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ADOPTION OF
SUBCHAPTER A. MOTOR VEHICLE TITLES.
43 TAC §217.3
SUBCHAPTER G. INSPECTIONS.
43 TAC §§217.141-217.143
SUBCHAPTER L. ASSEMBLED VEHICLES
43 TAC §§217.401-217.407

INTRODUCTION. The Texas Department of Motor Vehicles adopts amendments to 43 TAC §§217.3, 217.141 - 217.143 and new §§217.401 - 217.407 concerning assembled vehicles and additional changes in §217.3 to conform provisions that are not related to assembled vehicles with statute. The department adopts §§217.141, 217.143, 217.401 - 217.403, and 217.407 without changes to the proposed text as published in the December 20, 2019 issue of the *Texas Register* (44 TexReg 7866). The department adopts §§217.3, 217.142, 217.404 - §217.406 with changes to the proposed text as published in the December 20, 2019 issue of the *Texas Register* (44 TexReg 7866). The rules will be republished.

REASONED JUSTIFICATION. The amendments to §217.3(5) and (6), §§217.141 - 217.143, and new §§217.401 - 217.407 are necessary to implement Transportation Code Chapter 731, as added by House Bill (HB) 1755, 86th Legislature, Regular Session (2019). Transportation Code Chapter 731 establishes titling and registration requirements for assembled vehicles.

House Bill 1755, Section 12, directs the board of the Texas Department of Motor Vehicles, as soon as practicable after the effective date of HB 1755, to: (1) adopt the rules required under Transportation Code Chapter 731; and (2) adopt or modify any rules necessary to implement the changes in law made by HB 1755. Transportation Code Chapter 731 requires rules concerning eligibility for title and registration in

1 Transportation Code §731.051(a); rules concerning procedures and requirements for title and registration
2 in Transportation Code §731.052(a); and rules concerning inspection requirements for issuance of title in
3 Transportation Code §731.101(c). The amendments to §217.3 and §§217.141 - 217.143 and new
4 §§217.401 - 217.407 provide the necessary rules and implement Transportation Code Chapter 731 as
5 required in HB 1755, Section 12.

6 Transportation Code §731.051 provides that the owner of an assembled vehicle may apply for a
7 title and register the vehicle in accordance with Transportation Code Chapters 501 and 502 and the rules
8 adopted to implement Chapter 731. The department applies that provision in these rules to create a
9 certain and workable path for owners to title and register assembled vehicles, but also to maintain the
10 purpose of Transportation Code Chapter 501 that is stated, in part, in Transportation Code §501.003 as
11 to lessen and prevent: (1) the theft of motor vehicles; and (2) the importation into this state of and traffic
12 in motor vehicles that are stolen.

13 Also, the department adopts amendments to §217.3(1), (2), and (4) to conform those provisions
14 with statute, including Transportation Code §501.036 concerning farm trailers and farm semitrailers;
15 Transportation Code §501.037 concerning trailers and semitrailers; and Transportation Code §541.201
16 and other changes made in HB 3171, 86th Legislature, Regular Session (2019), concerning motor-driven
17 cycles. The amendments to §217.3(1), (2), and (4) are unrelated to Transportation Code Chapter 731, but
18 are necessary to conform those provisions with statute.

19 **Subchapter A. §217.3.**

20 The amendment to §217.3 conforms the opening sentence with changes in statute made by HB
21 1548, 86th Legislative Session, Regular Session (2019), that allow for certain vehicles, for example off-
22 highway vehicles, to be titled under Transportation Code Chapter 501 without a registration requirement.

1 The amendment also adds Transportation Code Chapter 731, concerning assembled vehicles, to reflect
2 changes in statutes made by HB 1755.

3 The amendments to §217.3(1), (2), and (4) conform the rules to existing statute, including
4 statutory amendments passed by the 86th Legislature, Regular Session (2019). The amendments to
5 §217.3(5) and (6) are necessary to implement Transportation Code Chapter 731, concerning assembled
6 vehicles, as added by HB 1755.

7 The amendment to §217.3(1) removes the term "motor-driven cycle." House Bill 3171 repealed
8 the definition of the term in Transportation Code §541.201 and removed all uses of the term in the
9 Transportation Code.

10 The amendment to §217.3(2)(D) concerning farm trailers and farm semitrailers conforms the
11 subparagraph to Transportation Code §501.004(b)(1) and §501.036. These statutes require a farm trailer
12 or farm semitrailer with a gross weight of more than 34,000 pounds to be titled, while permissively
13 allowing farm trailers or farm semitrailers with a gross weight of 34,000 pounds or less to be titled. As
14 addressed in response to comments, the proposed rule text has been changed to remove the first
15 sentence referring to registration under Transportation Code §502.146, because Transportation Code
16 §501.036 does not require a farm trailer or farm semitrailer to be eligible for registration under
17 Transportation Code §502.146. Thus, a reference to Transportation Code §502.146 is not necessary for
18 permissive titling purposes under Transportation Code §501.036.

19 The amendment to §217.3(4) conforms the paragraph with Transportation Code §501.037,
20 concerning trailers, semitrailers, and house trailers, by removing terms that are not in that section or the
21 Transportation Code, and makes nonsubstantive changes to conform with department style.

1 The amendment to §217.3(5) removes the existing language and adds a reference to proposed
2 new Subchapter L of Chapter 217, which will implement Transportation Code Chapter 731, concerning
3 assembled vehicles.

4 The amendment to §217.3(6)(A) conforms the language to Transportation Code §731.051(b)(6),
5 which prohibits titling of a vehicle that has been stripped to the extent that the vehicle loses its original
6 identity. The amendment to §217.3(6)(B) removes the prohibition against titling a dune buggy, because a
7 dune buggy is an assembled vehicle and eligible for title under Transportation Code Chapter 731.

8 The amendment to §217.3(6)(C) redesignates the subparagraph as subparagraph (B) and
9 conforms the language to Transportation Code §731.051(b)(5), which prohibits titling of a vehicle that the
10 manufacturer has designated for on-track racing only. Additionally, the amendment to §217.3(6)
11 redesignates the subparagraphs following subparagraph (B), and changes "and/or" to "or" to reflect
12 current department style.

13 **Subchapter G. §§217.141 - 217.143.**

14 The proposed amendments to §§217.141 - 217.143 implement the assembled vehicle inspection
15 requirements under Transportation Code §731.101 and §731.102 as enacted by HB 1755. The department
16 has amended the existing sections related to the Transportation Code §504.501(e) street rod and custom
17 vehicle registration inspection because it is the same inspection that will be applied to titling assembled
18 vehicles under Transportation Code §731.101.

19 The amendment to §217.141 accounts for the changed scope of §§217.141 - 217.143. The
20 sections now address the new initial titling inspection of assembled vehicles required under
21 Transportation Code §731.101, and the existing registration inspection required for street rods and
22 custom vehicles under Transportation Code §504.501(e).

1 The amendments to §217.142 provide definitions for terms used in §§217.141 - 217.143. The
2 amendment to §217.142(a) incorporates terms defined in Transportation Code §731.001. Because
3 Transportation Code §731.001 and the existing text of §217.142(2) and (4) both define the terms "street
4 rod" and "custom vehicle" by reference to Transportation Code §504.501, the existing definitions of
5 "street rod" and "custom vehicle" in this section have been removed.

6 The amendment to §217.142(b)(1) adds the term "modification" to clarify that the defined phrase
7 "altered from the manufacturer's original design" is not limited to the "removal, addition, or substitution,
8 of at least one major component part." In addition, the department has amended the definition to include
9 a direct reference to the definition of a major component part under Transportation Code §501.091. The
10 change is to clarify that the term "major component part" continues to apply to making a determination
11 under Transportation Code §504.501(f) of whether a vehicle qualifies as a custom vehicle or street rod,
12 but is not a definition for general application in Subchapter G. The department has removed the existing
13 stand-alone definition of "major component part" in §217.142. The department has also removed the
14 quotation marks around the defined term in accordance with current department style.

15 The terms "basic component part," "equipment," and "major component part" are substantively
16 independent, and each term serves a different purpose in the proposed rules. The term "basic component
17 part" is used in Subchapter L to identify the items for which evidence of ownership will need to be
18 established for titling assembled vehicles. The term "major component part" is only used in the definition
19 of "altered from the manufacturer's original design" in §217.142(b)(1) of Subchapter G to identify the
20 elements of a motor vehicle that, when modified, substituted, removed, or added, are relevant to the
21 classification of a vehicle as a custom vehicle or street rod. The term "equipment" is used in Subchapter
22 G to establish the items and systems that need to be inspected under Transportation Code §504.501(e)
23 or §731.101.

1 The terminology used in the definitions is based on statute, historical application, and purpose. In
2 scope, the definitions of all three terms refer to portions of a vehicle. As defined, the term "major
3 component part" would include all items that are "basic component parts," but not all items and systems
4 that are "equipment."

5 The amendment to §217.142(b)(2) defines the term "applicant." The term clarifies the types of
6 owners that would apply for title to an assembled vehicle. The term is defined in §217.402 with the same
7 meaning and for the same purpose.

8 The amendment to §217.142(b)(3) defines the new term "equipment" to describe the items and
9 systems that the inspector will need to inspect. The inspection will be of those items and systems required
10 by law to be present on the vehicle as inspected, which may not include all the listed items and systems
11 depending on the type of vehicle. The definition also distinguishes "equipment" from "basic component
12 part" and "major component part" as previously discussed in this proposal. The definition has been
13 changed to correct the references to the defined terms "basic component part" and "major component
14 part."

15 As addressed in the response to comments, the definition of "equipment" includes four systems:
16 brakes, steering, fuel supply, and exhaust; and the "integral items" to those systems. All the systems are
17 items currently inspected for an assembled vehicle on the ASE Safety Inspection for Assembled Vehicles
18 (Form VTR-64). The inspection will be of parts that cause the system to function to ensure that they are
19 designed for the purpose for which they are being used, meet applicable safety standards, and are
20 assembled for stable and safe operation on the roadway.

21 The amendment to §217.142(b)(4) defines the term "manufacturer" by reference to the definition
22 in Occupations Code §2301.002. The definition also clarifies that a hobbyist is not a manufacturer, which

1 is consistent with the definition of hobbyist in Transportation Code §731.001. The term is also defined in
2 §217.402 with the same meaning and for the same purpose.

3 The amendment to §217.142(b)(5) clarifies that the definition of "master technician" used in this
4 subchapter refers to a Certified Master Automobile and Light Truck Technician, which is required under
5 Transportation Code §731.101(b)(2). The clarification is necessary because Transportation Code
6 §731.101(a) requires an assembled vehicle to pass an inspection based on the type of assembled vehicle
7 being inspected. Transportation Code §731.101(b) requires the applicant to submit proof that the
8 assembled vehicle passed the inspection and a copy of the master technician's Automobile and Light Truck
9 certification. The limitation of the credentialing requirement in §731.101(b)(2) limits the titling inspection
10 requirement to those assembled vehicle types that can be inspected by an individual holding an
11 Automobile and Light Truck master certification. The relevant types of assembled vehicles are assembled
12 motor vehicles, custom vehicles, replicas, and street rods, as described in proposed amendments to
13 §217.143(a). The legislative requirement limiting the inspection to the Automobile and Light Truck
14 certification is also consistent with the consideration that a master certification does not exist for
15 motorcycles or trailers; and the limited number of individuals holding a Medium and Heavy Truck master
16 certification could create an impediment to titling glider kits.

17 As discussed in response to comments, the inspection will apply to assembled vehicles newly
18 constructed and required to be titled under Transportation Code Chapter 731. Previously titled vehicles
19 or newly manufactured vehicles that are not assembled vehicles would be titled under the same
20 requirements that existed prior to the enactment of Transportation Code Chapter 731. The inspection
21 would apply to the equipment listed in §217.142(b)(3) and be based on the standards in §217.143.

22 The amendments to §217.143 implement the new initial titling inspection requirements under
23 Transportation Code §731.101 and maintain the existing custom vehicle and street rod registration

1 requirement under Transportation Code §501.504(e). To reflect the change, the department has changed
2 the title of §217.143 to "Inspection Requirements."

3 The amendments to §217.143(a) provide that an assembled motor vehicle, replica, custom
4 vehicle, or street rod must be inspected by a master technician as required under Transportation Code
5 Chapter 731 and 43 Texas Administrative Code, Chapter 217, Subchapter L. For reasons previously
6 discussed regarding the definition of "master technician," the inspection is not required for an assembled
7 motorcycle, assembled trailer, or glider kit.

8 As discussed in response to comments, the inspection is not limited to the items listed in
9 Transportation Code §731.102. Transportation Code §731.101(c) provides that the "[T]he board by rule
10 shall establish procedures and requirements for the inspection required by this section. Rules adopted
11 under this subsection: (1) must establish inspection criteria; [and] (2) may specify additional items of
12 equipment that must be inspected by a master technician and may specify different items of equipment
13 that must be inspected based on the type of assembled vehicle."

14 The amendment to §217.143(b) requires a custom vehicle or street rod to have a safety inspection
15 performed by a master technician as required under Transportation Code §504.501(e) for initial
16 registration.

17 As discussed in response to comments, the titling inspection is only required when the assembled
18 vehicle is titled for the first time. A subsequent titling inspection would be required if the vehicle is
19 disassembled and reassembled as described in proposed §217.407.

20 A street rod and custom vehicle inspection is only required if the owner of the vehicle desires
21 street rod or custom vehicle license plates. The street rod and custom vehicle inspection is required under
22 Transportation Code §504.501, and it applies to the owner of any vehicle seeking street rod or custom
23 vehicle license plates. However, the department will accept a single inspection if street rod or custom

1 vehicle license plates are requested during the initial title application process, because the inspections
2 are the same, except for meeting the additional street rod and custom vehicle requirements.

3 The amendments to §217.143(c) and (d) provide the inspection requirements for assembled
4 vehicles. The amendment to existing §217.143(c) states that the inspection of an assembled vehicle must
5 evaluate the structural integrity of the equipment. The proposed amendments to §217.143(d)(1), (2), and
6 (4) amend the style of existing text in §217.143(b) requiring the inspector to certify that the vehicle is
7 structurally stable, meets the necessary conditions to be operated safely on the roadway, and is equipped
8 and operational with all equipment required by statute as a condition of sale during the year the vehicle
9 was manufactured or resembles. The amendments to §217.143(d) also add new §217.143(d)(3) that
10 tracks the safety requirement in Transportation Code §731.051(b)(7). The department proposes removing
11 the existing text of §217.143(c) because it is duplicative of the requirement in proposed §217.143(d)(4).

12 As discussed in response to comments, the master technician is not required to certify that the
13 vehicle has not been built using a body or frame from a "nonrepairable" vehicle or that it does not contain
14 any electrical or mechanical components from a "flood-damaged" vehicle. The items are prohibited under
15 Transportation Code §731.051(2) and (3), but commenters did not describe the means, process, or costs
16 for a master technician to reasonably make such determinations. In reviewing applications, the
17 department will check the National Motor Vehicle Title Information System (NMVTIS) as is the
18 department's current procedure. Purchasers and others may also inspect the motor vehicle before
19 acquiring it as is the case with any used motor vehicle.

20 The amendments to §217.143 also add new §217.143(e), which provides that an inspection under
21 §217.143(a) is in addition to any other required inspection of an assembled vehicle, including an
22 inspection required under Transportation Code Chapter 548. An assembled vehicle designated as a

- 1 custom vehicle or street rod is not subject to the annual Transportation Code Chapter 548 inspection.
2 Other assembled vehicles may be subject to the Chapter 548 inspection requirement.

3 The amendments to §217.143 also add new §217.143(f) and (g) relating to the payment of fees.
4 Under new §217.143(f), the applicant must pay all fees to the master technician for the inspection of an
5 assembled vehicle required under subsection (a) of this section, including any reinspection. Under
6 proposed new §217.143(g), any additional fees must be paid to the inspector or as otherwise required by
7 law. The subsections clarify that inspection fees under this section are not to be paid to the department.
8 The department does not set any of the inspection fees for an inspection required under this section.

9 **Subchapter L. §§217.401 - 217.407.**

10 New Chapter 217, Subchapter L, §§217.401 - 217.407 implements the assembled vehicle titling
11 and registration requirements under Transportation Code Chapter 731, as enacted by HB 1755. New
12 §217.401(a) describes the purpose and scope of proposed new Subchapter L. New §217.401(b) provides
13 that for the purposes of this subchapter a glider kit issued a title with a "RECONSTRUCTED" remark is a
14 replica. The purpose of this is to state the department's interpretation that a dealer may transfer, or be
15 transferred ownership, of a glider kit under new Transportation Code §503.013.

16 New §217.402 defines terms that will be used in the subchapter. Proposed new §217.402(a)
17 incorporates terms defined in Transportation Code §731.001.

18 New §217.402(b)(1) defines the term "applicant." The term clarifies the types of owners that
19 would apply for title of an assembled vehicle. The term is defined in §217.142 with the same meaning and
20 for the same purpose.

21 New §217.402(b)(2) defines the term "basic component part" for use in this chapter. The term is
22 limited to the vehicle's motor, body, and frame, as applicable for the type of vehicle. For example, an

1 automobile would have all three parts; a motorcycle just a motor and frame; and a trailer just a frame and
2 body.

3 Evidence of ownership will be required based on the basic component part of the assembled
4 vehicle under proposed new §217.405. The definition also distinguishes between "basic component part"
5 and "major component part" as previously discussed in this proposal.

6 As discussed in response to comments, the department recognizes that other parts of a motor
7 vehicle may have an identification number stamped on them, such as a motorcycle transmission. A law
8 enforcement VIN inspection may still check for such numbers, but the department does not consider it
9 necessary to expand the existing number or type of basic component parts that the owner must
10 demonstrate ownership of to obtain an assembled vehicle title under Transportation Code Chapter 731.

11 New §217.402(b)(3) defines the term "continuous sale," which is basic in determining if a person
12 is a hobbyist as defined in Transportation Code §731.001. The definition provides that the term means
13 "offering for sale or the sale of five or more assembled vehicles of the same type in a calendar year when
14 such vehicles are not owned and titled in the name of the owner." The department has proposed five
15 vehicles in the definition because that is the number of vehicles that could classify the person as a dealer
16 under Transportation Code §503.024.

17 New §217.402(b)(4) defines the term "manufacturer" by reference to the definition in
18 Occupations Code §2301.002. The definition also clarifies that a hobbyist is not a manufacturer, which is
19 consistent with the definition of hobbyist in Transportation Code §731.001. The term is also defined in
20 §217.142 with the same meaning and for the same purpose.

21 New §217.402(b)(4) defines the term "personal use" which is basic in determining if a person is a
22 hobbyist as defined in Transportation Code §731.001. The definition provides that the term means "the
23 construction of an assembled vehicle by a hobbyist for use by the hobbyist."

1 New §217.403 provides the basic procedure for issuing an initial title on an assembled vehicle and
2 subsequent transfers of the title. Proposed new §217.403(a) requires an applicant for an initial title on an
3 assembled vehicle to apply for the title in accordance with 43 Texas Administrative Code Chapter 217,
4 Subchapter L, and Transportation Code Chapter 731.

5 New §217.403(b) requires a person transferring title on a titled assembled vehicle to transfer title
6 in accordance with proposed new §217.407. That section provides that once an assembled vehicle is titled,
7 including assembled vehicles brought in from another state, title to the assembled vehicle will transfer in
8 that same manner as any other titled vehicle, except that only assembled vehicles that are replicas may
9 be transferred to and by dealers.

10 New §217.403(c) provides that unless the assembled vehicle is ineligible for title under
11 Transportation Code §731.051(b), the department shall issue a title if the assembled vehicle passes the
12 required inspection under proposed amended §217.143 and Transportation Code §731.101; passes any
13 additional inspection required by Transportation Code Chapter 548; and following receipt of a fully
14 completed application and all required forms and fees, as identified in §217.404.

15 New §217.404 details the application process. The process differs from ordinary title application
16 transactions, because in this case the department will review the application before it is formally
17 submitted to a county tax assessor-collector. The process should add uniformity and avoid rejections and
18 the need for resubmission of the application.

19 New §217.404(a) lists the information required in the application. New §217.404(a)(1) requires
20 photographs of the vehicle and, if a replica, a photograph of what the vehicle is a replica of. These will
21 assist in identifying the vehicle.

22 New §217.404(a)(2) requires evidence of ownership of the basic component parts of the
23 assembled vehicle as described in §217.405. Evidence of ownership is necessary to establish title to the

1 vehicle or process an application for assignment or reassignment of a vehicle identification number under
2 Transportation Code §501.033 as required by Transportation Code §731.054.

3 New §217.404(a)(3) requires, if applicable, proof, on a form prescribed by the department, of a
4 safety inspection required under §217.143. Under the proposal, the requirement is applicable only to
5 assembled motor vehicles, custom vehicles, replicas, and street rods.

6 New §217.404(a)(4) requires a copy of the Automobile and Light Truck certification, or a successor
7 certification, for the master technician who completed the inspection described in §217.404(a)(3), if the
8 inspection was required.

9 New §217.404(a)(5) requires a copy of the inspection that may be required under Transportation
10 Code Chapter 548 if the assembled vehicle is to be registered for operation on the roadway. New
11 §217.404(a)(6) requires a rebuilt vehicle statement; (7) a weight certificate; and (8) the applicant's
12 identification information as required in §217.5(d).

13 New §217.404(a)(9) requires a vehicle identification number to be established by one of the four
14 listed means. The means are authorized in Transportation Code §731.054. New §217.404(a)(9)(A) and (B)
15 allow for the process of applying for an application for assignment or reassignment of a vehicle
16 identification number. That process is under Transportation Code §501.033 and requires a vehicle
17 identification number inspection under Transportation Code §501.032. The inspection is consistent with
18 Transportation Code §731.051 which requires titling to be done under Chapter 501 and Chapter 731.
19 Transportation Code §501.003 states that Transportation Code Chapter 501 is to be liberally construed to
20 lessen and prevent (1) the theft of motor vehicles, and (2) the importation into this state of and traffic in
21 motor vehicles that are stolen. New §217.404(a)(9)(C) and (D) are based on the vehicle identification
22 numbers assigned by the maker of a kit or the manufacturer of the assembled vehicle respectively
23 authorized in Transportation Code §731.054.

1 As discussed in response to comments, vehicle identification numbers (VIN), serial numbers, and
2 motor numbers are collected in the vehicle identification number inspection process and master
3 technician inspection process on forms VTR 68-A and VTR-64, respectively. Under existing procedures, the
4 department will as necessary assign or reassign a motor number to a vehicle that is identified by a motor
5 number (for example a pre-1956 General Motors vehicle). The department does not track motor or
6 transmission numbers for vehicles identified by VIN. Also, the department does not require persons
7 replacing a motor or a transmission on an assembled vehicle or other vehicle to go through an additional
8 registration process if the vehicle is identified by a VIN.

9 New §217.404(b) provides that the department will review the documents and determine that
10 the application is complete and the vehicle meets the qualifications to be titled as an assembled vehicle.
11 As addressed in response to comments, the proposed procedures and document submission
12 requirements implement Transportation Code Chapter 731 and HB 1755. The department will review each
13 title application for compliance with the rules. If the department determines that a potential violation has
14 occurred, the department may seek an enforcement action as authorized by statute.

15 New §217.404(c) provides that the department will notify the applicant in writing if the
16 department determines the application is complete and the vehicle is determined to qualify for titling as
17 an assembled vehicle. As addressed in response to comments, the letter under §217.404(c) will list the
18 supporting documents and information approved by the department and required to be submitted the
19 tax assessor collector.

20 New §217.404(d) provides that upon the receipt of the department's written approval, the
21 applicant may proceed to the county tax assessor-collector for submission and processing of the
22 application. New §217.404(d) lists that the applicant must provide the county tax assessor with the

1 department's written letter, a copy of the items required under §217.404(a)(1) - (9) that were submitted
2 to the department, and, if the vehicle is being registered, the requirements identified in §217.23.

3 New §217.405 addresses evidence of ownership and how it may be demonstrated either from a
4 manufacturer, a hobbyist or other owner, or with a bond. New §217.405(a) provides that evidence of
5 ownership must accompany the title application submitted to the department, which is consistent with
6 the requirement in §217.404(a)(2).

7 New §217.405(b) provides that evidence of ownership for a replica, custom vehicle, street rod, or
8 glider kit built by a manufacturer must be provided on a manufacturer's certificate of origin and contain
9 the information listed in that subsection.

10 New §217.405(c) describes the evidence of ownership requirements for an assembled vehicle that
11 has been built by a hobbyist, or has not otherwise been previously titled by the owner. Evidence is
12 required for the basic component parts of the vehicle. If the basic component parts are from vehicles
13 titled in the name of the owner, evidence of ownership will be based on the identifying numbers on the
14 parts. These will vary based on the type of part and the year of manufacture. Additionally, component
15 parts not titled in the name of the owner may be used with proper documentation, such as a bill of sale.

16 New §217.405(d) provides that an owner unable to obtain evidence of ownership may file a bond
17 with the department under Transportation Code §501.053 and §217.9. Proposed new §217.405(e) lays
18 out the process of obtaining the vehicle identification number and the bond. The bond will be the evidence
19 of ownership to obtain the title.

20 The process is similar to that of any other applicant, in that the applicant must take or deliver the
21 documentation required under §217.404(a)(1) - (9) to the department's regional service center for review,
22 except that the applicant utilizing the bond procedure will not be required to have evidence of ownership
23 under §217.405(a) - (c). The documentation requirements for the bond procedure would include a vehicle

1 identification number inspection report if the applicant intends to establish a vehicle identification
2 number under §217.404(a)(9)(A) or (B). The department will review the vehicle identification number
3 inspection report and other documents.

4 A vehicle identification number will be reassigned based on the report and documentation if a
5 vehicle identification number by which the assembled vehicle will be identified can be determined. If the
6 vehicle identification number cannot be reassigned based on the lack of a number, the department will
7 assign a department-issued number.

8 The applicant will then need to complete a statement of fact concerning the acquisition of the
9 vehicle. If the application is complete, the department will use the assigned or reassigned number to issue
10 a letter for the applicant to obtain a bond. The applicant will take the bond as evidence of ownership and
11 other required documents to the county tax assessor-collector.

12 New §217.406 describes the issuance and form of title. Proposed new §217.406 provides that the
13 county tax assessor-collector will process the transaction and issue a receipt upon receiving the completed
14 application, all required documents, and all required fees.

15 New §217.406(b) describes the form of the title. As described in that subsection, the title will
16 comply with the requirements of Transportation Code §731.053 and be issued with the make of "ASVE"
17 unless original parts are used that reflect an established year and make of a manufactured vehicle and
18 will contain the remarks "RECONSTRUCTED," or "REPLICA," as applicable, except for assembled trailers
19 which will be titled with a make of "HMDE."

20 As discussed in response to comments, subsequent transfers of an assembled vehicle will be made
21 as provided by Chapters 501 and 502, as applicable. Transportation Code Chapter 731 does not require
22 additional disclosure requirements concerning the transfer of a titled assembled vehicle. Also, as
23 discussed in response to comments the department will add a remark of "NOT FOR DEALER RESALE" to

1 the titles of assembled vehicles initially titled under Transportation Code Chapter 731 and this subchapter
2 that cannot be transferred to or by a dealer under Transportation Code §503.013. This will allow
3 purchasers to distinguish between them and other ASVE vehicles without a REPLICA remark that were
4 titled prior to the effective date of the implementing rules.

5 New §217.406(c) provides that the department will issue and mail or deliver the title to the owner
6 or lienholder disclosed in the application. New §217.406(d) provides that the receipt issued at the time of
7 application for title may be used only as evidence of title and may not be used to transfer any interest or
8 ownership in a motor vehicle or to establish a new lien.

9 New §217.407 provides for subsequent transfer of title for a titled assembled vehicle. New
10 §217.407(a) provides that after an assembled vehicle is titled under Transportation Code Chapter 731 and
11 Subchapter L, the vehicle is then subject to Transportation Code Chapters 501 and 502, and 43 Texas
12 Administrative Code Chapter 217, Subchapter L. The vehicle may be transferred similarly to any other
13 vehicle, except as provided in §217.407(c).

14 New §217.407(b) provides that an assembled vehicle titled or registered in another jurisdiction
15 may be titled and registered in this jurisdiction subject to Transportation Code Chapters 501 and 502, and
16 43 Texas Administrative Code Chapter 217, Subchapter L, except as provided in §217.407(c). As such, the
17 vehicle does not have to go through the initial title process in Transportation Code Chapter 731 or
18 Subchapter L.

19 New §217.407(c) states two statutory limitations that apply to the transfer and construction of
20 assembled vehicles. New §217.407(c) states the limitation in new Transportation Code §503.013 that
21 ownership of an assembled vehicle may not be transferred to or by a dealer unless the assembled vehicle
22 is a "replica" as that term is defined in Transportation Code §731.001. As defined, a "replica" includes a

1 street rod or custom vehicle. New §217.407(c) states the limitation in new Occupations Code §2302.009
2 that a salvage vehicle dealer may not rebuild an assembled vehicle.

3 New §217.407(d) provides that if an assembled vehicle is disassembled and then reassembled,
4 the resulting vehicle is subject to the initial titling requirements in Transportation Code Chapter 731 and
5 43 Texas Administrative Code Chapter 217, Subchapter L.

6 Implementation of this rule requires the department to reconfigure its internal systems to
7 conform to the new requirements. The department adopts §§217.3, and 217.141 - 217.143, and new
8 §§217.401 - 217.407 to be effective June 22, 2020.

9 **SUMMARY OF COMMENTS.**

10 The department received written and spoken comments requesting clarifications or changes in
11 the proposed text from: the Assembled Vehicle Coalition of Texas, Lamar County Tax Assessor-Collector,
12 Lubbock County Tax Assessor-Collector, the Specialty Equipment Market Association, the Tarrant Regional
13 Auto Crimes Task Force, the Tax Assessor-Collectors Association of Texas, the Texas Automobile Dealers
14 Association, the Texas Recreational Vehicle Association, and an individual.

15 **§217.3(2)(D)**

16 **Comment.**

17 A commenter raises questions concerning the registration of a farm trailer or farm semitrailer and
18 asks for confirmation that a trailer or semitrailer of more than 34,000 pounds would not be considered a
19 farm trailer or farm semitrailer.

20 **Agency Response.**

21 The department disagrees with the comment. There are no weight restrictions for a farm trailer
22 or farm semitrailer. As noticed in the preamble to the proposal, the amendment to §217.3(2)(D) is to
23 address permissive titling requirements under Transportation Code §501.036. The section permissively

1 allows farm trailers or farm semitrailers with a gross weight of 34,000 pounds or less to be titled.
2 Transportation Code §501.004 and §501.036 do not limit the ultimate weight of a farm trailer or farm
3 semitrailer.

4 Also, Transportation Code §501.036 does not require a farm trailer or farm semitrailer to be
5 eligible for registration under Transportation Code §502.146. Thus, a reference to Transportation Code
6 §502.146, is not necessary for permissive titling purposes under Transportation Code §501.036. To avoid
7 confusion and better conform the rule to statute, the proposed rule text has been changed to remove the
8 first sentence of §217.3(2)(D) referring to registration under Transportation Code §502.146. The change
9 does not affect persons not on notice of this proposal or add new costs.

10 **§217.3(6)(B)**

11 **Comment.**

12 A commenter questioned why a certain kit car was rejected for titling and registration.

13 **Agency Response.**

14 The department appreciates the comment. Rules have general applicability. The department
15 cannot make specific determinations of fact in a rule or the rulemaking process. Individual questions
16 should be addressed to the department or one of its regional service centers. Locations and contact
17 information can be identified online at <https://www.txdmv.gov/contact-us>.

18 **§217.142**

19 **Comment.**

20 Two commenters request the department to provide additional information concerning "all
21 integral items" referenced with "motor fuel supply systems" and "exhaust system."

22 **Agency Response.**

1 The department disagrees that additional information is necessary. The definition of "equipment"
2 includes four systems: brakes, steering, fuel supply, and exhaust; and the "integral items" to those
3 systems. All four systems are items currently inspected for an assembled vehicle on the ASE Safety
4 Inspection for Assembled Vehicles (Form VTR-64).

5 Assembled vehicles may take different forms and have different solutions for the systems listed,
6 such that an exhaustive list for each possible system would be impractical, if not impossible. Rather, the
7 inspection certification will be of parts that cause the system to function to determine that they are
8 designed for the purpose for which they are being used, meet applicable safety standards, and are
9 assembled for stable and safe operation on the roadway. The department has made no changes to the
10 proposed text based on this comment.

11 **§217.142**

12 **Comment.**

13 A commenter raised the question of whether a master technician inspection will be required for
14 a motor driven or towed recreational vehicle (RV). The commenter states that the RV industry has
15 established its own master certified technician training program "under the guidance of two nationally
16 recognized trade associations which are the Recreational Vehicle Dealers Association (RVDA) and the
17 Recreational Vehicle Industry Association (RVIA). RVDA represents dealer's interests, where RVIA
18 represents manufacturer's interests in the RV industry."

19 **Agency Response.**

20 The department agrees with the comment and the issues raised. The purpose of the proposal is
21 to implement Transportation Code Chapter 731 and HB 1755, which concern assembled vehicles.
22 Assembled vehicles are defined in Transportation Code §731.001(a)(4), as seven types of vehicles,
23 including an assembled motor vehicle and an assembled trailer.

1 The master technician inspection requirement applies only to assembled vehicles newly
2 constructed and required to be titled under Transportation Code Chapter 731. Previously titled vehicles
3 or newly manufactured vehicles that are not assembled vehicles would be titled under the same
4 requirements that existed prior to the enactment of Transportation Code Chapter 731. Transportation
5 Code Chapter 731 does not make an exception because the assembled motor vehicle is built as a motor
6 home. The inspection would apply to the equipment listed in §217.142(b)(3) and based on the standards
7 in §217.143.

8 Also, the assembled vehicle must be of a type that could be inspected by a Certified Master
9 Automobile and Light Truck Technician, or equivalent successor certification, issued by the National
10 Institute for Automotive Service Excellence. The department is limited under Transportation Code Chapter
11 731 to accepting a qualifying inspection only from a person who holds a master technician certification
12 issued by the National Institute for Automotive Service Excellence.

13 Assembled vehicles not subject to the inspection requirement are a motorcycle, trailer, or glider
14 kit. An assembled trailer includes the term travel trailer as defined under Transportation Code §501.002.
15 However, the department is not requiring an inspection by a master technician for assembled trailers
16 because the National Institute for Automotive Service Excellence does not issue a master technician
17 certification for trailers. The department has made no changes to the proposed text based on this
18 comment.

19 **§217.143**

20 **Comment.**

21 Two commenters assert that the Certified Master Automobile and Light Truck Technician
22 inspection should be limited to the specific equipment listed in Transportation Code §731.102.

23

1 **Agency Response.**

2 The department disagrees with the comment. Transportation Code §731.101(c), provides that the
3 "[T]he board by rule shall establish procedures and requirements for the inspection required by this
4 section. Rules adopted under this subsection: (1) must establish inspection criteria; [and] (2) may specify
5 additional items of equipment that must be inspected by a master technician and may specify different
6 items of equipment that must be inspected based on the type of assembled vehicle."

7 In addition, Transportation Code §731.102, provides that an inspection conducted under
8 §731.101 must "include" those items listed in §731.102(1) and (2). Government Code §311.005(13)
9 defines "includes" and "including" as "terms of enlargement and not of limitation or exclusive
10 enumeration, and use of the terms does not create a presumption that components not expressed are
11 excluded." The department has made no changes to the proposed text based on this comment.

12 **§217.143**

13 **Comment.**

14 A commenter requested that the owner of an assembled vehicle should not be required to obtain
15 a subsequent inspection of the vehicle during the period of ownership and that a subsequent purchaser
16 of an inspected and titled assembled vehicle should be allowed a grace period following purchase to
17 obtain an inspection.

18 **Agency Response.**

19 The department agrees with the comment. Section 217.143 requires the assembled vehicle ASE
20 certified master mechanic inspection only at the time the vehicle is initially titled. Sale of a titled
21 assembled vehicle does not require another inspection for purposes of being an assembled vehicle. With
22 limited exceptions, a titled assembled vehicle can be transferred, titled, and registered, like any other
23 vehicle under Transportation Code Chapters 501 and 502 as addressed in Transportation Code

1 §731.051(a); and §217.143 and §217.407. A subsequent inspection would be required if the vehicle is
2 disassembled and reassembled as described in proposed §217.407.

3 Like owners of other vehicles, if the owner desires to have street rod or custom vehicle license
4 plates, then the owner must comply with the vehicle inspection requirements under Transportation Code
5 §504.501. That section applies based on changes in registration. However, the department will accept a
6 single inspection for both if street rod or custom vehicle license plates are requested during the initial title
7 application process, because the inspections are the same, except for meeting the street rod and custom
8 vehicle requirements. The department has made no changes to the proposed text based on this comment.

9 **§217.143**

10 **Comment.**

11 A commenter requests that the department-prescribed verification form that is completed by the
12 master technician require written verification that the vehicle was not assembled, built, constructed,
13 rebuilt, or reconstructed in any manner with a body or frame from a "nonrepairable" vehicle as well as
14 written verification from the master technician that the inspected vehicle does not have a motor or engine
15 that has water damage.

16 **Agency Response.**

17 The department agrees with the comment that Transportation Code §731.051(b)(2) and (3)
18 prohibits titling an assembled vehicle that has been built using a body or frame from a "nonrepairable"
19 vehicle or that contains any electrical or mechanical components from a "flood-damaged" vehicle. The
20 department's current rules also prohibit an assembled vehicle from being built with a body or frame from
21 a "nonrepairable" or a "flood-damaged" motor or engine.

22 However, the department under this proposal and its current rules does not require the master
23 technician to certify that no "nonrepairable" or "flood-damaged" parts were used in the building of

1 the assembled vehicle. While the master technician may identify parts that were previously damaged, the
2 master technician will not necessarily have access to information to determine the parts were from a
3 nonrepairable vehicle, as defined by Transportation Code §501.091, or from a "flood-damaged" vehicle.

4 In reviewing applications, the department will continue its current procedure to check the
5 National Motor Vehicle Title Information System (NMVTIS) to identify assembled vehicles that would not
6 be eligible for title under Transportation Code §731.051(b)(2) and (3).

7 The commenter makes no statement as to how the items would be inspected in the type of
8 inspection contemplated by Transportation Code §731.101 or that a master technician could reasonably
9 make such a determination. Purchasers and others can conduct their own inspection before deciding to
10 acquire such a vehicle. Finally, the proposed change would add new requirements and costs to the
11 inspection process. The department has made no changes to the proposed text based on the comment.

12 **§217.143**

13 **Comment.**

14 A commenter requests that the department-prescribed verification form that is completed by the
15 master technician require written verification that the vehicle does not use any parts that do not meet
16 Federal Motor Vehicle Safety Standards (FMVSS), if such standards are applicable for those parts.

17 **Agency Response.**

18 The department agrees with the comment. As proposed, the inspection requirement in
19 §217.143(d)(3) requires the master technician to certify that parts used in the vehicle meet FMVSS, if a
20 standard is applicable. The department has made no changes to the proposed text based on the comment.

21 **§217.402.**

22 **Comment.**

1 A commenter disagrees with the department's reference in the preamble that the basic
2 component parts of an assembled motorcycle are limited to the motorcycle's motor and frame, because
3 an identifying number may also be stamped on the transmission.

4 **Agency Response.**

5 The department agrees with the comment. A motorcycle may have an identifying number
6 stamped on the transmission. However, the purpose of the definition of "basic component part" is to
7 establish the parts of the vehicle that the owner must demonstrate ownership of for titling purposes
8 under §217.404.

9 Also, the definition is consistent with the department's existing assembled vehicle rules
10 §217.3(5)(A) and §217.3(5)(B)(i), which are being incorporated into the Subchapter G rules. A law
11 enforcement VIN inspection may still check the transmission, but the department does not consider it
12 necessary to expand the existing number or type of basic component parts. The department has not made
13 any changes to the proposed text in response to this comment.

14 **§217.404(a)**

15 **Comment.**

16 A commenter proposes that an applicant should submit the preliminary title application directly
17 to the department instead of the county tax assessor-collector office.

18 **Agency Response.**

19 The department agrees with the comment. The department has revised proposed §217.404(a) to
20 remove reference to the county tax assessor-collector, because the county tax assessor-collector offices
21 would not be reimbursed for the costs associated with preparing and delivering the preliminary title
22 application to the department for review.

1 Counties may accept and transmit preliminary title applications directly to the department if they
2 choose to do so. The proposal identified submission of the preliminary application to the department or
3 a county tax assessor-collector for forwarding to the department, so the change does not add a new
4 requirement not addressed in the proposal or new costs to the proposal.

5 The change to the text in response to this comment does not affect the requirement for the final
6 application to be submitted to the county tax assessor-collector under §217.404(d).

7 **Comment.**

8 A commenter proposes that the submission under §217.404(a) be amended to require
9 photocopies.

10 **Agency Response.**

11 The department disagrees with the comment. The department intends to be flexible, but in some
12 cases the department may need to review the original document or under §217.404(d)(2) the original
13 document may be required by statute. The department has not made any changes to the proposed text
14 in response to this comment.

15 **Section 217.404(a)(9)**

16 **Comment.**

17 A commenter suggests requiring the inspector to record the motor number or the transmission
18 number on the inspection if the numbers differ from the manufacturer's original vehicle identification
19 number (VIN). The commenter also suggests assigning a VIN to a motor if no number exists on the motor.

20 **Agency Response.**

21 The department agrees with the comment. VINs, serial numbers, and motor numbers should be
22 identified and recorded in the vehicle identification number inspection process conducted by law

1 enforcement on Form VTR 68-A. The rule does not prevent law enforcement from identifying a
2 transmission and determining whether it is stolen, or from a stolen vehicle.

3 Under existing procedures, the department will as necessary assign or reassign a motor number
4 to a vehicle that is identified by a motor number (for example a pre-1956 General Motors vehicle).
5 However, for most vehicles the department uses the VIN on the body of the vehicle or requires an assigned
6 or reassigned VIN to be affixed on the body of the vehicle. For vehicles identified by VIN, the department
7 does not track motor numbers. The department does not identify vehicles by transmission numbers,
8 record transmission numbers, or require evidence of ownership for the transmission.

9 In addition, requiring the motor to be assigned a number would require persons replacing a motor
10 or transmission on an assembled vehicle to go through an additional registration process when the vehicle
11 is identified by VIN. The process would add costs and would not be consistent with the requirement for
12 other vehicles titled under Transportation Code Chapter 501. The requirement is also not specifically
13 authorized in Transportation Code Chapter 731. The department has not made any changes to the
14 proposed text in response to this comment.

15 **217.404(b)**

16 **Comment.**

17 A commenter states that it is necessary for the department to confirm the title applicant's status
18 before issuing the title on the assembled vehicle and requests that the department adopt procedures
19 regarding the verification and enforcement that an assembled vehicle title "applicant" meets the
20 requirements for an assembled vehicle title issuance prior to issuing the title.

21 **Agency Response.**

22 The department agrees with the comment. The proposed procedures and requirement to submit
23 documents for review prior to title issuance implement Transportation Code Chapter 731, and HB 1755.

1 The department will review each title application for compliance with the statute and rules. If the
2 department determines that a potential violation has occurred, the department may seek an enforcement
3 action as authorized by statute. The department has made no changes to the proposed text based on the
4 comment.

5 **§217.404(c) and (d)(1)**

6 **Comment.**

7 A commenter proposes that the letter issued under §217.404(c) list the supporting documents
8 and information required to be submitted as approved by the department.

9 **Agency Response.**

10 The department agrees with the comment. A second sentence has been added to §217.404(c) to
11 read "The letter shall include a list of the supporting documents and information identified in subsection
12 (d)(2) of this section." The department has also added to 217.404(d)(1) the statement "described in
13 subsection (c) of this section" to clarify the letter being referred to. The changes will provide assurance to
14 the county and the applicant that the application submitted to the county is complete. The change does
15 not add a new requirement or cost for applicants or county tax assessor-collectors.

16 **§217.406**

17 **Comment.**

18 A commenter is concerned that the "REPLICA" title notation may not be an adequate disclosure
19 to a purchaser that the vehicle is an assembled vehicle, especially if an individual does not have access to
20 the title, to the state's title system, or does not know to look for the title remark. The commenter requests
21 the department to require that a disclosure statement accompany the vehicle in which the master
22 technician's inspection certification is incorporated and provided to the buyer prior to purchase. The
23 commenter asserts that requiring disclosure of the master technician's inspection informs the subsequent

1 purchaser of the master technician's findings and the details regarding that inspection, allowing the
2 purchaser to make an informed decision regarding the assembled vehicle.

3 **Agency Response.**

4 The department agrees with the comment as to the benefits of disclosure, but disagrees that an
5 additional requirement is necessary. Transportation Code §731.051 provides that an owner of an
6 assembled vehicle shall apply for a title for the vehicle and register the vehicle as provided by
7 Transportation Code Chapters 501 and 502, as applicable. Transportation Code Chapter 731 does not
8 require additional disclosure requirements concerning the transfer of a titled assembled vehicle.

9 Assembled vehicles will have the title issued with a make of ASVE, or HMDE if it is a homemade
10 trailer. Further, the title should be present and available to the purchaser when the transfer is completed
11 by the seller in accordance with Transportation Code §501.028.

12 However, the department does agree that identifying whether the assembled vehicle is subject
13 to the sales restriction under Transportation Code §503.013 could be difficult to determine. This is
14 because Transportation Code Chapter 731 and HB 1755 apply to assembled vehicles to be titled under
15 Transportation Code Chapter 731 and these rules. Transportation Code Chapter 731 and HB 1755 does
16 not state that either applies to assembled vehicles that are currently titled or that either limits the ability
17 of an owner to transfer title to that vehicle.

18 Transportation Code §731.051(a) provides that "... an owner of an assembled vehicle shall apply
19 for a title for the vehicle and register the vehicle as provided by Chapters 501 and 502, as applicable, and
20 in accordance with rules adopted under this chapter..." Transportation Code §731.002 authorizes "the
21 board may adopt rules as necessary to implement and administer this chapter." House Bill 1755 Section
22 12 requires "[A]s soon as practicable after the effective date of this Act, the board of the Texas
23 Department of Motor Vehicles shall: (1) adopt the rules required by Chapter 731, Transportation Code as

1 added by this Act; and (2) adopt or modify any rules necessary to implement the changes in law made by
2 this Act."

3 Transportation Code §503.013 applies to an assembled vehicle as defined in Transportation Code
4 §731.001. Transportation Code §731.051(a) and the requirements of Transportation Code Chapter 731
5 and HB 1755 provide that an "assembled vehicle" cannot be titled under Chapter 731 until the department
6 adopts implementing rules. Transportation Code Chapter 731 and HB 1755 make no reference to
7 assembled vehicles that were titled prior to the adoption of the department's implementing and
8 administrative rules.

9 Titled assembled vehicles that are subsequently transferred would be transferred in the same
10 manner as any used vehicle under Transportation Code Chapter 501 and Chapter 502, either because the
11 vehicle was not initially titled under Transportation Code Chapter 731 and these rules, or because of
12 §217.407 for vehicles initially titled under Transportation Code Chapter 731 and these rules.

13 As such, a title indicating ASVE as make may not indicate if and how Transportation Code §503.013
14 applies. To aid in identification of assembled vehicles initially titled after the effective date of these rules
15 and that cannot be transferred to or by a dealer under Transportation Code §503.013, the department
16 will add a remark "NOT FOR DEALER RESALE."

17 The change has been made by the department adding to the text of §217.406(b) "A vehicle that
18 is titled under Transportation Code Chapter 731 and this subchapter that cannot be transferred to or by
19 a dealer under Transportation Code §503.013 shall have a "NOT FOR DEALER RESALE" remark included on
20 the title." All affected persons were on notice of the limitation, because Transportation Code §503.013 is
21 in statute, and the proposal discusses its limitations on the subsequent transfer of assembled vehicles
22 titled under Transportation Code Chapter 731 and this subchapter. The change does not add new costs or

1 affect the rights of persons owning vehicles titled before or after the effective date of the proposed rules,
2 including dealers who may have such vehicles for sale.

3

4 **STATUTORY AUTHORITY.** The department adopts amendments to §217.3 and §§217.141-217.143 and
5 new §§217.401 - 217.407 under Occupations Code §2301.155 and §2302.051; and Transportation Code
6 §§501.0041, 502.0021, 504.011, 731.002, 731.051, 731.052, 731.101, and 1002.001.

7 Occupations Code §2301.155 authorizes the board of the Texas Department of Motor Vehicles
8 to adopt rules as necessary or convenient to administer this chapter and to govern practice and
9 procedure before the board.

10 Occupations Code §2302.051 authorizes the board to adopt rules as necessary to administer
11 this chapter.

12 Transportation Code §501.0041 authorizes the department to adopt rules to administer
13 Chapter 501.

14 Transportation Code §502.0021 authorizes the department to adopt rules to administer
15 Chapter 502.

16 Transportation Code §504.0011 authorizes the board to adopt rules to implement and
17 administer Transportation Code Chapter 504.

18 Transportation Code §731.002 authorizes the board to adopt rules as necessary to implement
19 and administer Transportation Code Chapter 731.

20 Transportation Code §731.051 authorizes the board to adopt rules under Transportation Code
21 Chapter 731 for owners to apply for a title and register as provided by Chapters 501 and 502, as
22 applicable, regardless of whether the assembled vehicle was built or assembled using a vehicle that was
23 previously titled in this state or another jurisdiction.

1 Unless otherwise exempted by law or this chapter, the owner of any motor vehicle that is required to be
2 titled, including any motor vehicle required to be registered in accordance with Transportation Code [;]
3 Chapter 502, shall apply for a Texas title in accordance with Transportation Code [;] Chapter 501 or 731.

4 (1) Motorcycles, [~~motor-driven cycles,~~] autocycles, and mopeds.

5 (A) The title requirements for [~~of~~] a motorcycle, [~~motor-driven cycle,~~] autocycle,
6 and moped are the same requirements prescribed for any motor vehicle.

7 (B) A vehicle that meets the criteria for a moped and has been certified as a
8 moped by the Department of Public Safety will be registered and titled as a moped. If the vehicle does not
9 appear on the list of certified mopeds published by that agency, the vehicle will be treated as a motorcycle
10 for title and registration purposes.

11 (2) Farm vehicles.

12 (A) The term "motor vehicle" does not apply to implements of husbandry, which
13 may not be titled.

14 (B) Farm tractors owned by agencies exempt from registration fees in accordance
15 with Transportation Code [;] §502.453, are required to be titled and registered with "Exempt" license
16 plates issued in accordance with Transportation Code [;] §502.451.

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

19 (D) Owners of farm trailers and farm semitrailers with a gross weight of 34,000
20 pounds or less may apply for a Texas title. Owners of farm trailers and farm semitrailers with a gross
21 weight in excess of 34,000 pounds shall apply for a Texas title. If a farm trailer or farm semitrailer with a
22 gross weight of 34,000 pounds or less has been titled previously, any subsequent owner shall apply for a
23 Texas title for the farm trailer or farm semitrailer. [~~Farm semitrailers with a gross weight of more than~~

1 ~~4,000 pounds that are registered in accordance with Transportation Code, §502.146, may be issued a~~
2 ~~Texas title.]~~

3 (3) Neighborhood electric vehicles. The title requirements of a neighborhood electric
4 vehicle (NEV) are the same requirements prescribed for any motor vehicle.

5 (4) Trailers, semitrailers, and house trailers. Owners of trailers and semitrailers shall apply
6 for ~~[and receive]~~ a Texas title for any ~~[stand-alone (full)]~~ trailer ~~[-including homemade or shopmade full~~
7 ~~trailers,]~~ or ~~[any]~~ semitrailer with ~~[having]~~ a gross weight in excess of 4,000 pounds. Owners of trailers
8 and semitrailers with ~~[having]~~ a gross weight of 4,000 pounds or less may apply for ~~[and receive]~~ a Texas
9 title. If a trailer or semitrailer with a gross weight of 4,000 pounds or less has been titled previously, any
10 subsequent owner shall apply for a Texas title for the trailer or semitrailer. House trailer-type vehicles
11 must meet the criteria outlined in subparagraph (C) of this paragraph to be titled: ~~[-]~~

12 (A) The rated carrying capacity will not be less than one-third of its empty weight.

13 (B) Mobile office trailers, mobile oil field laboratories, and mobile oil field
14 bunkhouses are not designed as dwellings, but are classified as commercial semitrailers and must be
15 registered and titled as commercial semitrailers if operated on the public streets and highways.

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

18 (i) A house trailer-type vehicle that is less than eight feet six inches in
19 width or less than 45 feet in length is classified as a travel trailer and shall be registered and titled.

20 (ii) A camper trailer shall be titled as a house trailer and shall be registered
21 with travel trailer license plates.

22 (iii) A recreational park model type trailer that is primarily designed as
23 temporary living quarters for recreational, camping or seasonal use, is built on a single chassis, and is 400

1 square feet or less when measured at the largest horizontal projection when in the set up mode shall be
2 titled as a house trailer and may be issued travel trailer license plates.

3 (5) Assembled vehicles. The title requirements for assembled vehicles are prescribed in
4 Subchapter L of this title (relating to Assembled Vehicles).

5 ~~[(A) An assembled vehicle is a vehicle assembled from the three basic component~~
6 ~~parts (motor, frame, and body), except that a motorcycle must have a frame and motor, and a trailer or~~
7 ~~travel trailer will have no motor, and that is:]~~

8 ~~[(i) assembled from new or used materials and parts by someone not~~
9 ~~regulated as a motor vehicle manufacturer;]~~

10 ~~[(ii) altered or modified to the extent that it no longer reflects the original~~
11 ~~manufacturer's configuration; or]~~

12 ~~[(iii) assembled from a kit even if a Manufacturer's Certificate of Origin or~~
13 ~~Manufacturer's Statement of Origin is provided.]~~

14 ~~[(B) A newly assembled vehicle, for which a title has never been issued in this~~
15 ~~jurisdiction or any other, may be titled if:]~~

16 ~~[(i) it is assembled and completed with a body, motor, and frame, except~~
17 ~~that a motorcycle must have a frame and motor, and a trailer or travel trailer will have no motor;]~~

18 ~~[(ii) it is not created from different vehicle classes, (as established by the~~
19 ~~Federal Highway Administration, except as provided by subparagraph (C) of this paragraph), that were~~
20 ~~never engineered or manufactured to be combined with one another;]~~

21 ~~[(iii) it has all safety components required by federal law during the year~~
22 ~~of assembly, unless the vehicle qualifies and is registered as a custom vehicle or street rod in accordance~~
23 ~~with Transportation Code, §504.501;]~~

1 ~~[(C) Component parts from the following vehicle classes may be interchanged~~
2 ~~with one another or used in the creation of an assembled vehicle:]~~

3 ~~[(i) 2-axle, 4-tire passenger cars;]~~

4 ~~[(ii) 2-axle, 4-tire pickups, panels and vans;]~~

5 ~~[(iii) 6-tire dually pickups, of which the rear tires are dual tires.]~~

6 ~~[(D) The ASE inspection for a newly assembled vehicle required under~~
7 ~~subparagraph (B) of this paragraph is in addition to the inspection required by Transportation Code,~~
8 ~~Chapter 548, except a vehicle that qualifies and is registered as a custom vehicle or street rod in~~
9 ~~accordance with Transportation Code, §504.501, is exempt from the inspection required under~~
10 ~~Transportation Code, Chapter 548, for the duration the vehicle is registered as such.]~~

11 ~~[(E) An assembled vehicle which has previously been titled and/or registered in~~
12 ~~this or any other jurisdiction is subject to subparagraph (B)(i) – (iv) of this paragraph, but is not subject to~~
13 ~~subparagraph (B)(v) – (viii); however, it is subject to the inspection required by Transportation Code,~~
14 ~~Chapter 548, except a vehicle that qualifies and is registered as a custom vehicle or street rod in~~
15 ~~accordance with Transportation Code, §504.501.]~~

16 ~~[(F) An assembled vehicle will be titled using the year it was assembled as the~~
17 ~~model year and "ASSEMBLED" or "ASVE" as the make of the vehicle unless the body of the vehicle is~~
18 ~~established to the department's satisfaction to be an original body from a particular year and make. An~~
19 ~~assembled vehicle utilizing an original body may be titled by the year and the make of the original body~~
20 ~~but must reflect a "RECONSTRUCTED" remark. An assembled vehicle not utilizing an original body may~~
21 ~~obtain a title with a "REPLICA" remark featuring the year and make of the replica if the vehicle resembles~~
22 ~~a prior model year vehicle. This subparagraph applies regardless of how the vehicle's model year or make~~
23 ~~was previously identified in this or any other jurisdiction.]~~

1 (6) Not Eligible for Title. The following are not eligible for a Texas title regardless of the
2 vehicle's previous title or ~~[and/or]~~ registration in this or any other jurisdiction:

3 (A) vehicles that are missing or are stripped of their motor, frame, or body, to the
4 extent that ~~[it materially alters]~~ the vehicle loses its original identity ~~[manufacturer's original design]~~ or
5 makes the vehicle unsafe for on-road operation as determined by the department;

6 ~~[(B) vehicles designed or determined by the department to be a dune buggy;]~~

7 (B) ~~[(C)]~~ vehicles designed by the manufacturer ~~[or determined by the~~
8 ~~department to be]~~ for on-track racing only ~~[, unless such vehicles meet Federal Motor Vehicle Safety~~
9 ~~Standards (FMVSS) for on-road use and are reported to the National Highway Traffic Safety~~
10 ~~Administration];~~

11 (C) ~~[(D)]~~ vehicles designed or determined by the department to be for off-highway
12 ~~[off-road]~~ use only, unless specifically defined as a "motor vehicle" in Transportation Code ~~[,]~~ Chapter 501;

13 or

14 (D) ~~[(E)]~~ vehicles assembled, built, constructed, rebuilt, or reconstructed in any
15 manner with:

16 (i) a body or frame from a vehicle which is a "nonrepairable motor
17 vehicle" as that term is defined in Transportation Code ~~[,]~~ §501.091(9); or

18 (ii) a motor or engine from a vehicle which is flood damaged, water
19 damaged, or any other term which may reasonably establish the vehicle from which the motor or engine
20 was obtained is a loss due to a water related event.

21

22 **SUBCHAPTER G. INSPECTIONS.**

23 **§217.141. Purpose and Scope.**

1 This subchapter prescribes the policies and procedures necessary to protect the public by requiring
2 inspection of assembled vehicles [~~street rods and custom vehicles~~], accurately identify the identity of a
3 motor vehicle, and provides department approved training programs which if successfully completed
4 qualify a person to conduct vehicle identification number inspections.

5

6 **§217.142. Definitions.**

7 (a) The definitions in Transportation Code §731.001 apply to this subchapter.

8 (b) The following words and terms, when used in this subchapter, shall have the following
9 meanings, unless the context clearly indicates otherwise.

10 (1) [" Altered from the manufacturer's original design "] - as that term is used in
11 §504.501(f), Transportation Code, is defined as the removal, addition, modification, or substitution, of at
12 least one major component part, as defined in Transportation Code §501.091, except that an engine,
13 frame, and body or cab, must be replaced if removed.

14 (2) Applicant - a person applying for title to an assembled vehicle who:

15 (A) is a hobbyist;

16 (B) is the owner of an assembled vehicle that has not been previously titled as an
17 assembled vehicle; or

18 (C) purchased an assembled vehicle constructed and designated by the
19 manufacturer as a replica, custom vehicle, street rod, or glider kit. [~~"Custom vehicle" has the meaning~~
20 assigned by §504.501(f)(1), Transportation Code.]

21 (3) Equipment - items and systems, including the connection points of the items and
22 systems, to include the frame; chassis; structural components; wheel assembly; tires; brake system,
23 including each brake, power brake unit, and all integral items of the system; steering system, including

1 power steering, and all integral items of the system; front seat belts if constructed with seat belt
2 anchorages; body; drivetrain; suspension; motor; fuel supply system and all integral items of the system;
3 exhaust system and all integral items of the system; mirrors; windshield; windshield wipers; turn signal
4 lamps; beam indicator; head lamps, minimum of two; tail lamps; stop lamps; and rear red reflectors. This
5 term includes the basic component parts of motor, body, and frame, as defined in §217.402 of this
6 chapter; and some major component parts as defined in Transportation Code §501.091. The term basic
7 component part is defined by rule to identify the parts that will be used in determining evidence of
8 ownership. The term major component part is defined by statute for use in determining whether the
9 vehicle is a custom vehicle or street rod. ["Major component part" has the meaning assigned by §501.091,
10 Transportation Code.]

11 (4) Manufacturer - is a person that builds an assembled vehicle and is not a hobbyist, has
12 the meaning as defined in Occupations Code §2301.002, and is subject to the requirements of that chapter
13 applicable to manufacturers, including sale through a franchise dealer network. ["Street rod" has the
14 meaning assigned by §504.501(f)(2), Transportation Code.]

15 (5) Master technician - a person who holds a valid certification as a Certified Master
16 Automobile and Light Truck Technician, or equivalent successor certification, issued by the National
17 Institute for Automotive Service Excellence.

18
19 **§217.143. [~~Custom Vehicle and Street Rod~~] Inspection Requirements.**

20 (a) On initial titling of an assembled vehicle under Transportation Code Chapter 731, and
21 Subchapter L of this title (relating to Assembled Vehicles), with the exception of an assembled motorcycle,
22 assembled trailer, and glider kit, an applicant [~~registration including registration at the time of title~~
23 transfer, of a custom vehicle or street rod, the applicant] must provide proof, on a form prescribed

1 ~~[provided]~~ by the department, of a safety inspection performed by a master technician ~~[an Automotive~~
2 ~~Service Excellence (ASE) technician with valid certification as a Certified Master Automobile and Light~~
3 ~~Truck Technician]~~.

4 (b) In addition to the requirement under subsection (a) of this section, an owner applying for initial
5 registration of a custom vehicle or street rod must provide proof, on a form prescribed by the department,
6 of a safety inspection performed by a master technician under this section as required under
7 Transportation Code §504.501(e).

8 (c) The inspection must evaluate the structural integrity and proper function of the equipment.

9 (d) ~~[(b)]~~ The inspector ~~[inspection]~~ must certify that ~~[the vehicle]~~:

10 (1) the vehicle and equipment are ~~[is]~~ structurally stable;

11 (2) the vehicle and equipment meet ~~[meets]~~ the necessary conditions to be operated
12 safely on the roadway ~~[and]~~;

13 (3) equipment used in the construction of the vehicle, for which a federal motor vehicle
14 safety standard exists, complies with the applicable standard; and

15 (4) ~~[(3)]~~ if the vehicle is a custom vehicle or street rod, the vehicle is equipped and
16 operational with all equipment required by statute as a condition of sale during the year the vehicle was
17 manufactured or resembles.

18 ~~[(c) A custom vehicle or street rod is not required to be equipped with a specific piece of~~
19 ~~equipment unless the specific piece of equipment was required by statute as a condition of sale during~~
20 ~~the year listed as the replica model year.]~~

21 (e) The inspection of an assembled vehicle required under subsection (a) of this section is in
22 addition to all other required inspections including an inspection required under Transportation Code
23 Chapter 548.

1 (f) The applicant must pay all fees to the master technician for the inspection of an assembled
2 vehicle required under subsection (a) of this section, including any reinspection.

3 (g) In addition to the fees in subsection (f) of this section, the applicant must pay all applicable
4 fees for other required inspections as required by law, including an inspection or reinspection required
5 under Transportation Code Chapter 548.

6

7

SUBCHAPTER L. ASSEMBLED VEHICLES

8 §217.401. Purpose and Scope.

9 (a) Transportation Code Chapter 731, charges the department with the responsibility of
10 establishing procedures and requirements for issuance of title and registration for an assembled vehicle.
11 For the department to efficiently and effectively issue motor vehicle titles, maintain records, and collect
12 the applicable fees, this subchapter prescribes the policies and procedures for the application for and
13 issuance of motor vehicle titles to assembled vehicles.

14 (b) For purposes of this subchapter, a glider kit issued a title with a "RECONSTRUCTED" remark is
15 a replica.

16

17 §217.402. Definitions.

18 (a) The definitions in Transportation Code §731.001, apply to this subchapter.

19 (b) The following words and terms, when used in this subchapter, shall have the following
20 meanings, unless the context clearly indicates otherwise:

21 (1) Applicant - a person applying for title to an assembled vehicle who:

22 (A) is a hobbyist;

1 (B) is the owner of an assembled vehicle that has not been previously titled as an
2 assembled vehicle; or

3 (C) purchased an assembled vehicle constructed and designated by the
4 manufacturer as a replica, custom vehicle, street rod, or glider kit.

5 (2) Basic component part - the motor, body, and frame of an assembled vehicle, as
6 applicable to the type of assembled vehicle. This term is a subset of "major component part" as defined
7 in Transportation Code §501.091, but the term "basic component part" is not applicable in determining
8 whether a vehicle qualifies as a custom vehicle or street rod under Transportation Code §504.501(f),
9 which is the purpose of the term "major component part."

10 (3) Continuous sale - is offering for sale or the sale of five or more assembled vehicles of
11 the same type in a calendar year when such vehicles are not owned and titled in the name of the owner.

12 (4) Manufacturer - is a person that builds an assembled vehicle and is not a hobbyist, has
13 the meaning as defined in Occupations Code §2301.002, and is subject to the requirements of that chapter
14 applicable to manufacturers, including sale through a franchise dealer network.

15 (5) Personal use - is the construction of an assembled vehicle by a hobbyist for use by the
16 hobbyist.

17
18 §217.403. Assembled Vehicle Titles.

19 (a) An applicant must apply for initial title in the applicant's name as provided by Transportation
20 Code Chapter 731, and this subchapter in order to register an assembled vehicle for operation on a public
21 roadway or prior to transfer of ownership.

1 (b) The ownership transfer of an assembled vehicle titled under subsection (a) of this section must
2 be in accordance with §217.407 of this subchapter (relating to Title and Registration of a Titled Assembled
3 Vehicle).

4 (c) Unless the assembled vehicle is ineligible for title or registration for a reason listed under
5 Transportation Code §731.051(b), the department shall issue a title for an assembled vehicle:

6 (1) that passes the inspection required under §217.143 of this chapter (relating to
7 Assembled Vehicle Inspection Requirements), and Transportation Code §731.101;

8 (2) that, in addition to the inspection described in paragraph (1) of this subsection, passes
9 an inspection required by Transportation Code Chapter 548, as applicable; and

10 (3) following receipt of a fully completed application and all required forms and fees, as
11 identified in §217.404 of this subchapter (relating to Initial Application for Title).

12
13 §217.404. Initial Application for Title.

14 (a) Prior to applying for title, an applicant must submit to the department a complete application
15 for title. The application may be submitted in person, by mail, or electronically, to the department. The
16 application must include:

17 (1) photographs of the front, rear, and side of the assembled vehicle, and if a replica, a
18 photograph of what the vehicle is a replica of;

19 (2) evidence of ownership of the basic component parts of the assembled vehicle as
20 described in §217.405 of this subchapter (relating to Evidence of Ownership), as applicable to the type of
21 assembled vehicle;

1 (3) if applicable, proof, on a form prescribed by the department, of a safety inspection
2 required under §217.143 of this chapter (relating to Assembled Vehicle Inspection Requirements), and
3 Transportation Code §731.101;

4 (4) if applicable, a copy of the Automobile and Light Truck certification, or a successor
5 certification, for the master technician who completed the inspection described in paragraph (3) of this
6 subsection;

7 (5) a copy of the inspection that may be required under Transportation Code Chapter 548
8 if the assembled vehicle is to be registered for operation on the roadway;

9 (6) a Rebuilt Vehicle Statement;

10 (7) a weight certificate;

11 (8) identification as required in §217.5(d) of this chapter (relating to Evidence of Motor
12 Vehicle Ownership); and

13 (9) any of the following means to establish the vehicle identification number:

14 (A) an Application for Assigned or Reassigned Number, and Notice of Assigned
15 Number or Installation of Reassigned Vehicle Identification Number, on forms prescribed by the
16 department;

17 (B) an Application for Assigned or Reassigned Number, establishing the vehicle
18 identification number assigned by the manufacturer of the component part by which the assembled
19 vehicle will be identified;

20 (C) acceptable proof, as established by the department, of a vehicle identification
21 number assigned by the maker of the kit used to construct the assembled vehicle; or

22 (D) acceptable proof, as established by the department, of a vehicle identification
23 number assigned by the manufacturer of the replica, custom vehicle, street rod, or glider kit.

1 (b) Following receipt of all information required under subsection (a) of this section, the
2 department will review the application for completeness and to determine that the vehicle meets
3 assembled vehicle qualifications.

4 (c) If the department determines that the application is complete and the vehicle meets
5 assembled vehicle qualifications, the department will issue a letter to the applicant on department
6 letterhead, stating that the application is complete and that the vehicle qualifies as an assembled vehicle.
7 The letter shall include a list of the supporting documents and information identified in subsection (d)(2)
8 of this section.

9 (d) Following receipt of the department's letter described in subsection (c) of this section, the
10 applicant may then submit the letter and the completed application to the county tax assessor-collector
11 for processing. The application must include:

12 (1) the department-issued letter described in subsection (c) of this section;

13 (2) copies of all items required to be submitted to the department in subsection (a)(1) -
14 (9) of this section; and

15 (3) the requirements as identified in §217.23 of this chapter (relating to Initial Application
16 for Vehicle Registration) if obtaining registration.

17
18 §217.405. Evidence of Ownership.

19 (a) Evidence of ownership in the name of or properly assigned to the applicant must accompany
20 the title application submitted to the department.

21 (b) The evidence of ownership for a replica, custom vehicle, street rod, or glider kit built by a
22 manufacturer must be a manufacturer's certificate of origin, indicating:

23 (1) the vehicle identification number assigned to the vehicle by the manufacturer;

1 (2) the make as ASVE, unless a glider kit;

2 (3) a notation the vehicle is a replica and what the vehicle is a replica of if a replica, custom
3 vehicle, or street rod; and

4 (4) the municipality and state in which the vehicle was completed.

5 (c) The evidence of ownership for an assembled vehicle not previously titled as an assembled
6 vehicle by the owner, or built by a hobbyist, must contain the identifying number(s) of the corresponding
7 basic component part(s). Evidence of ownership is required for basic component parts used from a vehicle
8 titled in the name of the applicant, depending on the year and manufacturer of the vehicle. The following
9 evidence of ownership is required if the assembled vehicle is constructed with basic component parts
10 from a vehicle not titled in the name of the applicant:

11 (1) Motor. A bill of sale is required.

12 (2) Frame. A bill of sale, certificate of origin, or title depending on the year and
13 manufacturer of the frame.

14 (3) Body. A bill of sale, certificate of origin, or title depending on the year and
15 manufacturer of the body.

16 (4) Kit. A bill of sale or certificate of origin for the kit.

17 (5) New fabrication. A bill of sale, invoice, or receipts covering the material used to
18 construct the basic component part.

19 (d) An owner who is unable to obtain the evidence of ownership required under subsection (a) of
20 this section may:

21 (1) file a bond with the department in accordance with Transportation Code §501.053,
22 and §217.9 of this chapter (relating to Bonded Titles); and

1 (2) submit an application for title in the same manner as an applicant in accordance with
2 Transportation Code Chapter 731, and this subchapter.

3 (e) The department will assign a number or reassign the manufacturer's vehicle identification
4 number to an assembled vehicle based on the result of the vehicle inspection under §217.404(a)(9)(A) or
5 (B) of this subchapter (relating to Initial Application for Title). The owner under subsection (d) of this
6 section establishing the vehicle identification number of an assembled vehicle under §217.404(a)(9)(A) or
7 (B) of this subchapter, may use the vehicle identification number to satisfy the vehicle identification
8 number requirement under §217.9 of this chapter and obtain a bond under §217.9 of this chapter to be
9 filed with the department. The bond will be evidence of ownership under subsection (a) of this section.

10

11 §217.406. Title Issuance.

12 (a) Issuance. The county tax assessor-collector shall process the application for title and issue a
13 receipt upon receiving:

14 (1) a completed application for title;

15 (2) required documents identified in §217.404(d) of this subchapter (relating to Initial
16 Application for Title);

17 (3) the statutory fee for a title application, unless exempt under:

18 (A) Transportation Code §501.138; or

19 (B) Government Code §437.217, and copies of official military orders are
20 presented as evidence of the person's active duty status and deployment orders to a hostile fire zone; and

21 (4) any other applicable fees.

22 (b) Form of Title. In addition to the requirements under Transportation Code §731.053, an
23 assembled vehicle, other than an assembled trailer, will be titled using the year it was assembled as the

1 model year and "ASVE" for assembled as the make of the vehicle unless it is established to the
2 department's satisfaction to be constructed from original parts that reflect an established year and make
3 of a manufactured vehicle. An assembled vehicle constructed from original parts that reflect an
4 established year and make of a manufactured vehicle will be titled by that year and make, but must reflect
5 a "RECONSTRUCTED" remark if the component parts, excluding the motor, used to construct the vehicle
6 are not original to that vehicle. An assembled vehicle not utilizing an original body may obtain a title with
7 a "REPLICA" remark featuring the year and make of the replica if the vehicle resembles a prior model year
8 vehicle. This subsection applies regardless of how the vehicle's model year or make was previously
9 identified in this or any other jurisdiction. An assembled trailer will be titled using the year it was
10 assembled as the model year and "HMDE" for homemade as the make. A vehicle that is titled under
11 Transportation Code Chapter 731 and this subchapter that cannot be transferred to or by a dealer under
12 Transportation Code §503.013 shall have a "NOT FOR DEALER RESALE" remark included on the title.

13 (c) Distribution. The department will issue and mail or deliver a title to the applicant, or if a lien is
14 disclosed in the application, to the first lienholder unless the title is an electronic record of title.

15 (d) Receipt. The receipt issued at the time of application for title may be used only as evidence of
16 title and may not be used to transfer any interest or ownership in a motor vehicle or to establish a new
17 lien.

18
19 §217.407. Title and Registration of a Titled Assembled Vehicle.

20 (a) After an assembled vehicle is titled under Transportation Code Chapter 731, and this
21 subchapter, the assembled vehicle is subject to Transportation Code Chapters 501 and 502, and this
22 subchapter, except as provided in subsection (c) of this section.

