

SALVAGE/NONREPAIRABLE MOTOR VEHICLE MANUAL



Texas Department *of* Motor Vehicles
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TxDMV October 2017

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Preface

The purpose of this publication is to provide information regarding titling requirements for salvage and nonrepairable motor vehicles. It is very important that you read all the information provided in this publication to ensure that you understand the requirements to obtain salvage or nonrepairable vehicle titles for certain damaged motor vehicles, resale and use of those vehicles, and the licensing requirements and duties of a salvage vehicle dealer/agent, as provided in Transportation Code, Chapter 501, and Occupations Code, Chapter 2302.

The following reference information has been included in this publication along with applicable forms, definitions, and frequently asked questions.

- Texas Transportation Code, Chapter 501, Subchapter E
(9.3 Nonrepairable and Salvage Vehicles Transportation Code)
- Occupations Code, Chapter 2302
(9.4 Salvage Vehicle Dealers Texas Occupations Code)

If you have any questions or need assistance regarding salvage vehicle dealer/agent licensing, please contact the Motor Vehicle Division (MVD), Salvage Licensing Section at 1-888-368-4689.

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This chapter contains the following sections:

- [1.1 Definitions](#)
- [1.2 History of Salvage and Nonrepairable Title Issuance](#)
- [1.3 Texas Salvage and Nonrepairable Vehicle Title Names](#)

1.1 Definitions

Refer to Transportation Code [Sec. 501.091](#).

Actual Cash Value

The market value of the motor vehicle as determined:

- from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or
- if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied in a uniform manner.

Certificate of Title

A written instrument that may be issued solely by and under the authority of the department and that reflects (as applicable) the transferor, transferee, vehicle description, license plate and lien information, and rights of survivorship agreement.

Costs of Repair

The actual costs incurred to repair the damaged motor vehicle. Any costs associated with repairs related to gradual damage to the vehicle, hail damage, exterior paint damage, the cost of materials and labor for repainting, or sales tax on the cost of repairs will not be included in the calculations. The cost of repairs, including parts and labor, will be determined by:

- using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or
- an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

The cost of repairs does not include:

- the cost of:
 - repairs related to gradual damage to a motor vehicle,
 - repairs related to hail damage, or
 - materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or
 - sales tax on the total cost of repairs.

Damage

Damage means:

- sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts; and
- the term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

Date of Sale

The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

Department

The Texas Department of Motor Vehicles.

Export Only Motor Vehicle

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

Export Only Sale

The sale of a salvage or nonrepairable motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as an agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

Flood Damage

A title remark that is initially indicated on a Salvage or Nonrepairable Vehicle Title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title documents.

Note: If a motor vehicle is damaged solely by water or is flood damaged, to the extent that it is classified as a salvage or nonrepairable motor vehicle, all requirements for Salvage or Nonrepairable Vehicle Titles and sale restrictions apply.

An Individual

A person, other than an insurance company, licensed used auto recycler, or salvage vehicle dealer, that acquires ownership of a salvage or nonrepairable motor vehicle that has not been issued a nonrepairable vehicle title, a salvage vehicle title, or a comparable out of state ownership document, must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the motor vehicle, unless the motor vehicle will be dismantled, scrapped, or destroyed.

Major Component Parts

Major component parts include:

- the engine

- the transmission
- the frame
- a fender
- the hood
- a door allowing entrance to or exit out from the passenger compartment of the motor vehicle
- a bumper
- a quarter panel
- a deck lid, tailgate, or hatchback
- the cargo box of a 10,000 lbs or smaller truck, including a pickup truck
- the cab of a truck
- the body of a passenger motor vehicle
- the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

Manufacturer's Certificate of Origin

A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for Texas title, showing on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

Metal Recycler

- is engaged in the business of obtaining, converting, or selling ferrous or nonferrous metal for conversion into raw material products consisting of prepared grades and having an existing or potential economic value;
- has a facility to convert ferrous or nonferrous metal into raw material products by a method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and
- sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

Minor Component Part

A motor vehicle part that includes:

- an interior component part that includes a seat or radio of a motor vehicle;
- a special accessory part that includes a tire, wheel, tailgate, or removable glass top of a motor vehicle; or
- a motor vehicle part that displays or should display one or more of the following:
 - a federal safety certificate;
 - a motor number;
 - a serial number or a derivative; or
 - a manufacturer's permanent vehicle identification number or a derivative.

Motor Vehicle

A motor vehicle is a:

- motor driven or propelled vehicle that is required to be registered under the laws of this state;
- trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;
- travel trailer;
- an all-terrain or a recreational off-highway vehicle designed by the manufacturer for off-highway use that is not required to be registered under the laws of this state;
- motorcycle, motor-driven cycle, or moped that is not required to be registered under the laws of this state.

Nonrepairable Motor Vehicle

A nonrepairable motor vehicle is a motor vehicle (regardless of the model year) that:

- is damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal;
- that comes into this state under a title or other ownership document that indicates that the vehicle is nonrepairable, junked, or for parts or dismantling only;
- that a salvage vehicle dealer has reported to the department under Section 501.1003;
- for which an owner has surrendered evidence of ownership for the purpose of dismantling, scrapping, or destroying the motor vehicle; or
- that is sold for export only under Section 501.099.

Note: The body and frame of an otherwise nonrepairable (junk) vehicle (that cannot be repaired, rebuilt, or reconstructed for on-road use) cannot be used to repair, rebuild, reconstruct, or assemble another vehicle.

Out of State Ownership Document

Out-of-state ownership document is a negotiable document:

- issued by another jurisdiction that the department considers sufficient to prove ownership of a motor vehicle; and
- the term does not include a title issued by the department, including a:
 - regular Certificate of Title;
 - Nonrepairable Vehicle Title;
 - Salvage Vehicle Title;
 - Salvage Certificate;
 - Certificate of Authority to Demolish a Motor Vehicle; or
 - any other ownership document issued by the department.

Owner Retained Motor Vehicle

A motor vehicle that was retained by an owner for which an insurance claim payment was made and the vehicle was considered a salvage or nonrepairable motor vehicle.

Person

An individual, partnership, corporation, trust, association, or other private legal entity.

Salvage Motor Vehicle

A salvage motor vehicle is a motor vehicle (regardless of the model year) that:

- is damaged or missing a major component part to the extent that the cost of repair including parts and labor, exceeds the actual value of the motor vehicle immediately before the damage, or
- is damaged and comes into this state under an out of state salvage motor vehicle certificate of title or similar out of state ownership document that states on its face “accident damage,” “flood damage,” “inoperable,” “rebuildable,” “salvageable,” or similar notation; and

A salvage motor vehicle does not include:

- an out of state motor vehicle with a “rebuilt,” “prior salvage,” “salvaged,” or similar notation;
- a nonrepairable motor vehicle;
- a motor vehicle for which an insurance company has paid a claim for the cost of repairing hail damage;
- a motor vehicle for which an insurance company has paid a claim for theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage;
- the cost of materials or labor for repainting the motor vehicle; or
- sales tax on the total cost of repairs.

Salvage Vehicle Agent

A person who acquires, sells, or otherwise deals in nonrepairable or salvage motor vehicles or used parts in this state as directed by the salvage vehicle dealer under whose license the person operates. The term does not include a person who:

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

Salvage Vehicle Dealer

A salvage vehicle dealer is a person in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles or salvage motor vehicles, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than five salvage motor vehicles in the same calendar year.

Texas Certificate of Title Branded “Rebuilt Salvage”

A regular certificate of title evidencing ownership of a prior salvage motor vehicle, or a prior nonrepairable motor vehicle (only if issued a nonrepairable vehicle title prior to September 1, 2003), that has been rebuilt.

Title Application

A form prescribed by the director of the department's Vehicle Titles and Registration (VTR) Division that reflects the information required by the department to create a motor vehicle title record.

Used Part

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

Note: A person who is in the business of acquiring, possessing, or transferring used automobile parts as more than an incidental part of the person's business must be licensed as a Used Automotive Parts Recycler. For information on how to apply for a license as a Used Automotive Parts Recycler, contact the Texas Department of Licensing and Regulation at <http://www.license.state.tx.us/>, or by calling 800-803-9202.

1.2 History of Salvage and Nonrepairable Title Issuance

For many years the State of Texas has had salvage vehicle laws that required certain actions be taken when a motor vehicle was damaged. The following is a chronology of the documents issued for salvage motor vehicles.

Before 1996

Until March 1996, an insurance company doing business in this state that paid a total loss claim on a motor vehicle was required to surrender the negotiable evidence of ownership to the department. A *Texas Salvage Certificate* (Form VTR-222) was issued as a receipt for the surrendered ownership document.

Between March 1996 and December 1997, when a vehicle that was less than seven (7) years old was damaged, an insurance company was required to determine the pre-damaged actual cash value of the vehicle and to estimate the cost of repairs. If the percentage of loss (estimated costs of repair versus the pre damaged actual cash value) was:

- 75% to 94% of the pre-damaged actual cash value of the vehicle, the insurance company was required to apply for a Salvage Certificate of Title. However, until programming modifications were made, the department issued a Texas Salvage Certificate, which was stamped in the lower right-hand corner with “TEXAS SALVAGE CERTIFICATE OF TITLE 75%-94% OF VEHICLE’S ACTUAL CASH VALUE.”

- 95% or more of the pre-damaged actual cash value, the insurance company was required to apply for a Nonrepairable Certificate of Title. However, until programming modifications were made, the department issued a Texas Salvage Certificate, which was stamped in the lower right-hand corner with “TEXAS SALVAGE CERTIFICATE OF TITLE 95% OR MORE OF VEHICLE’S ACTUAL CASH VALUE.”

1997 to 2003

Between December 1997 and September 2003, programming requirements were completed to allow for issuance of the new salvage documents. The requirements for obtaining a salvage ownership document remained the same; however, different salvage ownership documents were issued. If the vehicle was less than seven years old and the loss percentage range was:

- **75% to 94%**, a *Texas Salvage Certificate of Title* (Form VTR-222-S) was issued.
- **95% or more**, a *Texas Nonrepairable Vehicle Title* (Form VTR-222-NR) was issued.

Note: Between March 1996 and September 2003, Texas Salvage Certificates were issued for vehicles that were not damaged to the extent that they were classified as salvage or nonrepairable vehicles.

Note: Nonrepairable motor vehicles issued Nonrepairable Certificates of Title prior to September 1, 2003 are considered salvage and may be repaired, rebuilt, or reconstructed.

2003 to 2005

Beginning September 2003, the laws were amended by changing the definitions for salvage and nonrepairable motor vehicle and the name of the documents that were to be issued.

The new requirements apply to all year model vehicles. If the vehicle is a:

- Salvage Motor Vehicle - damaged to the extent that the cost of repairs exceeds the pre-damaged actual cash value of the vehicle (over 100%). An insurance company or the owner of the vehicle is required to apply for a *Texas Salvage Certificate of Title* (Form VTR-222-S).
- Nonrepairable Motor Vehicle - damaged, wrecked, or burned to the extent that the only residual value of the vehicle is as a source of parts or scrap metal. An insurance company or the owner of the vehicle is required to apply for a *Texas Nonrepairable Vehicle Title* (Form VTR-222-NR).

Since 2005

In September 2005, the definition for salvage motor vehicle was amended to a motor vehicle that has damage to or is missing a major component part to the extent that the cost of repairs exceeds the pre-damaged actual cash value of the vehicle (over 100%).

1.3 Texas Salvage and Nonrepairable Vehicle Title Names

The names of the title documents that are issued for salvage and nonrepairable motor vehicles on or after September 1, 2003, were changed as follows:

- Salvage Certificate of Title changed to Salvage Vehicle Title; and
- Nonrepairable Certificate of Title changed to Nonrepairable Vehicle Title.

The *Texas Nonrepairable Vehicle Title* (Form VTR-222-NR) states on its face that the vehicle may not be:

- repaired, rebuilt, or reconstructed;
- issued a regular Certificate of Title;
- registered or operated in Texas; and
- may be used only as a source for used parts or scrap metal.

Salvage Vehicle Title (Form VTR-222-S) and *Texas Nonrepairable Vehicle Title* (Form VTR-222-NR) indicating a 9/2003 revision date, are slightly different in appearance than prior versions due to printing by a different vendor. The colors of these documents remain the same; however, the background and border patterns are slightly different.

TITLE APPLICATION AND ISSUANCE

This chapter contains the following sections:

- [2.1 Determination of the Condition of a Motor Vehicle](#)
- [2.2 Required Application](#)
- [2.3 Self-insured Motor Vehicles](#)
- [2.4 Application for Salvage or Nonrepairable Vehicle Title](#)
- [2.5 Out of State Motor Vehicles](#)
- [2.6 Proof of Sales Tax Payment Required](#)
- [2.7 Recording Liens](#)
- [2.8 Certificate of Authority to Demolish a Motor Vehicle](#)
- [2.9 Application after Surrender of Ownership Evidence](#)
- [2.10 Title Issuance](#)
- [2.11 Registration and Operation Prohibited](#)

2.1 Determination of the Condition of a Motor Vehicle

When a motor vehicle is damaged, the following information is used to determine whether the motor vehicle is a salvage or nonrepairable motor vehicle.

Damaged but Not Salvaged Vehicles

If a vehicle is damaged, but not to the extent that the vehicle becomes a salvage or nonrepairable motor vehicle, the owner, including an insurance company, may transfer the vehicle by assignment of the existing negotiable ownership document.

Upon transfer of ownership (assignment) to other than a licensed motor vehicle dealer or insurance company, the purchaser is required to file an application for Texas title with the county tax assessor-collector's office. Insurance companies are exempt from motor vehicle dealer licensing requirements and may reassign ownership evidence that has been assigned to the insurance company, or voluntarily apply for a Salvage or Nonrepairable Vehicle Title. Refer to [Voluntary Applications](#).

Stolen Motor Vehicles

The department under no circumstances issues a Salvage or Nonrepairable Vehicle Title for an unrecovered stolen vehicle.

If the vehicle is unrecovered, the insurance company must apply for a negotiable Certificate of Title in the insurance company name in order that they may be notified once the vehicle is recovered.

If the vehicle is recovered and the vehicle has been damaged to the extent that the vehicle is classified as a salvage or nonrepairable motor vehicle, the insurance company is required to obtain a Salvage or Nonrepairable Vehicle Title prior to sale or transfer of the vehicle.

2.2 Required Application

The issuance of these documents are required for all model year vehicles that have been damaged and the extent of the damage meets or exceeds the requirements provided in the definition of a salvage motor vehicle or nonrepairable motor vehicle.

Insurance Company

An insurance company licensed to do business in this state that acquires ownership or possession of a salvage or nonrepairable motor vehicle that is covered by a Certificate of Title issued by this state, or a Manufacturer's Certificate of Origin, must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the motor vehicle to a person at a casual sale.

Salvage Vehicle Dealer

If the vehicle is to be scrapped, dismantled, or destroyed, the salvage vehicle dealer must provide the evidence of ownership for the vehicle to the department as explained in [Section 5.5 Dismantled, Scrapped, or Destroyed Vehicles](#).

Owner Retained

An owner, who retained a salvage or nonrepairable motor vehicle and received a paid claim from an insurance company, must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the vehicle.

Miscellaneous

If the motor vehicle is traded in or retired under a program designed to encourage the use of low-emission vehicles, such as the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), Health and Safety Code Section 382.209, the vehicle must be given a Nonrepairable Title and must be dismantled, crushed, or recycled. If a county participates in this type of program, under Local Government Code Section 263.152, the vehicle must be given a Nonrepairable Title. The county does not have to run a competitive bid or auction to have the vehicle dismantled, crushed, or recycled.

General Requirements

Prior to offering a salvage or nonrepairable motor vehicle for sale in a casual sale, a salvage vehicle dealer, salvage pool operator, or insurance company must apply to the department for a Salvage or Nonrepairable Vehicle Title.

Prior to offering a salvage or nonrepairable motor vehicle for sale for export only to a non-United States resident, a salvage vehicle dealer, salvage pool operator acting as agent for an insurance company, or governmental entity must apply to the department for a Salvage or Nonrepairable Vehicle Title.

Voluntary Applications

A person who owns or acquires a motor vehicle that is not a salvage or nonrepairable motor vehicle may voluntarily obtain a salvage or nonrepairable vehicle title by submitting an *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441), any required documentation, and the \$8 fee to the department.

Note: Even though an application is voluntary, the same restrictions on the sale, transfer, release, or operation of the motor vehicle, and rebuilding restrictions apply to Salvage or Nonrepairable Vehicle Titles issued based on voluntary applications.

2.3 Self-insured Motor Vehicles

A self-insured motor vehicle is a motor vehicle:

- for which the evidence of ownership is a Manufacturer's Certificate of Origin or for which the department or another state or jurisdiction has issued a regular Certificate of Title;
- is self-insured by the owner; and
- is owned by an individual, a business, or a governmental entity, without regard to the number of motor vehicles they own or operate.

Note: The term does not include a motor vehicle that is insured by an insurance company.

The owner of a self-insured salvage or nonrepairable motor vehicle that has been damaged and removed from normal operation must apply to the department for a Salvage or Nonrepairable Vehicle Title before the 31st day after the damage occurred.

The owner of a self-insured salvage or nonrepairable motor vehicle must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

2.4 Application for Salvage or Nonrepairable Vehicle Title

Refer to Transportation Code [Sec. 501.097](#).

Place of Application

Applications for Salvage or Nonrepairable Vehicle titles, accompanied by proper evidence of ownership, and the applicable fee must be submitted to:

Texas Department of Motor Vehicles
 Vehicle Titles and Registration Division
 Attn: Title Control Systems
 P.O. Box 26450
 Austin, Texas 78755-0450

EXPRESS MAIL:

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Attn: Title Control Systems
4000 Jackson Ave
Austin, Texas 78731

Application Requirements

Application for Salvage or Nonrepairable Vehicle Title (Form VTR-441) must include the following:

- [Fee](#)
- [Required Information](#)
- [Evidence of Ownership](#)
- [Odometer Disclosure Statement](#)
- [Release of Liens](#)
- [Supporting Documentation](#)

Fee

The application fee is \$8 (or \$10 if also applying for a Certified Copy of the original vehicle title).

Note: If the vehicle was last titled in Texas, the Texas Certificate of Title was lost or destroyed, AND there is no change in ownership, the owner may apply for Certified Copy of a Texas Title by marking the appropriate checkbox on *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) and submitting the additional \$2 fee.

Required Information

A completed *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) must include:

- the name and current address of the owner;
- a description of the motor vehicle, including the motor vehicle's make, style of body, model year, and vehicle identification number;
- odometer reading and certification indicating actual, not actual, or exceeds mechanical limits;
- lien information if applicable; and
- original signature(s) of applicant(s).

Evidence of Ownership

An *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) must be supported by evidence of vehicle ownership properly assigned to the applicant. Evidence must include documentation sufficient to show ownership to the salvage or nonrepairable motor vehicle, such as:

- a Texas Certificate of Title;
- a Certified Copy of a Texas Certificate of Title;

- a Manufacturer's Certificate of Origin;
- a Texas Salvage Certificate;
- a Nonrepairable Vehicle Title or Nonrepairable Certificate of Title;
- a Salvage Vehicle Title or Salvage Certificate of Title; or
- a comparable salvage ownership document issued by another jurisdiction;
- regular (non-salvage) out of state evidence, but only if there is a direct connection to Texas. (See [Chapter 2, Section 2.5 Out of State Motor Vehicles](#))

Note: A regular (non-salvage) title stamped with “FLOOD,” “SALVAGE,” “DAMAGED,” or a similar notation will not be accepted when applying for a Texas Nonrepairable or Salvage Vehicle Title, or a Texas Certificate of Title branded “Rebuilt Salvage,” unless stamping a title to denote the salvage status of the vehicle is the policy or procedure in the jurisdiction that issued the title. If stamping a title is not the normal policy or procedure and there is no direct connection to Texas, a salvage ownership document must be obtained from the appropriate jurisdiction.

- A photocopy of the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) or a title and registration verification evidencing the negotiable evidence of ownership for the motor vehicle was surrendered to the department. Additionally, if the evidence of ownership surrendered was from another state, a photocopy of the front and back of the surrendered evidence of ownership.

Odometer Disclosure Statement

The *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) must include an odometer disclosure statement properly completed by the seller of the motor vehicle and acknowledged by the purchaser, unless the motor vehicle is 10 or more model years old or is otherwise exempt from the federal odometer disclosure requirements

Note: If the odometer is not available for reading, has been destroyed, is not operable, or otherwise cannot provide an actual reading, the odometer statement should be marked as “NOT ACTUAL.”

Release of Liens

The *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) must include a release of any liens, unless there is no change in ownership.

Supporting Documentation

All other required information to support the title transaction.

Note: The evidence of ownership and release of lien documents submitted with an application for a Nonrepairable or Salvage Vehicle Title must be original documents and have original signatures. Court documents must be originals or certified as a “true and correct copy of the original.” Powers of Attorney may be photocopies.

2.5 Out of State Motor Vehicles

The department will only accept requests for Salvage or Nonrepairable Vehicle Titles for motor vehicles for which there is a direct connection to Texas. Examples include vehicles that are titled out of state, but were:

- Issued a Texas Registration Purposes Only (RPO) receipt (registration only);
- Damaged in Texas;
- Stolen in Texas;
- Recovered (theft recovery) in Texas;
- Owned by a person that resides in Texas (i.e., the owner is a resident of another state, but is active duty military stationed in Texas or is a full-time student attending an accredited Texas college or university.)

Direct Connection to Texas

Evidence of a direct connection to Texas must be submitted with a Salvage or Nonrepairable Vehicle Title application. If the vehicle is an out of state vehicle, the “Last Titled Outside of Texas” section on the *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) must be completed. Alternatively, the insurance company may submit the following:

- a copy of an accident, theft, or theft recovery report, whichever applies;
- a statement of fact on insurance company letterhead, signed by an employee of the insurance company, such as an agent or adjuster. The statement must include the following: (select options that apply for each transaction)

“(Insurance company name) is licensed to do business in Texas and has acquired the (year and make), (vehicle identification number) through payment of a claim, ownership, or possession.”

And either:

“The vehicle was (damaged, stolen, or recovered) in Texas and the (loss, theft, recovery) location was (provide address, or city & state, at a minimum).”

or:

“The vehicle owner is a Texas resident whose Texas address is (provide owner’s Texas address).”

- an adjuster’s claim report or an insurance company generated loss or claim report that includes the name of the insurance company paying the claim, describes the vehicle (at a minimum the vehicle identification number must be included), and indicates the loss location (where the vehicle was damaged, stolen, or recovered).

Note: Use of the “Last Titled Outside of Texas” section on the *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) is encouraged. Use of the properly completed form significantly lessens the time involved in the examination process for salvage transactions.

Note: If a damaged motor vehicle is titled, registered, or located in another state and there is no connection to Texas, the application will not be accepted.

2.6 Proof of Sales Tax Payment Required

Situations may occur when a vehicle is involved in an accident and the insured has not filed an application for Texas title in the owner's name. In these situations, the department will not require the insured to file an application for Texas title through a county tax assessor-collector's office; but motor vehicle sales tax **MUST** be paid.

If the assignment of title indicates a purchaser (other than the insurance company requesting a Salvage or Nonrepairable Vehicle Title), proof of payment of sales tax must be included.

This proof must be issued in the insured's name (purchaser in the first assignment of title) in the form of a *Tax Collector's Receipt for Title Application/Registration/Motor Vehicle Tax* (Form VTR-500) marked "For Tax Purposes Only."

In order for the insured to provide a title to the insurance company, they will need to complete one of two processes.

1. Apply for Title Only at the county tax assessor-collector's office in order to obtain a certificate of title in the insured's name. Motor vehicle sales tax and other applicable fees must be paid at this time. Once the insured receives the title, they will assign the certificate of title to the insurance company.
2. The insured may apply for a salvage or nonrepairable title and provide proof of sales tax payment. Once the insured receives the salvage or nonrepairable title, they will assign it to the insurance company.

Any funds paid to a motor vehicle dealer (i.e., registration fees, processing and handling, etc.) which will not be remitted to the county tax assessor-collector must be refunded to the purchaser.

2.7 Recording Liens

A lien may be recorded on initial application for a Salvage Vehicle Title. The lien may be a new lien, or an existing recorded lien may be carried forward to the Salvage Vehicle Title. Only an existing recorded lien may be carried forward to a Nonrepairable Vehicle Title. A new lien cannot be recorded on a Nonrepairable Vehicle Title.

To record a lien on a Salvage or Nonrepairable Vehicle Title, complete all lien information on the *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441).

If a lien is recorded on a Salvage or Nonrepairable Vehicle Title, the title will be mailed to the lienholder.

2.8 Certificate of Authority to Demolish a Motor Vehicle

A person, entity, or unit of government may apply for a Certificate of Authority (COA) to dispose of a motor vehicle to a demolisher in one of several situations. These situations include:

1. The motor vehicle is owned by the person, entity, or unit of government.

Form: *Application for Authority to Dispose of a Motor Vehicle to a Demolisher* (Form VTR-71-2) with a revision date of 09/17 or newer.

For more information: [Section 7.3, "Owners Wishing to Dispose of Motor Vehicles."](#)

2. Ownership of the motor vehicle has been transferred to the person, entity, or unit of government.

Form: *Application for Authority to Dispose of a Motor Vehicle to a Demolisher* (Form VTR-71-2) with a revision date of 09/17 or newer.

For more information: [Section 7.3, "Owners Wishing to Dispose of Motor Vehicles."](#)

3. The motor vehicle is an abandoned motor vehicle and is in possession of, or located on property owned by, the person, entity, or unit of government.

Form: *Application for Authority to Dispose of a Motor Vehicle to a Demolisher* (Form VTR-71-2) with a revision date of 09/17 or newer.

For more information: [Chapter 22, "Abandoned Vehicles"](#) in the [TxDMV Motor Vehicle Title Manual](#).

4. The motor vehicle is deemed an abandoned public nuisance vehicle by a unit of government.

Form: *Application for Certificate of Authority to Dispose of an Abated Public Nuisance Vehicle* (Form VTR-71-4) with a revision date of 08/16 or newer.

For more information: [Chapter 22, "Abandoned Vehicles"](#) in the [TxDMV Motor Vehicle Title Manual](#).

5. The motor vehicle is unclaimed following a statutory foreclosure, and the statutory lienholder determines the motor vehicle's only residual value is as a source of parts or scrap metal, or it is not economical to dispose of the vehicle at a public sale.

Form: *Application for Authority to Dispose of a Motor Vehicle to a Demolisher after Statutory Foreclosure* (Form VTR-71-6) with a revision date of 09/17 or newer.

For more information: [Chapter 22, "Abandoned Vehicles"](#) in the [TxDMV Motor Vehicle Title Manual](#).

The department will accept applications only for motor vehicles for which there is a direct connection to the state. An application will not be accepted if a motor vehicle is titled, registered, or located in another state and there is no connection to Texas.

In these scenarios, the applicant is issued a Certificate of Authority (on a Texas Nonrepairable Vehicle Title) to dispose of the motor vehicle to a demolisher for demolition, wrecking, or dismantling. These motor vehicles cannot be rebuilt, reconstructed, made operable, or retitled. Vehicles issued a Certificate of Authority must be destroyed.

2.9 Application after Surrender of Ownership Evidence

If the evidence of ownership for a motor vehicle was surrendered to the department on a *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340), the motor vehicle is a nonrepairable motor vehicle. If the evidence of ownership was surrendered in error, an application for a Salvage Vehicle Title must be submitted for issuance of a *Texas Salvage Certificate of Title* (Form VTR-222-S). Upon receipt of the *Texas Salvage Certificate of Title* (Form VTR-222-S), the vehicle may be transferred to a subsequent owner.

The following is required:

- *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441);
- \$8 application fee; and
- a copy of the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) surrendered to the department that lists the applicable vehicle.
- If out of state evidence of ownership was surrendered a copy of the front and back of the out of state evidence of ownership that was surrendered is required.

Note: If a copy of the front and back of the surrendered out of state evidence of ownership, indicating proper assignment to the applicant, is not available (either from the applicant's records or from TxDMV Regional Service Center records), the only options available to the applicant are to transfer the vehicle to a demolisher on a *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) or obtain a valid court order.

Upon receipt of a properly completed *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) the required documents, and the \$8 fee, the department issues an original Nonrepairable or Salvage Vehicle Title.

Note: A motor vehicle that was disposed of for demolition, wrecking, scrap, or salvage that was issued an *Application for Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking, or Dismantling Only* (Form VTR-71-3) (prior to October 1, 2007) or a *Texas Nonrepairable Vehicle Title* (Form VTR-222-NR) cannot be rebuilt, reconstructed, made operable, or retitled. A Salvage Vehicle Title may not be issued for these vehicles.

2.10 Title Issuance

Upon receipt of a completed *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) accompanied by the appropriate application fee and the required documentation, the department will before the sixth business day after the date of receipt, issue a Salvage or Nonrepairable Vehicle Title, as appropriate.

If the condition of salvage is caused by flood, a “Flood Damage” remark will be reflected on the face of the document and will be carried forward upon subsequent title issuance.

If a lien is recorded on a Salvage or Nonrepairable Vehicle Title, the vehicle title will be mailed to the lienholder.

2.11 Registration and Operation Prohibited

Registration Invalidated

All registration issued to a motor vehicle prior to it being damaged is invalidated upon:

- Issuance of a Salvage Vehicle Title or Nonrepairable Vehicle Title; or
- Receipt of an *Owner Retained Report* (Form VTR-436) advising that the insurance company has not acquired ownership of the motor vehicle and that the owner of a motor vehicle has retained the salvage or nonrepairable motor vehicle.

Registration

A motor vehicle may not be issued any form of registration (initial, renewal, or temporary) if the motor vehicle record indicates the issuance of a:

- Salvage Certificate;
- Salvage Certificate of Title (issued prior to 9/1/2003);
- Salvage Vehicle Title (issued on or after 9/1/2003);
- Nonrepairable Certificate of Title (issued prior to 9/1/2003); or
- Nonrepairable Vehicle Title (issued on or after 9/1/2003); or
- the record indicates the following remarks:
 - LEGAL RESTRAINT-CONTACT TxDMV (#OR);
 - LEGAL RESTRAINT-CONTACT TxDMV (#ORSAL);
 - LEGAL RESTRAINT-CONTACT TxDMV (#ORNR); or
 - “EXPORT ONLY”.

Operation

The owner of a vehicle that has been issued a Salvage or Nonrepairable Vehicle Title or an owner retained motor vehicle may not operate or permit operation of the vehicle on a public highway until the vehicle is rebuilt, retitled, and properly registered.

Note: A vehicle issued a Nonrepairable Vehicle Title after September 1, 2003 may not be rebuilt, retitled, or registered. The body and frame of an otherwise nonrepairable (junk) vehicle (that cannot be repaired, rebuilt, or reconstructed for on-road use) cannot be used to repair, rebuild, reconstruct, or assemble another vehicle.

TRANSFER OF OWNERSHIP

This chapter contains the following sections:

- [3.1 Sale, Transfer, or Release of Ownership](#)
- [3.2 Assignment and Reassignment of Ownership Documents](#)
- [3.3 Casual Sales](#)
- [3.4 Export Only Sales](#)

3.1 Sale, Transfer, or Release of Ownership

Refer to Transportation Code [Sec. 501.095](#).

Necessary Ownership Document Issued

A motor vehicle for which a Salvage Vehicle Title, Nonrepairable Vehicle Title, or comparable out of state ownership document has been issued, including a motor vehicle that has a “FLOOD DAMAGE” remark on the title, may be sold, transferred, or released to anyone, except that an insurance company may sell, transfer or release ownership of a motor vehicle for which a Salvage or Nonrepairable Vehicle Title has been issued only to:

- a licensed salvage vehicle dealer;
- an out of state purchaser;
- a buyer in a casual sale at auction; or
- a metal recycler.

Necessary Ownership Document NOT Issued

If a Salvage Vehicle Title, Nonrepairable Vehicle Title, or comparable out of state ownership document has not been issued for a salvage or nonrepairable motor vehicle, only the following entities may sell, transfer, or release a vehicle:

- a licensed salvage vehicle dealer;
- a used automotive parts recycler licensed under Occupations Code Chapter 2309;
- metal recycler licensed under Occupations Code Chapter 2302;
- an insurance company that has paid a claim on a salvage or nonrepairable motor vehicle; or
- governmental entity.

These entities may only sell or transfer ownership of a salvage or nonrepairable motor vehicle that has not been issued a Salvage or Nonrepairable Vehicle Title to each other.

The owner of a self-insured salvage or nonrepairable motor vehicle that has been damaged and removed from normal operation must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

3.2 Assignment and Reassignment of Ownership Documents

Salvage ownership documents, including Texas Salvage Certificates issued prior to September 1, 2003, may be assigned or reassigned as follows:

- If the vehicle has not been rebuilt, a salvage ownership document may be assigned or reassigned by anyone, including an individual.
- If the vehicle has been rebuilt, the owner of the rebuilt salvage vehicle must apply for a Certificate of Title branded “Rebuilt Salvage” in the owner’s name prior to resale.

A motor vehicle dealer license does not authorize a motor vehicle dealer to deal in salvage vehicles; the motor vehicle dealer is required to have a current salvage dealer license. A salvage vehicle dealer may not reassign a salvage ownership document if the vehicle has been rebuilt. A salvage vehicle dealer will be required to obtain a Certificate of Title branded “Rebuilt Salvage” in the dealer name prior to retailing the motor vehicle. The motor vehicle dealer that repaired or rebuilt the motor vehicle will be required to obtain a Certificate of Title branded “Rebuilt Salvage” in the dealer name prior to retailing the motor vehicle.

All Assignments Complete

If the vehicle has not been rebuilt and all assignments on the back of a salvage ownership document have been completed and further assignments are needed, the last person to whom the document is assigned must apply for a Nonrepairable or Salvage Vehicle Title in their name, unless they are a licensed motor vehicle dealer, salvage vehicle dealer, or an insurance company. A *Dealer’s Reassignment of Title for a Motor Vehicle* (Form VTR-41-A) may be used to transfer ownership even when all of the reassignments on the back of the title are not complete.

3.3 Casual Sales

Refer to Transportation Code [Sec. 501.091](#) and Occupations Code Section [Sec. 2302.204](#).

A casual sale is the sale by a salvage vehicle dealer, insurance company, or salvage pool operator at auction of not more than five nonrepairable or salvage motor vehicles to the same person during a calendar year. The term does not include (known as non-casual sales):

- a sale at auction to a salvage vehicle dealer;
- the sale of an export only motor vehicle to a person who is not a resident of the United States; or
- the sale to an insurance company, out of state buyer, or government entity.

An insurance company or salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale must be titled with a Salvage Vehicle Title, Nonrepairable Vehicle Title, or comparable out of state ownership document prior to the sale and delivery to the casual buyer.

A casual purchaser must be licensed as a salvage vehicle dealer, in accordance with Occupations Code, Chapter 2302 and Title 43, *Texas Administrative Code*, Chapter 221, Subchapter B. Licensing, if the person:

- is in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable or salvage motor vehicles;
- used parts (if more than an incidental part of the person's primary business);
- repairs, rebuilds, or reconstructs more than five salvage or nonrepairable motor vehicles in a calendar year (January - December); or
- purchases more than five salvage or nonrepairable motor vehicles during a calendar year (January - December).

Note: The sale of a salvage or nonrepairable motor vehicle to a licensed motor vehicle dealer is considered a “casual sale” since the motor vehicle dealer is not licensed to sell salvage or nonrepairable motor vehicles. The licensed motor vehicle dealer may reassign the salvage ownership document without titling in their name if the vehicle is not rebuilt.

Casual Sales Records

Refer to Transportation Code [Sec. 501.108](#).

Records of each casual sale are required to be maintained.

A salvage vehicle dealer, insurance company, or salvage pool operator must maintain records of each casual sale on a *Casual Sales Record* (Form VTR-903) or an electronic format and must:

- be maintained by the seller for 36-months from the date of sale;
- be maintained on the business premises of the seller;
- be made available for law enforcement inspection upon request; and include:
 - the date of sale;
 - the sales price;
 - the name and address of the purchaser;
 - a legible photocopy of the purchaser’s government issued photo identification;
- the form of identification provided, the identification document number, and the name of the jurisdiction that issued the identification document;
- the description of the motor vehicle, including the vehicle identification number, model year, make, model, and body style;
- a photocopy of the front and back of the properly assigned ownership document provided to the purchaser;
- the purchaser’s certification, on a form provided by the department, that the purchase of motor vehicles in a casual sale is not intended to circumvent the provisions of Transportation Code, Chapter 501 (relating to Certificates of Title) and Occupations Code, Chapter 2302 (relating to Salvage Vehicle Dealers); and
- A record of the vehicle's ownership and it’s condition as dismantled, scrapped, or destroyed as required by Transportation Code [Sec. 501.1003](#).

Note: Occupations Code [Sec. 2302.353](#), allows the department to revoke a license or to impose an administrative penalty against a person licensed under that chapter who violates the chapter, or a rule or order adopted under that chapter.

3.4 Export Only Sales

Refer to Transportation Code [Sec. 501.099](#).

An export only motor vehicle is a salvage or nonrepairable motor vehicle that is sold in this state to a person who resides outside the United States (non-U.S. resident).

An “export only sale” is the sale of an export only motor vehicle by a licensed salvage vehicle dealer, a salvage pool operator acting as the agent for an insurance company, or a governmental entity to a non-U.S. resident. Only a salvage vehicle dealer, a salvage pool operator acting as the agent for an insurance company, or a governmental entity may sell a salvage or nonrepairable motor vehicle to a person who is not a resident of the United States. **A Salvage or Nonrepairable Vehicle Title must be issued for the vehicle before it may be offered for sale to a non-U.S. resident.**

A salvage or nonrepairable motor vehicle that is sold for “export only”:

- must be removed from the United States;
- may not be returned to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- may not operate on a public highway in the United States.

Out of state salvage or nonrepairable vehicle records or titles marked ‘for export only’ or assigned to a foreign purchaser are not acceptable for title in Texas.

Stamping “For Export Only”

The seller of an export only motor vehicle must stamp the face of the Salvage or Nonrepairable Vehicle Title and each unused reassignment space on the back of the title with a stamp that includes the words “FOR EXPORT ONLY” and the salvage vehicle dealer license number or governmental entity's name. The words must be at least two inches wide and clearly legible.

Refer to [Chapter 8, Section 8.2 Stamped “For Export Only” in Error](#) for corrections procedures.

Purchaser's Identification

Before the sale to a non-U.S. resident, the seller must obtain a legible photocopy of the purchaser’s government-issued photo identification document. The identification document must be issued by the jurisdiction in which the purchaser resides and may consist of:

- a passport;
- a driver's license;
- consular identity document;
- national identification certificate or identity document; or

- other identification issued by the jurisdiction in which the purchaser resides that is able to be verified by law enforcement and includes the name of the issuing jurisdiction, the purchaser's full name, foreign address, date of birth, photograph, and signature.

Purchaser's Certification

A *Purchaser's Certification of Export-Only Sale* (Form VTR-901) must be completed certifying that the purchaser will:

- remove the vehicle from the United States;
- not return the vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number; and
- not operate the vehicle on a public highway in the United States.

Export Only Sales Records

The seller of a salvage or nonrepairable motor vehicle for export only to a non-U.S. resident is required to maintain records of each sale on the business premises of the seller for at least three years from the date of sale and is required to make these records available for inspection and copying upon request.

Records of each sale must include a:

- legible copy of the front and back of the stamped and properly assigned Salvage or Nonrepairable Vehicle Title;
- *Purchaser's Certification of Export-Only Sale* (Form VTR-901) including the purchaser's certified statement on the form;
- legible copy of each purchaser's photo identification document;
- legible copy of any other documents related to the sale of the motor vehicle; and
- *For Export-Only Sales Record* (Form VTR-902) listing each motor vehicle sold for export only.

The export only sale records must be maintained either on a form provided by the department (*For Export-Only Sales Record* (Form VTR-902)), or in an electronic format approved by the department.

Reporting of Export Only Sales

Only Texas titled nonrepairable or salvage motor vehicles sold for export only are required to be reported to the department; however, sellers are required to maintain records of **all** motor vehicles sold for Export Only.

The *For Export-Only Sales Record* (Form VTR-902) may be used to maintain one list of all vehicles sold for export only (including those that are not salvage or not nonrepairable motor vehicles), regardless of whether they are Texas-titled or out of state; however, the seller must identify on the form the state of title issuance and the type of ownership evidence given to the buyer. The department requests the following abbreviations be used:

- R = regular (non-salvage title) motor vehicle ownership evidence
- S= Salvage motor vehicle ownership evidence
- NR = Nonrepairable motor vehicle ownership evidence

A legible copy of the *For Export-Only Sales Record* (Form VTR-902) must be submitted to the department within 30 days after the earliest date of sale of any motor vehicle listed on the form:

Texas Department of Motor Vehicles
Vehicles Titles and Registration Division
Attn: Vehicle Data Management Branch
Austin, TX 78779-0001

Department Processing

Upon receipt of the *For Export-Only Sales Record* (Form VTR-902), the department will mark the record of each motor vehicle sold for export only with a remark that prevents processing of any subsequent titles or issuance of registration for the vehicle. The motor vehicle record will reflect a remark that reads “EXPORT ONLY.” A vehicle for which the motor vehicle record indicates the above remark may not be registered or titled in Texas, under any circumstances, unless a valid court order is presented by a subsequent Texas buyer.

Export Only Sale Reported in Error

Refer to [Chapter 8, Section 8.3 Export Only Sale Reported in Error](#).

Export Only Comparison Chart

Table 3-1 Export-only Motor Vehicle Sales: Comparison

	Salvage/Nonrepairable Motor Vehicles (damaged)	Regular Motor Vehicles (undamaged)
Administering Division	Vehicle Titles and Registration	Enforcement
Applies to	Salvage Vehicle Dealers or governmental entities selling salvage or nonrepairable motor vehicles to a non-U.S. resident.	Licensed Texas Motor Vehicle Dealers selling “blue titled” motor vehicles to purchasers.
Requirement of Sellers	<p>Seller (salvage vehicle dealer or governmental entity) must:</p> <ul style="list-style-type: none"> • obtain Salvage or Nonrepairable Vehicle Title prior to sale; • obtain purchaser’s certification <i>For Export-Only Sales Record</i> (Form VTR-902); • obtain legible copy of purchaser’s foreign ID; • maintain copies of the front and back of the stamped and assigned title; and • report the sale within 30 days to department. 	<p>Licensed motor vehicle dealer must:</p> <ul style="list-style-type: none"> • stamp title with <i>For Export Only</i> and dealer # (P#) and • verify the validity of the purchaser’s foreign motor vehicle dealer license; • If the purchaser is a Mexican Motor Vehicle Dealer, the seller must, also: • obtain a legible copy of Mexican purchaser’s dealer license and the purchaser’s ID; • maintain copies of the front and back of the stamped and assigned title for 3 years; and • complete a Motor Vehicle Sales Tax Exemption form and retain in sales file.
Restrictions	<p>Foreign purchaser must remove the salvage or nonrepairable motor vehicle from the United States.</p> <p>The salvage or nonrepairable motor vehicle <u>may never be</u>: retitled in the U.S.; re-registered in the U.S.; or operated on Texas public roads.</p> <p>Note: Court order would be required to issue a Texas title.</p>	<p>Foreign purchaser must: remove the motor vehicle from the United States, and title or register the motor vehicle in a foreign jurisdiction prior to importing it back to the U.S.</p> <p>The motor vehicle <u>may be</u>: retitled in Texas and re-registered in Texas.</p>

	Salvage/Nonrepairable Motor Vehicles (damaged)	Regular Motor Vehicles (undamaged)
Reporting of Sales Required	Yes	No
Motor Vehicle Records Marked	Yes	No
Stamped in Error Procedures	<p>The seller who stamped the title in error must apply for the appropriate salvage or nonrepairable document in their name.</p> <p>If the salvage document is issued in the seller's name, a certified copy of the Salvage or Nonrepairable Vehicle Title may be requested by submitting:</p> <ul style="list-style-type: none"> • an <i>Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title</i> (Form VTR-34-S); • the appropriate verifiable proof documentation; • the incorrectly stamped Nonrepairable or Salvage Vehicle Title; • a statement of fact from the salvage vehicle dealer or governmental entity explaining why the assignment to the foreign purchaser was cancelled; • a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the Motor Vehicle Division; and • a \$2 application fee. 	<p>The selling motor vehicle dealer who stamped the title in error must apply for a title in the dealer's name.</p> <p>If the incorrectly stamped title is issued in the seller's name, a certified copy of the title may be requested by submitting:</p> <ul style="list-style-type: none"> • a properly executed <i>Application for a Certified Copy of Title</i> (Form VTR-34); • the appropriate verifiable proof documentation; • the incorrectly stamped title document; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • a copy of the seller's current dealer license; and • a \$2 (mail) or \$5.45 (walk-in) application fee.
Stamped in Error Procedures continued	<p>Note: If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue a certified copy of the Salvage or Nonrepairable Vehicle Title.</p> <p>If the seller was the seller in one of the salvage ownership document reassignments, the salvage vehicle dealer would need to apply for an original salvage ownership document by submitting:</p> <ul style="list-style-type: none"> • a properly completed <i>Application for Salvage or Nonrepairable Vehicle Title</i> (Form VTR-441); • the incorrectly stamped Nonrepairable or Salvage Vehicle Title; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the VTR Special Plates Branch, if applicable; and • the \$8 application fee. <p>Note: If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue the Salvage or Nonrepairable Vehicle Title.</p>	<p>If the motor vehicle dealer was the seller in one of the title document reassignments, the dealer would need to apply for an original certificate of title through a county tax assessor-collector's office by submitting:</p> <ul style="list-style-type: none"> • a properly completed <i>Application for Texas Title and/or Registration</i> (Form 130-U); • the incorrectly stamped title document; • a statement of fact explaining why the assignment to the foreign purchaser was cancelled; • a copy of the seller's current dealer license; and • the appropriate \$28/\$33 application fee.
Certified Copy Issuance: Export Only Stamped Title is Lost	<p>If a Nonrepairable or Salvage Vehicle Title that was stamped "For Export Only" is lost, and the motor vehicle record indicates the "EXPORT ONLY" remark:</p> <ul style="list-style-type: none"> • a certified copy of a Nonrepairable or Salvage Vehicle Title may not be issued; and • a valid court order will be required to remove the "EXPORT ONLY" remark to allow further issuance of Texas Rebuilt Salvage title documents. • A certified copy may only be issued when title was stamped in error (see above). 	A Certified Copy of the title may be issued.

	Salvage/Nonrepairable Motor Vehicles (damaged)	Regular Motor Vehicles (undamaged)
Innocent Purchaser Procedures	<ul style="list-style-type: none"> A valid court order will be required prior to issuance of a certificate of title to an innocent purchaser (United States resident) who purchases a nonrepairable or salvage motor vehicle that has been sold for export only (title is stamped or record is noted). Examples of this situation include when an application for a Texas title is supported by a: <ul style="list-style-type: none"> Nonrepairable or Salvage Vehicle Title, stamped "For Export Only;" Foreign ownership document issued for the motor vehicle and the motor vehicle record indicates a "EXPORT ONLY" remark; or The Texas motor vehicle record indicates a "EXPORT ONLY" remark. Tax collector hearings or bonded titles are not available options in these instances. Upon receipt of an appropriate court order, the export-only notation would be removed to allow processing of a Rebuilt Salvage Certificate of Title. All subsequent certificates of title will also indicate the appropriate "REBUILT SALVAGE" remark. <p>Note: The county tax assessor-collector's office should forward photocopies of the front and back of the associated transfer documents to local law enforcement for investigation and enforcement action</p>	<ul style="list-style-type: none"> The county tax assessor-collector's office should reject the transaction if: <ul style="list-style-type: none"> the assignment/reassignment on the Texas title indicates a sale between a licensed Texas Motor Vehicle Dealer and a foreign dealer or foreign resident; and the title is or is not stamped "For Export Only." <p>Note: The counties have been asked to submit a photocopy of the front and back of these transfer documents (stamped or unstamped) to VTR, who in turn forwards the copies to MVD for investigation).</p> <ul style="list-style-type: none"> The buyer must provide proper foreign evidence of ownership (i.e. a foreign title or registration document); or may pursue: <ul style="list-style-type: none"> a Tax Collector's Hearing; a Bonded title; or may obtain a valid court order.
Programming	The EXPORT ONLY remark is a "hard stop" to prevent further Texas title or registration issuance.	None

INSURANCE COMPANIES

This chapter contains the following sections:

- [4.1 Determination of the Condition of a Motor Vehicle](#)
- [4.2 Applications for Salvage or Nonrepairable Vehicle Title](#)
- [4.3 Applications Without Proper Evidence of Ownership](#)
- [4.4 Owner Retained Vehicles](#)
- [4.5 Casual Sales by an Insurance Company](#)

4.1 Determination of the Condition of a Motor Vehicle

Refer to [Chapter 2, Section 2.1 Determination of the Condition of a Motor Vehicle](#).

When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs or alternate method commonly used by the insurance industry must be used to determine whether the damage is sufficient to classify the motor vehicle as a nonrepairable or salvage motor vehicle.

4.2 Applications for Salvage or Nonrepairable Vehicle Title

Required Application

An insurance company licensed to do business in this state that acquires ownership or possession of a salvage or nonrepairable motor vehicle that is covered by a certificate of title issued by this state or a Manufacturer's Certificate of Origin must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the motor vehicle.

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle and the owner retains the motor vehicle as part of the settlement, the owner must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring ownership of the salvage or nonrepairable motor vehicle. Refer to [Chapter 4, Section 4.4 Owner Retained Vehicles](#).

Application Requirements

Information regarding obtaining a Salvage or Nonrepairable Vehicle Title and completion of the applicant is located in [Chapter 2, Section 2.4 Application for Salvage or Nonrepairable Vehicle Title](#).

Voluntary Application

An insurance company that determines a motor vehicle is not a salvage or nonrepairable motor vehicle may voluntarily apply for a Salvage or Nonrepairable Vehicle Title by submitting the *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441), required documentation, and fee to the department.

Note: Even though an application is voluntary, the same restrictions on the sale, transfer, release, or operation of the motor vehicle, and rebuilding restrictions must apply to Salvage or Nonrepairable Vehicle Titles issued based on voluntary applications.

4.3 Applications Without Proper Evidence of Ownership

Refer to Transportation Code [Sec. 501.0925](#).

An insurance company that acquires ownership of a motor vehicle through payment of a claim may apply for a regular Texas title, Salvage Vehicle Title, or Nonrepairable Vehicle Title without obtaining the vehicle ownership document or proper assignment of the owner(s) on the vehicle ownership document under the following situations:

- the motor vehicle is covered by a certificate of title or a manufacturer's certificate of origin;
- at least 30 days have passed since the date of payment of the claim;
- the insurance company signs a certified statement that they provided at least two written notices to the last known address of each owner, and lienholder if applicable, to correctly assign or surrender the vehicle title. The certified statement is made on an *Insurance Company Statement of Fact* (Form VTR-331-INS).

The insurance company must submit an *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) to the department, accompanied by:

- proof of a paid insurance claim for the motor vehicle;
- a fully completed and signed *Insurance Company Statement of Fact* (Form VTR-331-INS);
- the “Last Titled Outside of Texas” section completed on the *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) if the vehicle is titled in another state or jurisdiction;
- the surrendered, but improperly or unassigned, vehicle title (if available);
- any other supporting documentation; and
- the appropriate application fee.

The insurance company must submit an *Insurance Company Statement of Fact* (Form VTR-331-INS) to apply for a Texas title following payment of a claim when the insurance company is unable to obtain a title or a proper assignment on the title. Additional requirements include:

- a completed *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) or a *Application for Texas Title and/or Registration* (Form 130-U);
- the surrendered, but improperly or unassigned, vehicle title (if available);
- proof of paid claim (a copy of the payment document indicating the insurance company made payment of a claim involving the motor vehicle including an electronic check, canceled check, or screen print from the insurance company’s database); and
- the appropriate application fee.

Note: Different requirements exist for Salvage Pool Operators. Refer to [Section 7.6, “Salvage Pool Operators \(with Insurance Claim Vehicles\)”](#) for Salvage Pool Operator Application Requirements.

4.4 Owner Retained Vehicles

Refer to Transportation Code [Sec. 501.1002](#).

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle, but does not acquire ownership of the vehicle, and the owner retains the motor vehicle as part of the claim settlement, the insurance company is required to submit a *Owner Retained Report* (Form VTR-436) to the department stating that the insurance company has paid a claim on the motor vehicle and has not acquired ownership of the motor vehicle.

Owner retained provisions apply only to motor vehicles that are damaged and the amount of damage is sufficient to classify the motor vehicle as a salvage (i.e., cost of repairs is in excess of the pre-damaged actual cash value or over 100%) or nonrepairable (i.e., only as a source of parts or scrap metal) motor vehicle.

Owner retained provisions apply only to motor vehicles that meet the definition of salvage or nonrepairable.

Note: A Salvage Vehicle Title will be issued in lieu of a Nonrepairable Vehicle Title if an insurance company paid a claim on a nonrepairable motor vehicle prior to September 1, 2003, and the owner retained the vehicle. This allows the owner to rebuild and retitle the motor vehicle, since it was determined to be nonrepairable prior to the change in law that prohibits rebuilding of a nonrepairable motor vehicle.

Required Reporting

When an insurance company pays a claim on a salvage or nonrepairable motor vehicle and does not acquire ownership of that vehicle, the insurance company is required to submit an *Owner Retained Report* (Form VTR-436) to the department, before the 31st day after the date of the payment of claim.

Insurance companies can not submit an *Owner Retained Report* (Form VTR-436) for motor vehicles with a lesser amount of damage that is not sufficient enough to classify them as salvage or nonrepairable.

Note: If the date of claim payment was prior to September 1, 2003, an insurance company is required to use an *Owner Retained Report* (Form VTR-436) with a revision date prior to 9/2003.

The *Owner Retained Report* (Form VTR-436) must be mailed or faxed to:

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Attn: Title Control Systems
Austin, Texas 78779-0001

FAX: (512) 465-4124

Contracted Business

Insurance companies using a contracted business to complete the *Owner Retained Report* (Form VTR-436) on owner retained vehicles should also include the address of the contracted business in the event the *Owner Retained Report* (Form VTR-436) must be rejected. With this address, the department will be able to send the rejected forms directly to the contracted business for correction. This address can be submitted on a separate page with a note to the department authorizing the contracted business to handle the insurance company's owner retained notifications.

Owner Retained Non-Titled Trailers/Semitrailers

Insurance companies are required to follow the same reporting procedures for non-titled trailers/semitrailers, and the department will process these records in the same manner as other titled vehicles.

If the owner wishes to register the non-titled trailer/semitrailer, they will be required to submit a *Rebuilt Vehicle Statement* (Form VTR-61) but will not be required to pay the \$65 Rebuilt Salvage Fee or obtain an inspection. According to statute, the rebuilt fee applies only to titled vehicles. The *Rebuilt Vehicle Statement* (Form VTR-61) will be faxed to the Title Control Services (TCS) for removal of the legal restraint and to replace it with the Rebuilt Salvage brand that will be carried forward on all future transactions.

For semitrailers between 4,001 and 34,000 lbs which were previously registered with farm trailer plates or may qualify for farm plates, but the owner either must apply for title or chooses to apply for title, must complete the rebuilt process, including the payment of the \$65 Rebuilt Salvage Fee.

Required Notice to Owner

Effective September 1, 2011, Transportation Code [Sec. 501.1002](#) was amended requiring insurance companies to provide notice of the report to the recorded owner of the retained motor vehicle and lienholder (if applicable), advising the owner to obtain the appropriate ownership document, and of the restrictions on transfer and operation of the vehicle.

Department Processing

Upon receipt of a properly completed *Owner Retained Report* (Form VTR-436) the department will:

- Mark the motor vehicle record with the following remarks in order to prevent registration or transfer of ownership of the motor vehicle until the owner applies for the appropriate salvage ownership document:
 - LEGAL RESTRAINT-CONTACT TXDMV (#ORSAL) or LEGAL RESTRAINT-CONTACT TXDMV (#ORNR); and
 - REG INVALID (to advise that the registration indicated on the vehicle record is no longer valid).

Note: Older records may only reflect LEGAL RESTRAINT-CONTACT TXDMV (#OR) which requires TxDMV Regional Service Center verification to establish if the vehicle is Salvage or Nonrepairable.

Restrictions on Owner Retained Vehicles

Until a Salvage or Nonrepairable Vehicle Title, or a comparable out of state ownership document has been issued for an owner retained vehicle, the owner of the motor vehicle may not:

- sell or otherwise transfer ownership of the vehicle; or
- operate or permit operation of the motor vehicle on a public highway:
 - until the motor vehicle is rebuilt;
 - titled as a rebuilt salvage or nonrepairable (if applicable) motor vehicle; and
 - is registered.

The owner of a salvage or nonrepairable motor vehicle may not transfer ownership of the motor vehicle, unless the department has issued a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title, or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle in the name of the owner. Owner retained salvage or nonrepairable motor vehicles may not be issued any form of registration (initial, renewal, or temporary) until the motor vehicle has been rebuilt and retitled.

Owner Retained Report in Error

Refer to [Chapter 8, Section 8.6 Owner Retained Report in Error](#).

4.5 Casual Sales by an Insurance Company

Refer to Occupations Code [Sec. 2302.204](#).

A casual sale is the sale by an insurance company, licensed salvage vehicle dealer, or salvage pool operator at auction of five or less salvage or nonrepairable motor vehicles to the same person during a calendar year (January to December). The term does not include:

- a sale at auction to a license salvage vehicle dealer; or
- the sale of an export only motor vehicle to a person who is not a resident of the United States.

An insurance company, licensed salvage vehicle dealer, or salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale must be titled with a Salvage or Nonrepairable Vehicle Title, or comparable out of state ownership document prior to the sale and delivery to the casual buyer.

Refer to [Chapter 3, Section 3.3 Casual Sales](#).

Casual Sale Records

Refer to [Casual Sales Records](#) in [Chapter 3, Section 3.3 Casual Sales](#).

SALVAGE DEALERS AND AGENTS

This chapter contains the following sections:

- [5.1 Salvage Vehicle Dealer License](#)
- [5.2 Used Automotive Parts Recycler License](#)
- [5.3 Salvage Vehicle Dealer Requirements](#)
- [5.4 Salvage Vehicle Agent License](#)
- [5.5 Dismantled, Scrapped, or Destroyed Vehicles](#)
- [5.6 Casual Sales by Salvage Vehicle Dealers](#)
- [5.7 Export Only Sales](#)
- [5.8 Purchase, Sales, and Inventory Records](#)
- [5.9 Off-site Sales](#)

5.1 Salvage Vehicle Dealer License

A person is required to have a salvage vehicle dealer license if the person:

- acquires, sells, dismantles, repairs, rebuilds, reconstructs, or otherwise deals in nonrepairable or salvage motor vehicles;
- holds a salvage inventory number issued by the department and deals in the salvage vehicle industry (excluding metal recyclers);
- deals in nonrepairable motor vehicles or salvage motor vehicles;
- purchases more than five salvage or nonrepairable motor vehicles at casual sale in a calendar year;
- repairs, rebuilds, or reconstructs no more than five salvage motor vehicles in the same calendar year; or
- stores or displays a motor vehicle, as an agent or escrow agent, of an insurance company.

Permitted

A salvage vehicle dealer license only permits a person to sell motor vehicles that are titled by:

- Salvage Certificates;
- Salvage and Nonrepairable Certificates of Title;
- Salvage and Nonrepairable Vehicle Titles; and
- Certificates of Authority; or
- comparable out of state ownership documents.

Not Permitted

A salvage vehicle dealer license does not permit a person to sell vehicles not titled by salvage or nonrepairable ownership documents. Examples include motor vehicles that are titled by:

- regular (blue) Texas Certificates of Title;
- regular out of state certificates of title; or
- *Auction Sales Receipt* (Form VTR-71-1).

Exemptions from Salvage Vehicle Dealer Licensing

A salvage vehicle dealer license is not required for:

- A person who purchases less than five salvage or nonrepairable motor vehicles at casual sale in a calendar year from:
 - a salvage vehicle dealer;
 - a salvage pool operator at auction; or
 - an insurance company at auction;
- A metal recycler, unless a motor vehicle is sold, transferred, released, or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts, and is used for that purpose;
- A person who repairs, rebuilds, or reconstructs no more than five salvage motor vehicles in the same calendar year and the purpose is not to avoid the provisions of Occupations Code, Chapter 2302;
- A person who is a non-U. S. resident who purchases nonrepairable or salvage motor vehicles for export only;
- An agency of the U. S., an agency of this state, or a local government;
- A financial institution or other secured party that holds a security interest in a motor vehicle and is selling that motor vehicle in the manner provided by law for the forced sale of a motor vehicle;
- A receiver, trustee, administrator, executor, guardian, or other person appointed by or acting pursuant to the order of a court;
- A person selling an antique passenger car or truck that is at least 25 years old or a collector selling a special interest motor vehicle as defined in Transportation Code, Section 683.077, if the special interest vehicle is at least 12 years old; and
- A licensed auctioneer who, as a bid caller, sells or offers to sell property to the highest bidder at a bona fide auction under the following conditions:
 - neither legal nor equitable title passes to the auctioneer;
 - the auction is not held for the purpose of avoiding a provision of Occupations Code, Chapter 2302; and
 - an auction is conducted of motor vehicles owned, legally or equitably, by a person who holds a salvage vehicle dealer's license and the auction is conducted at a location for which a salvage vehicle dealer's license has been issued to that person or at a location approved by the department.

Application for Salvage Vehicle Dealer License

Refer to Occupations Code [Sec. 2302.103](#).

A person requiring a Salvage Vehicle Dealer License may contact the TxDMV's Motor Vehicle Division at 1-888-368-4689 or visit the "Dealers" page at <http://www.txdmv.gov/dealers> to obtain information regarding application forms, fees, procedures, and necessary requirements.

Note: If a person also sells motor vehicles that are not titled by salvage ownership documents, they are required to obtain an independent vehicle dealer license (General Distinguishing Number) from TxDMV's Motor Vehicle Division.

5.2 Used Automotive Parts Recycler License

A person is required to have a Used Automotive Parts Recycler License if the salvage dealer deals in used automotive parts as more than an incidental part of their primary business. Whether used auto part recycling is incidental to a salvage dealer's primary business must be determined on a case-by-case basis.

Effective September 1, 2009, SB 1095 transferred the licensing of salvage used vehicle parts dealers under the authority of the Texas Department of Licensing and Regulations (TDLR). Beginning September 1, 2010, TDLR issues "used automotive parts recycler" licenses under Chapter 2309 of the Occupations Code.

If you have questions or need assistance regarding a Used Automotive Parts Recycler License, please contact the Texas Department of Licensing and Regulation at 1-800-803-9202 or email: automotive.parts.recyclers@tdlr.texas.gov

5.3 Salvage Vehicle Dealer Requirements

Evidence of Ownership for Purchases

Refer to Occupations Code [Sec. 2302.201](#).

A salvage vehicle dealer must receive a properly assigned Certificate of Title when acquiring ownership of a salvage or nonrepairable motor vehicle.

A salvage vehicle dealer may not receive a motor vehicle unless the dealer first obtains a Certificate of Authority (issued prior to October 1, 2007), sales receipt, or transfer document in accordance with Transportation Code, Chapter 683 (Refer to "Abandoned Vehicles" in the [TxDMV Motor Vehicle Title Manual](#)), or a Certificate of Title showing that there are no liens on the motor vehicle or that all recorded liens have been released.

Removal of Unexpired Plates and Registration Stickers

All unexpired license plates and registration validation stickers must be removed immediately by a salvage vehicle dealer who acquires:

- a salvage or nonrepairable motor vehicle that has been acquired for the purpose of dismantling, scrapping, or destroying; or
- a motor vehicle (other than a salvage or nonrepairable motor vehicle) that is acquired by a salvage vehicle dealer.

Note: If the motor vehicle is to be dismantled, scrapped or destroyed, refer to Chapter 5, Section 5.5 Dismantled, Scrapped, or Destroyed Vehicles for further information.

Removed license plates and registration validation stickers must be maintained in a secure location.

Unique Inventory Numbers

A salvage vehicle dealer must assign a unique inventory number to each transaction where the dealer purchases or takes delivery of one or more component parts to include the following:

Major Component Parts

Major component parts include a vehicle's:

- engine;
- transmission;
- frame;
- fender;
- hood;
- door allowing entrance to or egress from the passenger compartment of the motor vehicle;
- bumper;
- quarter panel;
- deck lid, tailgate, or hatchback;
- cargo box of a one-ton or smaller truck, including a pickup truck;
- cab of a truck;
- body of a passenger motor vehicle; and
- roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

Minor Component Parts

Minor component parts include:

- an interior component part that includes a seat or radio of a motor vehicle;
- a special accessory part that includes a tire, wheel, tailgate, or removable glass top of a motor vehicle; or
- a motor vehicle part that displays or should display one or more of the following:
 - a federal safety certificate, as described by Occupations Code, [Sec. 2302.001](#) (4);
 - a motor number;
 - a serial number or a derivative; or
 - a manufacturer's permanent vehicle identification number or a derivative.

Unique Inventory Number

A unique inventory number must incorporate:

- the salvage vehicle dealer's license number;

- the day, month, and year of the purchase or delivery; and
- sequential log number.

Example of a Unique Inventory Number

Salvage vehicle dealer's license number:	123200500
Day, month, and year of the purchase or delivery:	290104
Sequential log number for that day:	010
Equals unique inventory number	123200500290104010

A salvage vehicle dealer must attach a unique inventory number to each motor vehicle that the dealer purchases.

If a component part is removed, the salvage vehicle dealer must also attach to that part the unique inventory number of the motor vehicle from which the part was removed.

The unique inventory number may not be removed from the component part while the part remains in the inventory of the salvage vehicle dealer.

The salvage vehicle dealer who originally purchases a component part must retain that part in its original condition on the dealer's business premises. The dealer must retain the component part for at least three calendar days, excluding Sundays.

Unique Inventory Numbers Exemptions

Exemptions to the unique inventory number requirement include:

- non-operational engine, transmission, or rear axle assembly purchased by one salvage vehicle dealer from another salvage vehicle dealer or from an automotive-related business;
- interior component parts or special accessories from a motor vehicle more than ten years of age;
- parts delivered to a salvage vehicle dealer by commercial freight line or commercial carrier; or
- rebuildable or rebuilt cores, including engines, blocks, crankshafts, transmissions, or other core parts that are acquired, possessed, or transferred in the ordinary course of business.

5.4 Salvage Vehicle Agent License

Refer to Occupations Code [Sec. 2302.107](#).

The holder of a salvage vehicle dealer license may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license.

A salvage vehicle agent license is required if a person:

- Acquires, sells, or otherwise deals in salvage or nonrepairable motor vehicles in this state as directed by the salvage vehicle dealer under whose license the person operates; or
- Acts as a salvage vehicle agent, including a person who stores or displays motor vehicles, as an agent or escrow agent of an insurance company.

Exemptions from Salvage Vehicle Agent Licensing

A person is not required to obtain a salvage vehicle agent license if the person is:

- A licensed salvage vehicle dealer;
- A partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;
- An employee of a licensed salvage vehicle dealer; or
- Only transporting salvage motor vehicles for a licensed salvage vehicle dealer.

Application for Salvage Vehicle Agent License

A person requiring a Salvage Vehicle Dealer License may contact the TxDMV's Motor Vehicle Division at 1-888-368-4689 or visit the "Dealers" page at <http://www.txdmv.gov/dealers> to obtain information regarding application forms, fees, procedures and necessary requirements.

5.5 Dismantled, Scrapped, or Destroyed Vehicles

A salvage vehicle dealer or used automotive parts recycler (UAPR) acquiring any motor vehicle, regardless of the type of evidence of ownership obtained, must immediately remove all unexpired license plates and registration validation stickers. The dealer or UAPR must retain an inventory of removed and unexpired plates which at a minimum must include:

- each license plate number removed;
- the make of each vehicle from which a license plate was removed;
- each vehicle's motor number; and
- each vehicle's vehicle identification number (VIN).

Each salvage vehicle dealer or UAPR must maintain photocopies of the front and back of all evidence of ownership documents submitted to the department (i.e., out of state or foreign evidence of ownership, Auction Sales Receipt, etc.), unless the evidence of ownership is a Texas title.

The license plates and registration validation stickers removed from the vehicles listed on the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) must be stored in a secure, locked location and may be destroyed upon receipt of the "Duplicate (Firm Copy)" of the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) from the department.

Surrender of Ownership Documents by Salvage Dealer

Before the 31st day after a salvage vehicle dealer or UAPR acquires a salvage or nonrepairable vehicle for the purpose of dismantling, scrapping, or destroying, the dealer must submit:

- a *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) listing each motor vehicle acquired for the purposes of dismantling, scrapping, or destroying; and

- the properly assigned certificate of title or other acceptable evidence of ownership for each motor vehicle listed on the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340).

Note: A vehicle reported to the department under this requirement is a nonrepairable vehicle. A nonrepairable vehicle cannot be repaired, rebuilt, or reconstructed for on road use. The body and frame of a nonrepairable motor vehicle cannot be used to repair, rebuild, or reconstruct another motor vehicle for on road use.

If the evidence of ownership has been surrendered to the department and the vehicle is later sold to:

- a metal recycler, a *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) must be used to transfer the vehicle; or
- someone other than a metal recycler, the salvage dealer must apply to the department for a Nonrepairable Vehicle Title for the motor vehicle.

Note: If the salvage dealer reported the motor vehicle in error, the salvage vehicle dealer must apply for a Salvage Vehicle Title in their name prior to a subsequent transfer. Refer to [Chapter 2, Section 2.9 Application after Surrender of Ownership Evidence](#).

Subsequent Reporting Following Mechanical Crushing

If the salvage vehicle dealer (or used automotive parts recycler) mechanically crushes the vehicle after reporting the vehicle on a *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340), the dealer (or recycler) is not required to report the vehicle as crushed to the department and is not required to have an ownership document or *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) when transferring the crushed vehicle to a metal recycler for further processing or shredding.

Subsequent Transfer For Vehicle Not Mechanically Crushed

If the vehicle is not mechanically crushed by the licensed salvage vehicle dealer (or used automotive parts recycler), the vehicle must be transferred to the metal recycler on *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203). Once the metal recycler crushes or shreds the vehicle, the metal recycler will report the disposition to the department on a *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) (refer to [Section 7.5, “Metal Recycler”](#)).

Applicability

The requirement provided above applies to the following vehicles acquired by a salvage vehicle dealer or UAPR:

- salvage or nonrepairable motor vehicle for the purpose of dismantling, scrapping, or destruction;
- salvage or nonrepairable motor vehicle that is not titled by salvage or nonrepairable evidence of ownership (for example, it has a regular blue title or equivalent); or

- a motor vehicle that has not been classified as salvage or nonrepairable for the purpose of dismantling, scrapping, or destruction.

Dismantled, Scrapped, or Destroyed Vehicle Records

In accordance with Title 43, *Texas Administrative Code*, Section 221.72(b), a dealer is required to keep, on the dealer's business premises, a record of each vehicle that is dismantled, scrapped, or destroyed, and a photocopy of the front and back of the evidence of ownership submitted to the department, until the third anniversary of the date the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) was submitted to the department.

In accordance with Occupations Code, Section 2309.302, a used automotive parts recycler shall maintain a record of or sales receipt for each motor vehicle, salvage motor vehicle, nonrepairable motor vehicle, and used automotive part purchased.

Department Procedures

Upon receipt of the report, the department notes the motor vehicle record to indicate the evidence of ownership has been provided to the department and returns the acknowledged, "Duplicate (Firm Copy)" of the *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340).

"For Export Only" Titles Surrendered

If a person, such as a salvage vehicle dealer or metal recycler, submits a Salvage or Nonrepairable Vehicle Title that is stamped "For Export Only" on a *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) the department will:

- accept the surrendered Salvage or Nonrepairable Vehicle Title;
- process the transaction as usual by adding a remark to the motor vehicle record that indicates the evidence of ownership has been surrendered to the department; and
- if the record does not indicate the "EXPORT ONLY" remark, the remark is added.

No subsequent Texas titles (Nonrepairable Vehicle Title, Salvage Vehicle Title, or Texas Certificate of Title branded "Rebuilt Salvage.") may be issued for the motor vehicle.

5.6 Casual Sales by Salvage Vehicle Dealers

A casual sale occurs when a salvage vehicle dealer or salvage pool operator at auction sells five or less salvage or nonrepairable motor vehicles to the same person during a calendar year. The term does not include:

- a sale at auction to a salvage vehicle dealer; or
- the sale of an export only motor vehicle to a person who is not a resident of the United States.

A salvage pool operator may only conduct casual sales at auction.

Vehicles sold in a casual sale must be titled with a Salvage or Nonrepairable Vehicle Title, or comparable out of state ownership document, prior to the sale and delivery to the casual buyer.

Refer to [Chapter 3, Section 3.3 Casual Sales](#).

Casual Sale Records

Refer to [Casual Sales Records](#) in [Chapter 3, Section 3.3 Casual Sales](#).

5.7 Export Only Sales

An export only motor vehicle is a salvage or nonrepairable motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States (non-U.S. resident).

Only a salvage vehicle dealer or a governmental entity may sell a salvage or nonrepairable motor vehicle to a person who is not a resident of the United States.

A Salvage or Nonrepairable Vehicle Title must be issued for the vehicle before it may be offered for sale to a non-U.S. resident.

Refer to [Chapter 3, Section 3.4 Export Only Sales](#) for further details and salvage dealer requirements.

Export Only Sale Records

Refer to [Export Only Sales Records](#) in [Chapter 3, Section 3.4 Export Only Sales](#).

Reporting of Export Only Sales

Refer to [Reporting of Export Only Sales](#) in [Chapter 3, Section 3.4 Export Only Sales](#).

Export Only Sale Reported in Error

Refer to [Chapter 8, Section 8.3 Export Only Sale Reported in Error](#).

5.8 Purchase, Sales, and Inventory Records

Refer to Occupations Code [Sec. 2302.254](#).

A salvage vehicle dealer must maintain records as outlined under “Purchase, Sales, and Inventory Records” on an *Inventory of Component Parts Purchased/Affidavit Bill of Sale* (Form VTR-207).

Records are required to be maintained in a bound book or electronically. If records are maintained electronically, the salvage vehicle dealer must print paper copies and keep those copies in a secure file. Records must be maintained for:

- Non Casual Sales - five years
- Casual Sales - three years
- Export Only Sales - three years
- Component Parts Sales - one year

Records are required to include:

- the date of purchase for the motor vehicle or part;
- the name and address of the person selling the motor vehicle or part to the dealer;
- a description of the motor vehicle or part, including the model year, make, model, and vehicle identification or part number, if applicable;

- the motor vehicle's ownership document number and state of issuance, if applicable;
- a copy of the front and back of the ownership document for the motor vehicle or part unless the model year is more than 10 model years older than the current model year;
- the date the ownership document was provided to the department;
- any evidence indicating that the motor vehicle was dismantled, scrapped, or destroyed;
- the date of sale; and
- the name and address of the person purchasing the motor vehicle or part from the dealer.

Used automotive parts recyclers must maintain records or a sales receipt for each motor vehicle, salvage motor vehicle, nonrepairable motor vehicle, and used automotive part purchased, as outlined in Occupations Code, Section 2309.302.

Component Parts Records

A salvage vehicle dealer must maintain records as outlined under [Chapter 5, Section 5.8 Purchase, Sales, and Inventory Records](#) on an *Inventory of Component Parts Purchased/Affidavit Bill of Sale* (Form VTR-207).

Dismantled, Scrapped, or Destroyed Vehicle Records

Refer to [Dismantled, Scrapped, or Destroyed Vehicle Records](#) in [Chapter 5, Section 5.5 Dismantled, Scrapped, or Destroyed Vehicles](#).

Export Only Sale Records

Refer to [Export Only Sale Records](#) in [Chapter 5, Section 5.7 Export Only Sales](#).

5.9 Off-site Sales

A salvage vehicle dealer or agent is not permitted to sell or offer for sale salvage or nonrepairable vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department.

REBUILT SALVAGE MOTOR VEHICLES

This chapter contains the following sections:

- [6.1 Rebuilt Salvage Title](#)
- [6.2 Salvage Vehicle Safety Inspection](#)
- [6.3 Application Procedures](#)
- [6.4 Rebuilt Salvage Title Issuance](#)
- [6.5 Registration](#)

6.1 Rebuilt Salvage Title

Refer to Transportation Code [Sec. 501.100](#).

Application for a Texas title branded “Rebuilt Salvage” is required when a salvage or nonrepairable (if applicable) motor vehicle has been rebuilt and placed in an operable condition before selling or otherwise transferring ownership of the vehicle.

Note: A person, including a motor vehicle dealer, must obtain a salvage vehicle dealer license if the person repairs, rebuilds, or reconstructs more than five salvage vehicles in the same calendar year.

Any person, including a salvage vehicle dealer, who repairs a salvage vehicle or has a salvage vehicle repaired must:

- complete the “Details of Work Performed” section; and
- complete page 2 of the *Rebuilt Vehicle Statement* (Form VTR-61) if any of the applicable component parts were used in the repair.

Vehicles that CANNOT be Rebuilt, Retitled, or Registered

Vehicles for which the following documents have been issued may not be rebuilt, reconstructed, retitled, or registered:

- A Nonrepairable Vehicle Title issued on or after September 1, 2003;
- An out of state ownership document that indicates the vehicle is nonrepairable, junked, for parts, dismantling only, or otherwise indicates the vehicle may not be rebuilt or retitled in the jurisdiction that issued the document.
- A Certificate of Authority to Dispose of a Motor Vehicle to a Demolisher for Demolition, Wrecking, or Dismantling Only (COA);
- A Texas Salvage Vehicle Title or Nonrepairable Vehicle Title that has FOR EXPORT ONLY stamped on the title, indicating that the salvage or nonrepairable motor vehicle was sold by a salvage vehicle dealer or governmental entity to a non-U.S. resident for export only;
- A Texas Salvage Vehicle Title or Nonrepairable Vehicle Title and the record remark indicates “EXPORT ONLY” remark;

Note: The body and frame of an otherwise nonrepairable (junk) vehicle (that cannot be repaired, rebuilt, or reconstructed for on-road use) cannot be used to repair, rebuild, reconstruct, or assemble another vehicle.

Vehicles that CAN be Rebuilt, Retitled, and Registered

A motor vehicle titled with one of the following salvage ownership documents may be rebuilt, reconstructed, retitled, and registered:

- Texas Salvage Certificate issued prior to September 1, 2003;
- Texas Salvage Certificate of Title issued prior to September 1, 2003;
- Texas Nonrepairable Certificate of Title issued prior to September 1, 2003;
- Texas Salvage Vehicle Title issued on or after September 1, 2003; or
- Comparable out of state ownership document.

6.2 Salvage Vehicle Safety Inspection

After rebuilding, and prior to re-titling, the salvage or nonrepairable (if applicable) motor vehicle, a state safety inspection must be conducted by an authorized state safety inspection station in Texas.

The authorization code or number and date of inspection must be recorded on the *Rebuilt Vehicle Statement* (Form VTR-61) unless the vehicle is exempt from Texas vehicle safety inspection requirements or the application is for a “Title Only”. Refer to the [TxDMV Motor Vehicle Title Manual](#) for exemption.

Note: If an application for Title Only is submitted with a *Rebuilt Vehicle Statement* (Form VTR-61) that does not include the inspection information, it will be required before the vehicle can obtain registration. The vehicle record must be marked “VIN CERTIFICATION WAIVED.”

6.3 Application Procedures

Certificates of Title Branded “Rebuilt Salvage”

When a nonrepairable (if applicable) or salvage motor vehicle is rebuilt, the owner (including salvage vehicle dealers) must apply for a new original Texas Certificate of Title branded “Rebuilt Salvage” in their name prior to further transfer of ownership.

Note: A salvage dealer who repairs a salvage vehicle, or uses a rebuilder to repair a salvage vehicle, must obtain a Texas Certificate of Title branded “Rebuilt Salvage” in the name of the dealership prior to subsequent sale. Additionally, the salvage vehicle dealer is required to have a GDN license in order to sell a rebuilt salvage motor vehicle.

Place of Application

The owner must file an *Application for Texas Title and/or Registration* (Form 130-U) for a Texas title branded “Rebuilt Salvage” with the county tax assessor-collector's office in the county in which they reside, or where the vehicle was purchased or encumbered.

Application Fee

In addition to the statutory fee for a title application (\$28/\$33) and any other fees that may be required, a \$65 Rebuilt Salvage Fee will be due when an applicant applies for a Texas Certificate of Title branded “Rebuilt Salvage” unless the applicant provides a *DPS Certificate of Inspection* (Form MVT-9) if applicable as described under [Evidence of Inspection](#). (Use of *DPS Certificate of Inspection* (Form MVT-9) has been eliminated.)

Note: When applying for a Texas Certificate of Title branded “Rebuilt Salvage,” the \$65 Rebuilt Salvage Fee check box on the *Application for Texas Title and/or Registration* (Form 130-U) must be checked.

Supporting Documents

The *Application for Texas Title and/or Registration* (Form 130-U) must be accompanied by:

- [Evidence of Ownership](#)
- [Rebuilt Vehicle Statement \(Form VTR-61\)](#)
- [Evidence of Inspection](#)
- [Odometer Disclosure Statement](#)
- [Proof of Financial Responsibility](#)
- [Identification Certificate](#)
- [Release of Liens](#)

Evidence of Ownership

Evidence of ownership of a rebuilt salvage motor vehicle, properly assigned to the applicant including:

- a Texas Salvage Certificate;
- a Texas Salvage Certificate of Title issued prior to September 1, 2003;
- a Texas Salvage Vehicle Title;
- a Texas Nonrepairable Certificate of Title issued prior to September 1, 2003; or
- a comparable salvage certificate or salvage certificate of title issued by another jurisdiction.

The evidence of ownership may not include:

- a Texas Nonrepairable Vehicle Title issued on or after September 1, 2003;
- an out of state ownership document that indicates that the motor vehicle is nonrepairable, junked, for parts or dismantling only, or the motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; or
- a certificate of authority (COA) to dispose of a motor vehicle issued in accordance with Transportation Code, Chapter 683.

Rebuilt Vehicle Statement (Form VTR-61)

A *Rebuilt Vehicle Statement* (Form VTR-61) that includes:

- a description of the motor vehicle, which includes the model year, make, model, vehicle identification number (VIN), and body style; and

- an explanation of the repairs or alterations made to the motor vehicle.
 - If a person purchases a vehicle that was repaired or rebuilt prior to the purchase and it is unknown what repairs were made, the applicant (owner) may indicate “Repairs unknown” in the “Details of Work Performed” section and is not required to complete page 2 of the form.

Note: If a salvage vehicle is rebuilt by a licensed salvage vehicle dealer or a rebuilder for the salvage vehicle dealer, the salvage vehicle dealer must obtain a Texas title in the name of the dealership prior to subsequent resale. Additionally, the salvage vehicle dealer is required to have a GDN license in order to sell a rebuilt salvage motor vehicle.

Major Component Part Description

A description of each major component part used to repair the motor vehicle and showing the identification number required by federal law to be affixed to or inscribed on the part.

Note: The *Rebuilt Vehicle Statement* (Form VTR-61) requires disclosure of the component part number or vehicle identification number for the body, frame, or engine of the vehicle from which the part was taken, if the vehicle has been repaired, rebuilt, or reconstructed from component parts. If an applicant is unable to disclose the component part number or vehicle identification number of any replaced basic component parts used in the rebuilding process, the applicant must pursue title through a tax collector's hearing, bonded title, or by court order.

If no component parts were used in the repair, page 2 of the form does not need to be completed by the person repairing or rebuilding the vehicle. Only the owner would be required to complete the front of the form.

Owner Information

- Include the name and address of the owner and a statement by the owner(s) that:
 - they are the legal owner(s) of the vehicle;
 - the vehicle has been rebuilt, repaired, reconstructed, or assembled; and
 - the vehicle identification number disclosed on the form is the same as the vehicle identification number affixed to the vehicle.
- the signature of the owner or the owner's authorized agent;
- if component parts were used, a certification by the rebuilder that:
 - the vehicle was rebuilt, repaired, reconstructed, or assembled by that person; and
 - the rebuilder legally obtained all component parts used.

Evidence of Inspection

Evidence of inspection submitted by the person who repaired, rebuilt, or reconstructed a salvage or nonrepairable motor vehicle in the form of:

- the authorization code or number and date of inspection from the Vehicle Inspection Report issued by a TxDPS authorized vehicle safety inspection station after the motor vehicle is repaired, rebuilt, or reconstructed must be provided on the *Rebuilt Vehicle Statement* (Form VTR-61) if the motor vehicle will be registered at the time of application; or
- a *DPS Certificate of Inspection* (Form MVT-9) completed by a specially trained commissioned officer of the Texas Department of Public Safety prior to September 1, 2003, certifying that the rebuilt salvage or nonrepairable motor vehicle's parts and identification numbers have been inspected and that the vehicle complies with state safety standards. (Use of *DPS Certificate of Inspection* (Form MVT-9) has been eliminated, but previously completed forms are acceptable.)

Refer to [Chapter 6, Section 6.2 Salvage Vehicle Safety Inspection](#).

Note: A state safety inspection is required even though the vehicle may have had a valid inspection prior to the vehicle being damaged.

Odometer Disclosure Statement

The odometer disclosure statement properly signed by the seller of the motor vehicle and acknowledged by the purchaser on the title assignment, if applicable.

Proof of Financial Responsibility

If the vehicle will be registered, proof of financial responsibility in the title applicant's name is required, unless otherwise exempted by law.

Identification Certificate

An original Vehicle Inspection Report with the inspector's original signature is required if the motor vehicle was last titled and registered in another state or country, unless otherwise exempted from a vehicle safety inspection. If the vehicle is exempt from a vehicle safety inspection, a *Vehicle Identification Number Certification* (Form VTR-270) is required.

Note: If the vehicle is a foreign or imported vehicle that was not previously titled in the United States and has a non-conforming VIN, proof of compliance with federal safety standards is required. Proof of compliance may consist of a USDOT Safety Certification Label affixed to the vehicle, a USDOT Form HS-7, etc. (For further information on acceptable proof of safety compliance, see "Imported Vehicles" in the [TxDMV Motor Vehicle Title Manual](#).)

Release of Liens

A release of any lien is required unless no transfer of ownership and the same lienholder is being recorded as indicated on the surrendered evidence of ownership.

6.4 Rebuilt Salvage Title Issuance

When a salvage motor vehicle is rebuilt and retitled, the Texas Certificate of Title branded "Rebuilt Salvage" reflects the REBUILT SALVAGE title brands listed in [Table 6-1](#) and the brands are carried forward to subsequent certificates of title.

When a *U.S. Government Certificate to Obtain Title to a Motor Vehicle* (Form 97) showing a “salvage,” “flood damaged,” “Totaled,” or “Not for Highway Use” brand is surrendered to apply for a negotiable title, the county tax assessor-collector’s office will add the appropriate remark.

Title Brands and Motor Vehicle Record Remarks

Documents issued and associated motor vehicle records will reflect the information in [Table 6-1](#).

Note: All title brands and record remarks may also include “FLOOD DAMAGED” if the vehicle condition was caused exclusively by water damage.

Table 6-1 Title Brands and Remarks

Title Document Surrendered for a Texas Certificate of Title branded “Rebuilt Salvage”	Title Issued for a Rebuilt Salvage Vehicle Will Reflect the Following Title Brand	Associated Motor Vehicle Record Will Indicate the Following Remark
Texas Salvage Certificate issued prior to 9/1/2003	REBUILT SALVAGE - LOSS UNKNOWN	REBUILT SALVAGE - LOSS UNKNOWN
Salvage Certificate of Title issued prior to 9/1/2003	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Nonrepairable Certificate of Title issued prior to 9/1/2003	REBUILT SALVAGE - 95% PLUS LOSS	REBUILT SALVAGE - 95% PLUS LOSS
Salvage Vehicle Title (required) issued 9/1/2003 or later	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Salvage Vehicle Title (voluntary) issued 9/1/2003 or later	REBUILT SALVAGE - DAMAGED	REBUILT SALVAGE - DAMAGED
Out of state Salvage Document (that allows rebuilding)	REBUILT SALVAGE - ISSUED BY (STATE)	REBUILT SALVAGE - ISSUED BY (STATE)
Nonrepairable Vehicle Title (required) issued 9/1/2003 or later	Vehicle may not be rebuilt, retitled, or registered.	
Nonrepairable Vehicle Title (voluntary) issued 9/1/2003 or later	Vehicle may not be rebuilt, retitled, or registered.	
Certificate of Authority to Demolish (COA) regardless of the date of issuance	Vehicle may not be rebuilt, retitled, or registered.	
Out of state Salvage Document (that does not allow rebuilding)	Vehicle may not be rebuilt, retitled, or registered.	

6.5 Registration

A salvage motor vehicle may not be issued any form of registration (initial, renewal, or temporary) until it has been rebuilt, inspected, and an application for a Texas title branded “Rebuilt Salvage” is filed.

All prior registration issued to a motor vehicle is invalidated if the motor vehicle record indicates the vehicle was “Owner Retained” or indicates issuance of any type of salvage or nonrepairable title.

This requirement applies to any transaction in which the surrendered evidence of ownership is a:

- Texas Certificate of Title for which the record indicates an Owner Retained remark (with or without the REG INVALID remark) and the applicant is an innocent purchaser of the owner retained motor vehicle;
- Salvage Certificate;
- Salvage Certificate of Title (issued prior to 9/1/2003);
- Salvage Vehicle Title;
- Nonrepairable Certificate of Title issued prior to September 1, 2003; or
- Comparable salvage ownership document issued by another jurisdiction.

OWNERS AND OTHER ENTITIES

This chapter contains the following sections:

- [7.1 Requirements of Owners Who Retain Salvage or Nonrepairable Motor Vehicles](#)
- [7.2 Owners Applying for Title for a Rebuilt Salvage Vehicle](#)
- [7.3 Owners Wishing to Dispose of Motor Vehicles](#)
- [7.4 Requirements of Governmental Entities](#)
- [7.5 Metal Recycler](#)
- [7.6 Salvage Pool Operators \(with Insurance Claim Vehicles\)](#)
- [7.7 Rights and Limitations](#)

7.1 Requirements of Owners Who Retain Salvage or Nonrepairable Motor Vehicles

Until a Salvage or Nonrepairable Vehicle Title, or a comparable out of state ownership document, has been issued for an owner retained vehicle, the owner of the motor vehicle may not sell or otherwise transfer ownership of the vehicle; or operate or permit operation of the motor vehicle on a public highway, until the salvage vehicle is retitled as a rebuilt salvage motor vehicle and properly registered. If the vehicle is nonrepairable (on or after September 1, 2003) it may never be rebuilt, registered, or operated. Also refer to [Restrictions on Owner Retained Vehicles in Chapter 4, Section 4.4 Owner Retained Vehicles](#).

An owner who retains a salvage or nonrepairable motor vehicle as part of their claim settlement:

- must apply for and obtain the appropriate salvage ownership document as indicated on the *Owner Retained Report* (Form VTR-436) prior to selling or otherwise transferring ownership of the motor vehicle; and
- may not operate or permit the operation of the motor vehicle on the public roads until it has been repaired/rebuilt, retitled, and properly registered as a rebuilt salvage motor vehicle, if applicable.

Once an owner retained motor vehicle has been issued a Salvage Vehicle Title and been rebuilt, the owner must apply for a Texas Certificate of Title branded “Rebuilt Salvage” through the appropriate county tax assessor-collector’s office and will be required to follow the procedures as outlined in [6.3 Application Procedures](#).

7.2 Owners Applying for Title for a Rebuilt Salvage Vehicle

Owners who are applying for a Texas Certificate of Title for a rebuilt salvage motor vehicle must follow the procedures outlined in [6.3 Application Procedures](#).

7.3 Owners Wishing to Dispose of Motor Vehicles

A person may apply to the department for authority to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if the person is the recorded owner or has been transferred ownership of the motor vehicle.

Note: A person is not required to apply for authority if the person is in possession of a certificate of title in their name. Instead, the person may assign the motor vehicle to the demolisher on the certificate of title.

The applicant must submit the certificate of title in their name if applying for authority on a motor vehicle last titled outside of Texas when the applicant is the owner on record. Alternatively, if the vehicle was last titled in Texas, the applicant must surrender the Texas Certificate of Title, if available; however, the Texas Certificate of Title is not required, if the department is able to verify the applicant is the owner in the department's system.

If the applicant is not the owner on record, the applicant must submit a certificate of title or other valid ownership evidence showing the motor vehicle has been transferred to the applicant. Other valid ownership evidence includes, but may not be limited to, a manufacturer's certificate of origin, registration receipt (if the motor vehicle is non-titled), or law enforcement auction sales receipt.

An applicant must apply on the *Application for Authority to Dispose of a Motor Vehicle to a Demolisher* (Form VTR-71-2) with a revision date of 09/17 or newer.

The applicant is issued a Certificate of Authority (on a Texas Nonrepairable Vehicle Title) to dispose of the motor vehicle to a demolisher for demolition, wrecking, or dismantling. These motor vehicles cannot be rebuilt, reconstructed, made operable, or retitled. Additionally, the body and frame of these motor vehicles cannot be used to repair, rebuild, reconstruct, or assemble another motor vehicle. These motor vehicles must be destroyed.

7.4 Requirements of Governmental Entities

A governmental entity includes a state, county, city, or political subdivision of this state.

Acquisition of Salvage or Nonrepairable Motor Vehicle

A governmental entity that acquires ownership of a salvage or nonrepairable motor vehicle that has not been issued a Salvage or Nonrepairable Vehicle Title, or a comparable out of state ownership document, must obtain a Salvage or Nonrepairable Vehicle Title before selling or otherwise transferring the motor vehicle unless the motor vehicle will be dismantled, scrapped, or destroyed.

Governmental entities are exempt from salvage vehicle dealer licensing requirements. Refer to [Necessary Ownership Document NOT Issued](#).

Self-insured Vehicles

Before the 31st day after a vehicle is damaged, a governmental entity must apply for a Salvage or Nonrepairable Vehicle Title if the motor vehicle:

- is owned by a governmental entity;

- is self-insured;
- has been damaged to the extent that the motor vehicle is classified as a salvage or nonrepairable motor vehicle; and
- has been removed from normal operation.

Salvage and Nonrepairable Motor Vehicles Sold for Export Only

A governmental entity that acquires a salvage or nonrepairable motor vehicle and offers it for sale to a non-U.S. resident must:

1. Apply to the department for a Salvage or Nonrepairable Vehicle Title, before selling or otherwise transferring the salvage or nonrepairable motor vehicle; and;
2. Obtain the [Purchaser's Identification](#);
3. Obtain the [Purchaser's Certification](#);
4. Stamp the words "FOR EXPORT ONLY" and print the governmental agency or office name on the face of the title and any unused reassignments on the back of the title so as not to obscure any name, date, or mileage statement;
5. Provide the purchaser with a properly assigned Salvage or Nonrepairable Vehicle Title;
6. Submit a legible copy of a *For Export-Only Sales Record* (Form VTR-902) to the department within 30 days after the date of sale of the motor vehicles listed on the form; and
7. Maintain records of all export only salvage or nonrepairable motor vehicle sales as outlined in [Export Only Sales Records](#).

7.5 Metal Recycler

A metal recycler:

- is engaged in the business of obtaining, converting, or selling ferrous or nonferrous metal for conversion into raw material products consisting of prepared grades and having an existing or potential economic value;
- has a facility to convert ferrous or nonferrous metal into raw material products by a method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and
- sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

Metal Recycler Inventory Number Required

A metal recycler, as described above, who does not obtain motor vehicles for reuse or resale, is required to apply for a metal recycler number from the Texas Department of Public Safety. The Department of Public Safety will issue a Certificate of Registration as a Metal Recycling Entity which contains a unique certificate number.

Effective February 1, 2015, a metal recycler must record the number issued by the TxDPSS on any department forms requiring a metal recycler number. Any previously issued numbers by the department should no longer be used.

Salvage Vehicle Dealer License Requirement

A metal recycler is exempt from the requirement to obtain a salvage vehicle dealer license, unless a motor vehicle is sold, transferred, released, or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts and used for that purpose.

Dismantled, Scrapped, or Destroyed Vehicles

A metal recycler acquiring any motor vehicle, regardless of the type of evidence of ownership obtained, must immediately remove all unexpired license plates and registration validation sticker. The metal recycler must retain an inventory of removed and unexpired plates which at a minimum must include:

- each license plate number removed;
- the make of each vehicle from which a license plate was removed;
- each vehicle's motor number; and
- each vehicle's vehicle identification number (VIN).

Each metal recycler must maintain photocopies of the front and back of all evidence of ownership documents submitted to the department (i.e., out of state or foreign evidence of ownership, Auction Sales Receipt, etc.), unless the evidence of ownership is a Texas title.

Surrender of Ownership Documents by Metal Recycler

Refer to Transportation Code [Sec. 501.107](#) and Occupations Code [Sec. 2302.205](#).

Not later than the 60th day after a metal recycler permanently destroys a motor vehicle, the metal recycler must submit a *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) listing each motor vehicle permanently destroyed and the properly assigned ownership evidence for each motor vehicle listed.

If the evidence of ownership has been surrendered to the department and the vehicle is sold to a metal recycler, a *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) may be provided to the metal recycler in lieu of a title or other evidence of ownership. Once the metal recycler permanently destroys the vehicle listed on the *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203), the metal recycler must complete the "Metal Recycler Certification" on the *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203), list the motor vehicle on the *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) and submit both the *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) and the *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) to the department.

The license plates and registration stickers may be destroyed upon submitting the *Surrendered Ownership Evidence for Vehicles Permanently Destroyed* (Form VTR-340-M) to the department.

Note: A vehicle that was previously reported to the department on *Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed* (Form VTR-340) by a salvage vehicle dealer or used automotive parts recycler that was subsequently mechanically crushed by that dealer or recycler is not required to be transferred on an ownership document or *Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle* (Form VTR-203) when it is transferred to a metal recycler for shredding.

Miscellaneous

Refer to [Dismantled, Scrapped, or Destroyed Vehicle Records](#), [Department Procedures](#), or [“For Export Only” Titles Surrendered](#) as needed.

7.6 Salvage Pool Operators (with Insurance Claim Vehicles)

Refer to Transportation Code [Sec. 501.0935](#).

A salvage pool operator that acquires possession of an insurance claim nonrepairable or salvage motor vehicle at the request of an insurance company, may then apply for a salvage or nonrepairable vehicle title, to be issued in their name for resale.

The operator may apply, without obtaining evidence of vehicle ownership, under the following conditions:

- the insurance company notifies the salvage pool operator that the claim has been denied, and/or the insurance company will not otherwise take ownership of the vehicle;
- the motor vehicle is covered by a vehicle title issued by this state or a Manufacturer's Certificate of Origin;
- at least 30 days have passed since the date of the **certified or registered mail notice** from the salvage pool operator to the owner, and lienholder if any, to retrieve the vehicle; and
- neither the owner, nor any lienholder, removed the vehicle from the salvage pool operator's facility within 31 days of the date of notification.

Application Requirements

Operators must submit an *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) to the department, accompanied by:

- proof of insurance notice to salvage pool operator to take possession of motor vehicle, and a subsequent notice of claim denial or other decision by insurance company not to take ownership of the vehicle;
- a *Salvage Pool Operator Statement of Fact* (Form VTR-331-SPO);
- evidence of at least one (1) certified or registered mail notice having been sent to the last known owner, and lienholder if applicable;
- any other supporting documentation; and
- the appropriate application fee.

Subsequent Sale

A salvage pool operator issued a nonrepairable or salvage vehicle title under this section, must then sell the vehicle. They may only retain actual costs incurred from the proceeds of the sale. The costs retained may not include:

- storage;
- impoundment;
- towing;
- any fee reimbursable by a third party.

The operator then must pay any excess proceeds from the sale to the previous vehicle owner, or lienholder, if any. The operator must mail any excess proceeds to the lienholder, if one exists. If the operator cannot find the owner or lienholder, then they must surrender any excess proceeds to the Texas State Comptroller, to be disposed of in accordance with Chapter 74, Property Code.

7.7 Rights and Limitations

Refer to Transportation Code [Sec. 501.09111](#).

Salvage Vehicles

The owner of a motor vehicle for which a Salvage or Nonrepairable Certificate of Title was issued prior to September 1, 2003, or a Salvage Vehicle Title issued on or after September 1, 2003, may:

- carry over their current lienholder from the previous title;
- possess, transport, dismantle, scrap, or destroy the motor vehicle;
- record a lien on and sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle;
- repair, rebuild, or reconstruct the motor vehicle; and
- register the motor vehicle, but only after the vehicle has been rebuilt and placed in an operable condition, and upon application for a Texas title branded “Rebuilt Salvage.”

Nonrepairable Vehicles

The owner of a motor vehicle for which a Nonrepairable Vehicle Title was issued on or after September 1, 2003, may:

- possess, transport, dismantle, scrap, or destroy the motor vehicle; or
- sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle; or
- carry over the current lienholder from the previous title record.

May **not**:

- repair, rebuild, or reconstruct the motor vehicle;
- operate or permit operation of the motor vehicle on a public highway;
- register or change the type of title for the motor vehicle.

REPLACEMENTS, ERRORS, AND INNOCENT PURCHASERS

This chapter contains the following sections:

- [8.1 Document Replacement \(Certified Copy of Title\)](#)
- [8.2 Stamped “For Export Only” in Error](#)
- [8.3 Export Only Sale Reported in Error](#)
- [8.4 Export Only Vehicle Sold to an Innocent Purchaser](#)
- [8.5 Salvage Document or COA Issued in Error](#)
- [8.6 Owner Retained Report in Error](#)
- [8.7 Innocent Purchaser of an Owner Retained Motor Vehicle](#)

8.1 Document Replacement (Certified Copy of Title)

If a Salvage or Nonrepairable Vehicle Title is lost, mutilated, or destroyed, the owner or lienholder (if applicable), or a verified agent of either, may apply to the department, at the following address, for a certified copy (replacement) of the document:

Texas Department of Motor Vehicles
 Vehicle Titles and Registration Division
 P.O. Box 12098
 Austin, Texas 78711-2098

The *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S) must be completed by the owner, lienholder (if applicable), or verified agent and submitted to the department with a \$2 fee.

The issued certified copy may not be the same type document that is being replaced.

[Table 8-1](#) shows what type document will be issued upon application for a certified copy on or after September 1, 2003:

Table 8-1 Document Replacement

Original Document Being Replaced:	Replacement Document That Will Be Issued:
Texas Salvage Certificate issued prior to 9/1/2003	Original Salvage Vehicle Title
Texas Salvage Certificate of Title issued prior to 9/1/2003	Certified Copy Salvage Vehicle Title
Texas Nonrepairable Certificate of Title issued prior to 9/1/2003	Original Salvage Vehicle Title
Texas Salvage Vehicle Title issued 9/1/2003 or later	Certified Copy Salvage Vehicle Title
Texas Nonrepairable Vehicle Title issued 9/1/2003 or later	Certified Copy Nonrepairable Vehicle Title
Certificate of Authority to Demolish (COA)	Original COA
Export-only Nonrepairable or Salvage Vehicle Title	Certified Copy will NOT be issued (unless stamped in error)

Exceptions

A certified copy of title will not be issued to a vehicle for which the motor vehicle record contains:

- “EXPORT ONLY” remark indicating that the salvage or nonrepairable motor vehicle was sold to a non-U.S. resident; or
- “LEGAL RESTRAINT-CONTACT TXDMV (#OR),” “LEGAL RESTRAINT-CONTACT TXDMV (#ORSAL),” or “LEGAL RESTRAINT-CONTACT TXDMV (#ORNR)” remark indicating that an insurance company has determined that the motor vehicle is a salvage or nonrepairable motor vehicle, has paid a claim, and the owner has retained the motor vehicle. (Refer to [Certified Copy of Certificate of Title for Owner Retained Motor Vehicles](#) below.)

Replacing Titles Stamped “For Export Only”

If a Salvage or Nonrepairable Vehicle Title that was stamped “For Export Only” is lost, and the motor vehicle record indicates the “EXPORT ONLY” remark, a certified copy of a Salvage or Nonrepairable Vehicle Title will not be issued.

A valid court order is required to remove the “EXPORT ONLY” remark. Upon receipt of an appropriate court order, the export only remark will be removed to allow further issuance of Texas rebuilt salvage title documents.

All subsequent certificates of title will indicate the appropriate “REBUILT SALVAGE” remark.

Certified Copy of Certificate of Title for Owner Retained Motor Vehicles

A Certified Copy of a Texas Certificate of Title may not be issued for a motor vehicle if the vehicle record reflects an owner retained remark.

The recorded owner(s), who retained the nonrepairable or salvage motor vehicle, but who has lost the certificate of title, may apply directly to the department for the appropriate salvage ownership document, in lieu of first obtaining a certified copy of the title, by submitting:

- an *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441) signed by the recorded owner(s) selecting the option for a “Certified Copy of original vehicle title”; and
- the applicable \$10 fee which includes the \$2 fee for issuance of a certified copy of title by mail and the \$8 fee for the Nonrepairable or Salvage Vehicle Title.
- If a lien is recorded on the motor vehicle record, a release of lien from the lienholder on a *Prescribed Form For Release of Lien* (Form VTR-266) or on company letterhead is required. If the lien has not been satisfied, the lien may be carried forward to the new salvage ownership document.

Note: A lienholder is also required to submit a *Repossessed Motor Vehicle Affidavit* (Form VTR-264) if the vehicle has also been repossessed.

8.2 Stamped "For Export Only" in Error

If a Salvage or Nonrepairable Vehicle Title is stamped "FOR EXPORT ONLY" in error, the salvage vehicle dealer or governmental entity to which the Nonrepairable or Salvage Vehicle Title was originally issued will be required to apply for the appropriate salvage ownership document as follows:

If the salvage ownership document was issued in the salvage vehicle dealer or governmental entity's name, a certified copy of the Salvage or Nonrepairable Vehicle Title may be requested by submitting:

- a properly completed *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S);
- the incorrectly stamped Salvage or Nonrepairable Vehicle Title that shows the salvage vehicle dealer or governmental entity as the owner on the face of the title;

Note: If the incorrectly stamped ownership document is not available, a valid court order will be required in order to issue a certified copy of the Salvage or Nonrepairable Vehicle Title.

- a copy of the government-issued photo ID of the person signing the *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S);
 - if a verifiable agent of the owner or lienholder signs the *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S), a letter of signature authority on original letterhead, a business card, or copy of the agent's employee ID;
- a statement of fact from the salvage vehicle dealer or governmental entity regarding the error;
- a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the TxDMV (if applicable); and
- the \$2 application fee.

Salvage Dealer as Seller in Last Completed Reassignment

If the salvage vehicle dealer was the seller in the last completed salvage ownership document reassignment, the salvage vehicle dealer would need to apply for an original salvage ownership document by submitting:

- a properly completed *Application for Salvage or Nonrepairable Vehicle Title* (Form VTR-441);
- the incorrectly stamped Salvage or Nonrepairable Vehicle Title;

Note: If the incorrectly stamped ownership document is not available, a valid court order is required in order to issue a Salvage or Nonrepairable Vehicle Title.

- a statement of fact regarding the error;
- a copy of the current Certificate of Salvage Vehicle Dealer or Salvage Vehicle Agent License issued by the TxDMV (if applicable);

- any other documentation required to accompany the transaction, such as a power of attorney (photocopy is acceptable); and
- the \$8 application fee.

8.3 Export Only Sale Reported in Error

If a salvage vehicle dealer or governmental entity reports an Export Only sale to the department in error, the seller must submit a written statement to the department advising of the error and requesting removal of the “EXPORT ONLY” remark.

If the salvage ownership document was issued in the salvage vehicle dealer or governmental entity's name, the salvage vehicle dealer or governmental entity must submit:

- A statement of fact describing the vehicle, explaining the error, and requesting the “EXPORT ONLY” remark be removed from the record;
- A copy of the current Certificate of Salvage Vehicle Dealer License issued by the TxDMV Motor Vehicle Division (if applicable); and
- If the Salvage or Nonrepairable Vehicle Title was also stamped in error, the items listed in [Chapter 8, Section 8.2 Stamped “For Export Only” in Error](#).
- A court order will also be required if a motor vehicle record indicates a “EXPORT ONLY” remark AND the title is not available.

8.4 Export Only Vehicle Sold to an Innocent Purchaser

An innocent purchaser (United States resident) of a salvage or nonrepairable motor vehicle that has been sold for export only is required to obtain a valid court order directing the department to issue a Texas Certificate of Title to the purchaser.

Examples of when a court order is required include when an application for a Texas title is supported by:

- a Nonrepairable or Salvage Vehicle Title, stamped “For Export Only”;
- a foreign ownership document issued for the motor vehicle and the motor vehicle record indicates a “EXPORT ONLY” remark; or
- the Texas motor vehicle record indicates a “EXPORT ONLY” remark.

Note: A court order will also be required if a motor vehicle record indicates a “EXPORT ONLY” remark, and the title transaction is supported by ownership documents indicating the vehicle was purchased at a statutory storage or mechanic lien foreclosure sale, *Auction Sales Receipt (Form VTR-71-A)*, or a *U.S. Government Certificate to Obtain Title to a Motor Vehicle (Form 97)*.

A tax collector's hearing or bonded titles are not available options in this instance.

Upon receipt of an appropriate court order, the “EXPORT ONLY” remark will be removed to allow processing of the Texas Certificate of Title branded “Rebuilt Salvage.” All subsequent certificates of title will indicate the appropriate “REBUILT SALVAGE” remark.

The county tax assessor-collector's office should forward photocopies of the front and back of the associated transfer documents to local law enforcement for investigation and enforcement action.

8.5 Salvage Document or COA Issued in Error

If a Texas Salvage Vehicle Title, Nonrepairable Vehicle Title, or a COA (issued prior to October 1, 2007), is issued in error the following procedure may be used to reinstate the prior Texas Title record.

Note: This procedure also applies to vehicles for which the title was surrendered to the department by a licensed salvage vehicle dealer, but only if the vehicle is not a salvage or nonrepairable vehicle, and the vehicle is not to be dismantled, scrapped, or destroyed.

A written request must be submitted by the person/entity to which the document was issued. The following items must be submitted in support of the request:

1. Written Request
2. Law Enforcement Identification Number Inspection (Form VTR-68-A)
3. Original Document

1. Written Request

A written request that includes:

- a complete vehicle description, including year, make and vehicle identification number (VIN),
- a statement requesting that the document issued in error be rescinded, and
- an explanation of the reason for the request (e.g., document was applied for in error).

2. Law Enforcement Identification Number Inspection (Form VTR-68-A)

A *Law Enforcement Identification Number Inspection* (Form VTR-68-A) with inspection report completed:

- the top portion should be completed by the individual or authorized agent who submitted the original application, and
- the bottom portion completed by a law enforcement agency indicated on the form, verifying the VIN of the vehicle.

3. Original Document

The original document that was issued in error must be submitted with the request.

If the document cannot be provided for cancellation (e.g., lost or never received), a statement of fact from the person to whom the document was issued stating the reason it cannot be submitted will be accepted.

Department Action

The above items should be mailed to:

Texas Department of Motor Vehicles
 Vehicle Titles and Registration Division
 ATTN: Title Control Systems
 4000 Jackson Avenue
 Austin, Texas 78731

Upon approval of the request, the salvage ownership or COA record will be deleted.

The last Texas Certificate of Title record, if any, will be reinstated. Once the record has been reinstated, the owner or person in possession of the vehicle must do one of the following to obtain the appropriate ownership document:

- Obtain a Certified Copy of the reinstated Texas Certificate of Title;
- Obtain a bonded title;
- Schedule a Tax Assessor-Collector's hearing; or
- Obtain a court order requiring issuance of a Texas Certificate of Title.

8.6 Owner Retained Report in Error

A *Correction of Owner Retained Report* (Form VTR-436-E) may be submitted by an insurance company when one of the following errors was made on an *Owner Retained Report* (Form VTR-436):

- the cost to repair the damage to the vehicle was not sufficient to classify the vehicle as a salvage motor vehicle (i.e., the estimated cost of repairs did not exceed the pre-damaged actual cash value of the vehicle); or
- the original *Owner Retained Report* (Form VTR-436) filed by an insurance company incorrectly indicated the vehicle was a salvage motor vehicle, but it is in fact a nonrepairable motor vehicle, or vice versa.

8.7 Innocent Purchaser of an Owner Retained Motor Vehicle

Although an owner who retains a salvage or nonrepairable motor vehicle is required to obtain the appropriate Salvage or Nonrepairable Vehicle Title before transferring ownership of the motor vehicle, there are instances when this does not occur. Examples include situations where the owner is unaware of the requirement to obtain a salvage ownership document prior to sale, or the owner is aware of the requirements and is attempting to circumvent the requirement.

Regardless of the situation and to accommodate an “innocent purchaser” of such a vehicle, the following process has been established:

The innocent purchaser of an owner retained salvage motor vehicle may apply for a Texas Title branded “Rebuilt Salvage” without first obtaining the appropriate salvage ownership document but is required to follow the Rebuilt Salvage process outlined in [6.3 Application Procedures](#).

Tax Assessor-Collector

The county tax assessor-collector’s office will contact their respective TxDMV Regional Service Center in order to:

- determine whether the motor vehicle is a salvage or nonrepairable motor vehicle;

- if a nonrepairable motor vehicle, determine whether the vehicle may be retitled and registered (if reported as a nonrepairable vehicle prior to September 1, 2003); and
- obtain a Registration and Title System Authorization Code to allow processing of the transaction (only if the vehicle may be retitled and registered).

When processing the transaction, the county tax assessor-collector's office must ensure that the appropriate Rebuilt Salvage remark is noted on the record (i.e., Rebuilt Salvage - Damaged, Rebuilt Salvage – Loss Unknown, etc.).

Note: Effective September 1, 2013, HB 2741 prohibits a county or district court judge from ordering the Department to change the type of title for a Nonrepairable Title issued after September 1, 2003, or for a vehicle which was issued a Certificate of Authority.

FORMS, REFERENCES, AND Q&As

This chapter contains the following sections:

- *9.1 Salvage Motor Vehicle and Dealer/Agent Forms*
- *9.2 Additional Forms*
- *9.3 Nonrepairable and Salvage Vehicles Transportation Code*
- *9.4 Salvage Vehicle Dealers Texas Occupations Code*
- *9.5 Questions and Answers*

Note: If you have any questions or need assistance regarding salvage vehicle dealer/agent licensing, please contact the Motor Vehicle Division (MVD), Salvage Licensing Section at 1-888-368-4689.

9.1 Salvage Motor Vehicle and Dealer/Agent Forms

Form references in this section can be found on the TxDMV web site at:

<http://www.txdmv.gov/forms-tac>

Forms are generally available in pdf format. [Table 9-1](#) lists applicable Nonrepairable and Salvage Motor Vehicle related forms and descriptions.

Table 9-1 Salvage and Nonrepairable Related

Form Name	Description
Form 130-U	Application for Texas Title and/or Registration
VTR-130-UIF	Detailed Instructions for Application for Texas Title and/or Registration
VTR-34-S	Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title
VTR-61	Rebuilt Vehicle Statement
VTR-63	Component Part(s) Bill of Sale
VTR-71-2	Application for Authority to Dispose of a Motor Vehicle to a Demolisher
VTR-203	Salvage Vehicle Dealer Bill of Sale for a Junk Motor Vehicle
VTR-207	Inventory of Component Parts Purchased/Affidavit Bill of Sale
VTR-340	Surrendered Ownership Evidence for Vehicles to be Dismantled, Scrapped, or Destroyed
VTR-340-M	Surrendered Ownership Evidence for Vehicles Permanently Destroyed
VTR-436	Owner Retained Report
VTR-436-E	Correction of Owner Retained Report
VTR-441	Application for Salvage or Nonrepairable Vehicle Title
VTR-901	Purchaser's Certification of Export-Only Sale

Form Name	Description
VTR-902	For Export-Only Sales Record
VTR-903	Casual Sales Record

9.2 Additional Forms

Additional forms may be obtained from the TxDMV website at <http://txdmv.gov/txdmv-forms>.

Note: If you plan to completely automate these prescribed forms (including preprinted text), they must be approved by the department prior to initial use.

9.3 Nonrepairable and Salvage Vehicles Transportation Code

Code references in this section are hot linked to the Texas Constitution and Statutes Home web site at:

<http://www.statutes.legis.state.tx.us/>

Click on the section number in blue to view the code language directly.

Table 9-2 lists applicable Nonrepairable and Salvage Motor Vehicle code and descriptions.

Table 9-2 Subchapter E. Nonrepairable and Salvage Motor Vehicles

Section	Description
Sec. 501.091	Definitions
Sec. 501.09111	Rights and Limitations of Nonrepairable Vehicle Title, Nonrepairable Record of title, Salvage Vehicle Title, or Salvage Record of Title
Sec. 501.09112	Appearance of Nonrepairable Vehicle Title or Salvage Vehicle Title
Sec. 501.09113	Out-of-State Salvage or Rebuilt Salvage Vehicle
Sec. 501.0925	Insurance Company Not Required to Surrender Certificates of Title in Certain Situations
Sec. 501.0935	Issuance of Title to Salvage Pool Operator
Sec. 501.095	Sale, Transfer, or Release
Sec. 501.097	Application for Nonrepairable Vehicle Title or Salvage Vehicle Title
Sec. 501.099	Sale of Export-Only Motor Vehicles
Sec. 501.100	Application for Regular Certificate of Title for Salvage Vehicle
Sec. 501.1001	Salvage Motor Vehicles or Nonrepairable Motor Vehicles for Insurance Companies or Self-Insured Persons

Section	Description
Sec. 501.1002	Owner-Retained Vehicles
Sec. 501.1003	Salvage Dealer Responsibilities
Sec. 501.104	Rebuilder to Possess Title or Other Documentation
Sec. 501.107	Applicability of Subchapter to Recycler
Sec. 501.108	Record Retention
Sec. 501.109	Offenses
Sec. 501.110	Enforcement of Subchapter

9.4 Salvage Vehicle Dealers Texas Occupations Code

This section lists applicable Texas Occupations Code and descriptions.

Subchapter A. General Provisions

Table 9-3 lists applicable General Provision code and descriptions.

Table 9-3 General Provisions

Section Number	Description
Sec. 2302.001	Definitions
Sec. 2302.0015	Consent to Entry and Inspection
Sec. 2302.005	Applicability of Certain Municipal Ordinances, Licenses, and Permits
Sec. 2302.006	Application of Chapter to Metal Recyclers
Sec. 2302.007	Application of Chapter to Insurance Companies
Sec. 2302.008	Applicability of Chapter to Used Automotive Parts Recyclers

Subchapter B. Board Powers and Duties

Table 9-4 lists applicable Board related code and descriptions.

Table 9-4 Board Powers and Duties

Section Number	Description
Sec. 2302.051	Rules and Enforcement Powers
Sec. 2302.052	Duty to Set Fees
Sec. 2302.053	Rules Restricting Advertising or Competitive Bidding

Subchapter C. License Requirements

Table 9-5 lists applicable License Requirements code and descriptions.

Table 9-5 License Requirements

Section Number	Description
Sec. 2302.101	License Required for Salvage Vehicle Dealer
Sec. 2302.102	Salvage Vehicle Dealer License Classification
Sec. 2302.103	Application for Salvage Vehicle Dealer License
Sec. 2302.104	Contents of Application
Sec. 2302.105	Department Investigation
Sec. 2302.106	License Issuance
Sec. 2302.107	Salvage Vehicle Agent License
Sec. 2302.108	Disciplinary Action

Subchapter D. License Expiration and Renewal

Table 9-6 lists applicable License renewal code and descriptions.

Table 9-6 License Expiration and Renewal

Section Number	Description
Sec. 2302.151	License Expiration
Sec. 2302.152	Notice of Expiration
Sec. 2302.153	Procedures for Renewal

Subchapter E. Conducting Business

Table 9-7 lists applicable License renewal code and descriptions.

Table 9-7 Conducting Business

Section Number	Description
Sec. 2302.201	Duties on Acquisition of Salvage Motor Vehicle
Sec. 2302.202	Records of Purchases
Sec. 2302.203	Registration of New Business Location
Sec. 2302.204	Casual Sales
Sec. 2302.205	Duty of Metal Recycler

Subchapter F. Additional Duties of Salvage Vehicle Dealer

Table 9-8 lists applicable additional duties code and descriptions.

Table 9-8 Additional Duties of Salvage Vehicle Dealer in Connection with Motor Vehicle Component Parts

Section Number	Description
Sec. 2302.251	Definitions
Sec. 2302.252	Removal of License Plates; Inventory
Sec. 2302.254	Record of Purchase; Inventory of Parts
Sec. 2302.255	Assignment of Inventory Number
Sec. 2302.256	Maintenance of Records
Sec. 2302.257	Surrender of Certain Documents or License Plates
Sec. 2302.258	Inspection of Records

Subchapter G. Motor Vehicle Salvage Yards in Certain Counties

Table 9-9 lists applicable additional limitations code and descriptions.

Table 9-9 Motor Vehicle Salvage Yards in Certain Counties

Section Number	Description
Sec. 2302.301	Application of Subchapter
Sec. 2302.302	Limits on Operation of Heavy Machinery

Subchapter H. Penalties and Enforcement

Table 9-10 lists applicable additional duties code and descriptions.

Table 9-10 Penalties and Enforcement

Section Number	Description
Sec. 2302.351	Injunctions
Sec. 2302.353	Offenses
Sec. 2302.354	Administrative Penalty

9.5 Questions and Answers

Salvage Vehicle Dealer/Agent Licensing

If you have any questions or need assistance regarding salvage vehicle dealer/agent licensing, please contact the Motor Vehicle Division (MVD) Salvage Licensing at 1-888-368-4689.

Who is required to apply for a salvage dealer license?

A salvage vehicle dealer license is required if a person:

- acquires, sells, dismantles, repairs, rebuilds, reconstructs, or otherwise deals in salvage or nonrepairable motor vehicles;
- holds a salvage inventory number issued by the department and deals in the salvage vehicle industry (excluding metal recyclers);
- purchases more than five nonrepairable or salvage motor vehicles at casual sale in a calendar year; or
- repairs, rebuilds, or reconstructs three or more salvage motor vehicles in the same calendar year.

Salvage and Nonrepairable Motor Vehicles

Prior to sale, who is required to obtain a Salvage or Nonrepairable Vehicle Title?

All entities must obtain a Salvage or Nonrepairable Vehicle Title before sale except salvage vehicle dealers, metal recyclers, and governmental entities that are selling to a salvage vehicle dealer, metal recycler, or governmental entity. (Refer to Transportation Code, [Sec. 501.095](#).) A Salvage or Nonrepairable Title can be transferred to an insurance company only when the insurance company has paid a claim.

Note: We recommend that all entities obtain a Salvage or Nonrepairable Title before selling salvage or nonrepairable motor vehicles.

What sale restrictions apply to insurance companies, salvage companies, and salvage vehicle dealers?

The following restrictions apply to insurance companies, salvage companies, and salvage vehicle dealers:

- For salvage and nonrepairable vehicles without appropriate titles, a salvage vehicle dealer may make a sale only to a salvage dealer, metal recycler, or governmental entity. A Salvage or Nonrepairable Title may only be assigned to an insurance company if a claim was paid.
- For salvage and nonrepairable vehicles with appropriate titles, there is no restriction on sales by a salvage vehicle dealer, other than they may sell no more than five (5) salvage or nonrepairable vehicles to the same casual buyer in a calendar year.
- An insurance company, including a salvage pool operator that is acting as an agent for an insurance company, may not sell a salvage or nonrepairable vehicle without the appropriate title document, and then only sell to:
 - a salvage vehicle dealer;

- a casual buyer at auction; or
- a metal recycler.
- A salvage vehicle dealer, including a salvage pool operator, may sell a salvage or nonrepairable vehicle:
 - with the appropriate title document, to anyone except they may sell no more than five to the same casual purchaser in a calendar year; or
 - without the appropriate title document, only to a salvage dealer, metal recycler, or governmental entity.

Can an individual or business sell more than five salvage titled vehicles?

No. A salvage vehicle dealer license is required if a person purchases, repairs, rebuilds, or reconstructs more than five salvage, or nonrepairable (if applicable) motor vehicles in a calendar year.

Can a total loss drivable vehicle be registered, retitled, or issued a temporary permit (one-trip, 30-day, etc.)?

Yes, unless the vehicle is damaged to the extent that it is a salvage or nonrepairable motor vehicle. The vehicle must meet the definition of “salvage motor vehicle” (damages exceed 100% of the vehicle's pre-damaged actual cash value) or nonrepairable motor vehicle (only residual value is a source of parts or scrap metal) for the owner to be denied registration.

If the owner has retained a salvage or nonrepairable motor vehicle, the owner must apply for and be issued the appropriate Salvage or Nonrepairable Vehicle Title. If a salvage motor vehicle, or nonrepairable vehicle (issued a Nonrepairable Certificate of Title prior to September 1, 2003), the vehicle must then be repaired or rebuilt and retitled as a “rebuilt salvage” vehicle in order to be registered. A nonrepairable motor vehicle issued a Nonrepairable Vehicle title on or after September 1, 2003, may never be registered for operation on public highways.

Can an insurance company reassign a negotiable Texas title document?

No. If an insurance company pays a claim on a vehicle that is not damaged to the extent that the vehicle meets the definition of a salvage or nonrepairable motor vehicle, the insured will need to sign the certificate of title over to the insurance company. The insurance company will then need to title the motor vehicle into the company’s name. Once the insurance company receives the title in their name, they can dispose of the motor vehicle.

A title record shows a salvage ownership document has been issued, or the vehicle was owner retained, what should I do?

When the title record shows a salvage ownership document has been issued, or if the vehicle was owner retained, the following applies:

- A \$65 Rebuilt Salvage fee will be charged, unless the applicant provides a *DPS Certificate of Inspection* (Form MVT-9) completed prior to September 1, 2003.
- The *Rebuilt Vehicle Statement* (Form VTR-61) must be completed by the owner and rebuilder (if applicable) or the applicant.

- A Certificate of Title, with the “Rebuilt Salvage” brand will be issued. The brand will also be reflected in the motor vehicle record and carried forward upon subsequent title issuance.
- If the record indicates an existing Rebuilt Salvage brand a *Rebuilt Vehicle Statement* (Form VTR-61) and the \$65 Rebuilt Salvage fee is not required, but the brand is carried forward to all subsequent titles (unless the vehicle is salvaged again).

A county tax assessor-collector’s office will collect the \$65 Rebuilt Salvage fee, require completion of a *Rebuilt Vehicle Statement* (Form VTR-61), and brand the vehicle “Rebuilt Salvage” if a title application is filed, and the title record or NMVTIS indicate a salvage vehicle title was previously issued, or the vehicle was owner retained regardless of the type of ownership evidence.

How is a “duplicate” salvage certificate issued?

If a Texas Salvage Vehicle Title is lost or destroyed, except for export only stamped documents, the owner may apply to the department for a replacement of the document unless the motor vehicle record reflects the following remarks:

- “EXPORT ONLY;”
- “LEGAL RESTRAINT-CONTACT TXDMV (#OR);”
- “LEGAL RESTRAINT-CONTACT TXDMV (#ORSAL);” or
- “LEGAL RESTRAINT-CONTACT TXDMV (ORNR).”

The *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S) must be completed by the owner and submitted to the department with a \$2 fee.

Note: A certified copy of a Texas Salvage Vehicle Title will be issued in lieu of a Salvage Certificate and mailed to the name and address provided on the *Application for a Certified Copy of a Texas Nonrepairable or Salvage Vehicle Title* (Form VTR-34-S).

A Salvage Vehicle Title lacks complete assignments, is the current tax assessor-collector's hearing procedure or bonded title process the only option?

No. The option of a court order is also available.

Note: A tax collector's hearing and bonded title procedures are not available for a vehicle issued a Nonrepairable Vehicle Title after September 1, 2003.

Does it matter who rebuilds the vehicle?

No. The owner (person to whom the title is assigned) at the time of rebuilding is required to apply for a rebuilt salvage title before transferring ownership of the vehicle. The rebuilder is required to complete the “Details of Work Performed” section of the *Rebuilt Vehicle Statement* (Form VTR-61).

If a person purchases a salvage or nonrepairable (if applicable) vehicle that has already been repaired or rebuilt, how does the purchaser complete the *Rebuilt Vehicle Statement* (Form VTR-61) if that person did not repair the vehicle?

If the vehicle was purchased after the repairs were made, the purchaser may indicate “Repairs unknown” on the *Rebuilt Vehicle Statement* (Form VTR-61).

A

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