registration indicated mileage in a bilateral jurisdiction].~~

4 (G) ~~[(H)]~~ Assessment. The department may assess
5 additional registration fees if an audit conducted under
6 subparagraph (E) ~~[(G)]~~ of this paragraph reveals that:

7 ~~[(i) the a registrant failed to provide proof that~~
8 ~~fees have been paid in accordance with subparagraph (C) of this~~
9 ~~paragraph.]~~

10 (i) ~~[(iii)]~~ the operational records indicate
11 ~~[indicated]~~ that the vehicle did not generate interstate miles in
12 two or more member jurisdictions for the mileage reporting period
13 supporting the application being audited, plus the six-month
14 period immediately following that mileage reporting period;

15 (ii) ~~[(iii)]~~ the [a] registrant failed to provide
16 complete operational records;

17 (iii) ~~[(iv)]~~ the company did not comply with the
18 provisions of subparagraph (L) ~~[(H)]~~ of this paragraph regarding
19 temporary operating authority permits; or

20 ~~[(v)] [mileage was generated in a jurisdiction and not~~
21 ~~reflected on the application; or]~~

22 (iv) ~~[(vi)]~~ mileage must be adjusted, and the
23 adjustment ~~[which]~~ results in a shortage of registration fees due
24 Texas or any other IRP jurisdiction ~~(in an amount of \$10 or~~

1 ~~more~~].

2 (H) [~~(I)~~] Refunds. If an audit conducted under
3 subparagraph (E) [~~(C)~~] of this paragraph reveals an overpayment
4 of fees to Texas or any other IRP jurisdiction, the department
5 will [~~may~~] refund the overpayment of [~~Texas~~] registration fees in
6 accordance with Transportation Code, §502.183, and IRP
7 guidelines. Any registration fees refunded to a carrier for
8 another jurisdiction will be deducted from registration fees
9 collected and transmitted to that jurisdiction [~~Texas Civil~~
10 ~~Statutes, Article 6635a-55, if the overpayment of registration~~
11 ~~fees due Texas is an amount that is \$10 or more. The registrant~~
12 ~~may request refunds from other IRP jurisdictions)].~~

13 (I) [~~(J)~~] Cancellation. The director may cancel a
14 registrant's apportioned registration and all privileges provided
15 by the IRP if the registrant:

16 (i) submits payment in the form of a check that
17 [~~which~~] is dishonored;

18 (ii) files or provides erroneous information to the
19 department; or

20 (iii) fails to:

21 (I) remit appropriate fees due each jurisdiction in
22 which the registrant is authorized to operate;

23 (II) meet the requirements of Article II 218 and
24 Article IX 906 of the IRP concerning established place of

1 business;

2 (III) provide operational records in accordance with
3 subparagraph (F) [~~(E)~~] of this paragraph;

4 (IV) provide an acceptable source document as
5 specified in the IRP; or

6 (V) pay an assessment pursuant to subparagraph (G)
7 [~~(H)~~] of this paragraph.

8 (J) [~~(K)~~] Enforcement.

9 (i) Notice. If it is determined that a registrant
10 should be assessed additional registration fees, as provided in
11 subparagraph (G) of this paragraph, or that a registrant's
12 apportioned license plates and privileges should be canceled, as
13 provided in subparagraph (I) [~~(J)~~] of this paragraph, the
14 director will mail a notice by certified mail to the last known
15 address of the registrant. The notice will state the facts
16 underlying the assessment or cancellation, the effective date of
17 the assessment or cancellation, and the right of the registrant
18 to request a conference as provided in clause (ii) of this
19 subparagraph.

20 (ii) Conference. A registrant may request a
21 conference upon receipt of a notice issued as provided by clause
22 (i) of this subparagraph. The [~~Such~~] request must be made in
23 writing to the director within 30 [~~15~~] days of the date of the
24 notice. If timely requested, the conference will be scheduled

1 and conducted by the regional supervisor at the regional office
2 and will serve to abate the assessment or cancellation unless and
3 until that assessment or cancellation is affirmed or disaffirmed
4 by the director. In the event matters are resolved in the
5 registrant's favor, the director will mail the registrant a
6 notice of withdrawal, notifying the registrant that the
7 assessment or [~~the~~] cancellation is withdrawn, and stating the
8 basis for that action. In the event matters are not resolved in
9 the registrant's favor, the director will issue a ruling
10 reaffirming the department's assessment of additional
11 registration fees or cancellation of apportioned plates and
12 privileges. The registrant has the right to appeal in accordance
13 with clause (iii) of this subparagraph.

14 (iii) Appeal. If a conference held in accordance with
15 clause (ii) of this subparagraph fails to resolve matters in the
16 registrant's favor, the registrant may request an administrative
17 hearing. The request must be in writing and must be received by
18 the director no later than the 20th day following the date of the
19 ruling issued under clause (ii) of this subparagraph. If timely
20 requested, the hearing will be initiated by the department and
21 will be conducted in accordance with §51.21 et seq. [~~1-63~~] of
22 this title (relating to Procedures in Contested Cases [~~Contested~~
23 ~~Case Procedures~~]). Assessment or cancellation [~~Cancellation~~] is
24 abated unless and until affirmed or disaffirmed by order of the

1 Texas Transportation Commission.

2 (K) [~~(I)~~] Reinstatement.

3 (i) The director will [~~may~~] accept a new application
4 for apportioned registration from a previously canceled
5 registrant if [~~provided~~]:

6 (I) all apportioned license plates, cab cards (if
7 available), and temporary operating authorities have been
8 surrendered to the department;

9 (II) all applicable fees and assessments due on the
10 previously canceled apportioned account have been paid; and

11 (III) the applicant provides proof of an acceptable
12 recordkeeping system for a period of no less than 60 days.

13 (ii) The application will [~~shall~~] be processed and
14 100% registration fees shall [~~will~~] be due Texas. Mileage for
15 all other jurisdictions must [~~shall~~] be shown as an estimate and
16 registration fees in excess of 100% shall [~~will~~] be due.

17 (iii) The application for the following registration
18 year will be processed in accordance with clause (ii) of this
19 subparagraph if the application for reissuance is submitted after
20 July 1 of the current registration year.

21 (L) [~~(M)~~] Temporary operating authority permit. The
22 director will [~~may~~] authorize the issuance of temporary operating
23 authority permits to a registrant to expedite the adding of a
24 vehicle to a specified fleet or to replace the license plate or

1 cab card of a vehicle in that fleet. The registrant must submit
2 an application for the permits to the department on a form
3 prescribed by the director. Upon approval of the application,
4 the department will issue a supply of no fewer [~~less~~] than 10 or
5 [~~not~~] more than 50 permits to the registrant for a particular
6 fleet subject to the following conditions.

7 (i) The registrant is accountable to the department
8 for all permits issued under this subparagraph. Upon request,
9 the registrant shall [~~must~~] present to the department the company
10 copy of all assigned permits and all unassigned permits, still
11 intact, [~~intact~~] for inspection by the department.

12 (ii) No more than one permit will [~~may~~] be issued for
13 a particular vehicle in a registration period.

14 (iii) Each permit issued in accordance with this
15 subparagraph must be validated by the department before the
16 registrant assigns the permit to a vehicle.

17 (iv) The registrant must submit an application for
18 apportioned registration for the vehicle on a form prescribed by
19 the director within 20 calendar days from the date the permit was
20 validated.

21 (v) If it is determined that the permit was validated
22 and an application for apportioned registration for that vehicle
23 was not submitted to the department, the registrant shall pay [~~be~~
24 ~~subject to~~] registration fees [~~due~~] to the state for the period

1 the permit was valid.

2 (vi) If it is determined that a registrant cannot
3 account for a permit, the registrant shall be subject to
4 registration fees due to the state in an amount not to exceed the
5 45-day period for which each such permit could be valid.

6 (vii) A registrant's privilege to obtain temporary
7 operating authority permits may be denied if it is determined
8 that the registrant has failed to [~~properly~~] complete the permit
9 forms properly or has repeatedly been assessed registration fees
10 for the improper use of [~~such~~] permits.

11 (viii) The registrant's refusal to pay [~~said~~]
12 registration fees assessed in accordance with clauses (v) and
13 (vi) of this subparagraph may [~~result~~] result in the cancellation
14 of all operating privileges in accordance with subparagraph (I)
15 [~~(I)]~~ of this paragraph.

16 [~~(d) Bilateral agreements. The executive director may on~~
17 ~~behalf of the department enter into a bilateral agreement with~~
18 ~~the duly authorized officials of another jurisdiction to grant~~
19 ~~exemptions from payment of registration fees by nonresidents~~
20 ~~provided such grants are reciprocal to Texas residents.]~~

21 This agency hereby certifies that the proposal has been
22 reviewed by legal counsel and found to be within the agency's
23 legal authority to adopt.

24 Filed with the Office of the Secretary of State on October

NOTE: Additions underlined
Deletions in []
OGC: 10/16/00 10:00 AM

Exhibit A

1 30, 2000.

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Richard D. Monroe
General Counsel
Texas Department of Transportation

NOTE: Additions underlined
Deletions in []
OGC: 10/16/00 10:00 AM

Exhibit A