TRANSPORTATION CODE

TITLE 7. VEHICLES AND TRAFFIC

SUBTITLE A. CERTIFICATES OF TITLE AND REGISTRATION OF VEHICLES

CHAPTER 501. CERTIFICATE OF TITLE ACT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 501.001. SHORT TITLE. This chapter may be cited as the Certificate of Title Act.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.002. DEFINITIONS. In this chapter:

(1) "Assembled vehicle" has the meaning assigned by Section 731.001.

(1-a) "Certificate of title" means a printed record of title issued under Section 501.021.

(2) "Credit card" means a card, plate, or similar device used to make a purchase or to borrow money.

(3) "Dealer" has the meaning assigned by Section 503.001.

(4) "Debit card" means a card that enables the holder to withdraw money or to have the cost of a purchase charged directly to the holder's bank account.

(5) "Department" means the Texas Department of Motor Vehicles.

(6) "Distributor" has the meaning assigned by Section 2301.002, Occupations Code.

(7) Repealed by Acts 2019, 86th Leg., R.S., Ch. 485 (H.B. 2188), Sec. 10, eff. September 1, 2019.

(8) "First sale" means:

(A) the bargain, sale, transfer, or delivery of a motor vehicle, other than an assembled vehicle, that has not been previously registered or titled, with intent to pass an interest in the motor vehicle, other than a lien, regardless of where the bargain, sale, transfer, or delivery occurred; and

(B) the registration or titling of that vehicle.

(9) "House trailer" means a trailer designed for human

habitation. The term does not include manufactured housing.

(10) "Importer" means a person, other than a manufacturer, that brings a used motor vehicle into this state for sale in this state.

(11) "Importer's certificate" means a certificate for a used motor vehicle brought into this state for sale in this state.

(12) "Lien" means:

(A) a lien provided for by the constitution or statute in a motor vehicle;

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title; or

(C) a child support lien under Chapter 157, Family Code.

(13) "Manufactured housing" has the meaning assigned by Chapter 1201, Occupations Code.

(14) "Manufacturer" has the meaning assigned by Section 503.001.

(15) "Manufacturer's permanent vehicle identification number" means the number affixed by the manufacturer to a motor vehicle in a manner and place easily accessible for physical examination and die-stamped or otherwise permanently affixed on one or more removable parts of the vehicle.

(16) "Motorcycle" has the meaning assigned by Section 521.001 or 541.201, as applicable.

(17) "Motor vehicle" means:

(A) any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) a trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) a travel trailer;

(D) an off-highway vehicle, as defined by Section 551A.001; or

(E) a motorcycle or moped that is not required to be registered under the laws of this state.

(18) "New motor vehicle" has the meaning assigned by Section 2301.002, Occupations Code.

(19) "Owner" means a person, other than a manufacturer, importer, distributor, or dealer, claiming title to or having a right to operate under a lien a motor vehicle that has been subject to a first sale.

(20) "Purchaser" means a person or entity to which a motor vehicle is donated, given, sold, or otherwise transferred.

(21) "Record of title" means an electronic record of motor vehicle ownership in the department's motor vehicle database that is created under Subchapter I.

(22) "Seller" means a person or entity that donates, gives, sells, or otherwise transfers ownership of a motor vehicle.

(23) "Semitrailer" means a vehicle that is designed or used with a motor vehicle so that part of the weight of the vehicle and its load rests on or is carried by another vehicle.

(24) "Serial number" means a vehicle identification number that is affixed to a part of a motor vehicle and that is:

(A) the manufacturer's permanent vehicle identification number;

(B) a derivative number of the manufacturer's permanent vehicle identification number;

(C) the motor number;

(D) the vehicle identification number assigned by the department; or

(E) the vehicle identification number assigned by the maker of a kit, if the vehicle is an assembled vehicle that is assembled from a kit.

(25) "Steal" has the meaning assigned by Section 31.01, Penal Code.

(26) "Subsequent sale" means:

(A) the bargain, sale, transfer, or delivery of a used motor vehicle, with intent to pass an interest in the vehicle, other than a lien; and

(B) the registration of the vehicle if

registration is required under the laws of this state.

(27) "Title" means a certificate or record of title that is issued under Section 501.021.

(28) "Title receipt" means a document issued under Section 501.024.

(29) "Trailer" means a vehicle that:

(A) is designed or used to carry a load wholly on the trailer's own structure; and

(B) is drawn or designed to be drawn by a motor vehicle.

(30) "Travel trailer" means a house trailer-type vehicle or a camper trailer:

(A) that is a recreational vehicle defined under 24 C.F.R. Section 3282.8(g); or

(B) that:

(i) is less than eight feet six inches in width or 45 feet in length, exclusive of any hitch installed on the vehicle;

(ii) is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use;

(iii) is not used as a permanent dwelling; and

(iv) is not a utility trailer, enclosed trailer, or other trailer that does not have human habitation as its primary function.

(31) "Used motor vehicle" means:

(A) a motor vehicle that has been the subject of a first sale; or

(B) an assembled vehicle that has been issued a title.

(32) "Vehicle identification number" means:

(A) the manufacturer's permanent vehicle identification number affixed by the manufacturer to the motor vehicle that is easily accessible for physical examination and permanently affixed on one or more removable parts of the vehicle; or

(B) a serial number affixed to a part of a motor vehicle that is:

(i) a derivative number of the manufacturer's permanent vehicle identification number;

(ii) the motor number;

(iii) a vehicle identification number assigned by the department; or

(iv) the vehicle identification number assigned by the maker of a kit, if the vehicle is an assembled vehicle that is assembled from a kit.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 414, Sec. 2.42, eff. July 1, 2001; Acts 2003, 78th Leg., ch. 1276, Sec. 14A.821, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 586 (H.B. 1646), Sec. 1, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 972 (S.B. 228), Sec. 64, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 2D.01, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 4, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 1, eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 485 (H.B. 2188), Sec. 10, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 882 (H.B. 3171), Sec. 2.02, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1079 (H.B. 1755), Sec. 4, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 8, eff. June 14, 2019.

Sec. 501.003. PURPOSE. This chapter shall be liberally construed to lessen and prevent:

(1) the theft of motor vehicles;

(2) the importation into this state of and traffic in motor vehicles that are stolen; and

(3) the sale of an encumbered motor vehicle without the enforced disclosure to the purchaser of a lien secured by the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 2, eff. January 1, 2012.

Sec. 501.004. APPLICABILITY. (a) Except as provided by this section, this chapter applies to all motor vehicles, including a motor vehicle owned by the state or a political subdivision of the state.

(b) This chapter does not apply to:

(1) a farm trailer or farm semitrailer with a gross vehicle weight of not more than 34,000 pounds used only for the transportation of farm products if the products are not transported for hire;

(2) the filing or recording of a lien that is created only on an automobile accessory, including a tire, radio, or heater;

(3) a motor vehicle while it is owned or operated by the United States; or

(4) a new motor vehicle on loan to a political subdivision of the state for use only in a driver education course conducted by an entity exempt from licensure under Section 1001.002, Education Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 3, eff. January 1, 2012.

Acts 2015, 84th Leg., R.S., Ch. 1044 (H.B. 1786), Sec. 55, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 3, eff. September 1, 2017.

Sec. 501.0041. RULES; FORMS. (a) The department may adopt rules to administer this chapter.

(b) The department shall post forms on the Internet and provide each county assessor-collector with a sufficient supply of any necessary forms on request.

Transferred, redesignated and amended from Transportation Code, Section 501.131 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 4, eff. January 1, 2012.

Sec. 501.005. CONFLICTS WITH BUSINESS & COMMERCE CODE. Chapters 1-9, Business & Commerce Code, control over a conflicting provision of this chapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.006. ALIAS TITLE. On receipt of a verified request approved by the executive administrator of a law enforcement agency, the department may issue a title in the form requested by the executive administrator for a vehicle in an alias for the law enforcement agency's use in a covert criminal investigation.

Transferred, redesignated and amended from Transportation Code, Section 501.159 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 5, eff. January 1, 2012.

Sec. 501.008. TITLE FOR AUTOCYCLE. (a) In this section, "autocycle" means a motor vehicle, other than a tractor, that is:

(1) designed to have when propelled not more than three wheels on the ground;

(2) equipped with seat belts and a steering mechanism;

(3) equipped with seating that does not require the operator to straddle or sit astride the seat; and

(4) manufactured and certified to comply with federal safety requirements for a motorcycle.

(b) For purposes of issuing a title under this chapter, an autocycle is considered to be a motorcycle.

Added by Acts 2015, 84th Leg., R.S., Ch. 67 (S.B. 449), Sec. 1, eff.

May 22, 2015.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 34 (S.B. 1115), Sec. 1, eff. September 1, 2023.

Sec. 501.009. TITLE FOR MINIATURE VEHICLE. (a) In this section, "miniature vehicle" has the meaning assigned by Section 502.001.

(b) For purposes of issuing a title under this chapter, a miniature vehicle is considered to be a motor vehicle.

Added by Acts 2025, 89th Leg., R.S., Ch. 505 (S.B. 1816), Sec. 1, eff. June 20, 2025.

SUBCHAPTER B. CERTIFICATE OF TITLE REQUIREMENTS

Sec. 501.021. TITLE FOR MOTOR VEHICLE.

(a) A motor vehicle title issued by the department must include:

(1) the legal name and address of each purchaser;

(2) the legal name of the seller and the municipality and state in which the seller is located or resides;

(3) the year, make, and body style of the vehicle;

(4) the vehicle identification number of the vehicle;

(5) if the vehicle is subject to odometer disclosure under Section 501.072, the odometer reading and odometer brand as recorded on the last title assignment for the vehicle;

(6) the name and address of each lienholder and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;

(7) a statement indicating rights of survivorship under Section 501.031; and

(8) any other information required by the department.

(b) A printed certificate of title must bear the following statement on its face:

"UNLESS OTHERWISE AUTHORIZED BY LAW, IT IS A VIOLATION OF STATE LAW TO SIGN THE NAME OF ANOTHER PERSON ON A CERTIFICATE OF TITLE OR OTHERWISE GIVE FALSE INFORMATION ON A CERTIFICATE OF

TITLE."

(c) A title for a motor vehicle that has been the subject of an ordered repurchase or replacement under Chapter 2301, Occupations Code, must contain on its face a notice sufficient to inform a purchaser that the motor vehicle has been the subject of an ordered repurchase or replacement.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1423, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 542 (S.B. 1617), Sec. 1, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 6, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 41, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 4, eff. September 1, 2017.

Sec. 501.022. MOTOR VEHICLE TITLE REQUIRED. (a) The owner of a motor vehicle registered in this state:

(1) except as provided by Section 501.029, shall apply for title to the vehicle; and

(2) may not operate or permit the operation of the vehicle on a public highway until the owner:

(A) applies for title and registration for the vehicle; or

(B) obtains a receipt evidencing title for registration purposes only under Section 501.029.

(b) A person may not operate a motor vehicle registered in this state on a public highway if the person knows or has reason to believe that the owner has not applied for a title for the vehicle.

(c) The owner of a motor vehicle that is required to be titled and registered in this state must obtain a title to the vehicle before selling or disposing of the vehicle.

(d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a dealer's license plate attached to the vehicle as provided by Chapter 503.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 793 (S.B. 1235), Sec. 1, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 7, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 8, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 42, eff. September 1, 2013.

Acts 2023, 88th Leg., R.S., Ch. 668 (H.B. 718), Sec. 4, eff. July 1, 2025.

Sec. 501.023. APPLICATION FOR TITLE.

(a) The owner of a motor vehicle must present identification and apply for a title as prescribed by the department, unless otherwise exempted by law. To obtain a title, the owner must apply:

(1) to the county assessor-collector in the county in which:

(A) the owner is domiciled; or

(B) the motor vehicle is purchased or encumbered; or

(2) to any county assessor-collector who is willing to accept the application.

(b) The assessor-collector shall send the application to the department or enter it into the department's titling system within 72 hours after receipt of the application.

(c) The owner or a lessee of a commercial motor vehicle operating under the International Registration Plan or other agreement described by Section 502.091 that is applying for a title for purposes of registration only may apply directly to the department. Notwithstanding Section 501.138(a), an applicant for registration under this subsection shall pay the fee imposed by that section. The fee shall be distributed to the appropriate county assessor-collector in the manner provided by Section

501.138.

(d) An application filed by the owner or lessee of a foreign commercial motor vehicle, as defined by Section 648.001, must be accompanied by a copy of the applicable federal declaration form required by the Federal Motor Carrier Safety Administration or its successor in connection with the importation of a motor vehicle or motor vehicle equipment subject to the federal motor vehicle safety, bumper, and theft prevention standards.

(e) Repealed by Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 11(1), eff. March 1, 2022.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1423, Sec. 2, eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 919 (H.B. 2985), Sec. 1, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 22, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 9, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 10, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 43, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 5, eff. September 1, 2017.

Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 1, eff. March 1, 2022.

Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 11(1), eff. March 1, 2022.

Sec. 501.0234. DUTY OF VEHICLE DEALER ON SALE OF CERTAIN VEHICLES. (a) A person who sells at the first or a subsequent sale a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, shall:

(1) except as provided by this section, in the time and manner provided by law, apply, in the name of the purchaser of the

vehicle, for the registration of the vehicle, if the vehicle is to be registered, and a title for the vehicle and file with the appropriate designated agent each document necessary to transfer title to or register the vehicle; and at the same time

(2) remit any required motor vehicle sales tax.

(b) This section does not apply to a motor vehicle:

(1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;

(2) for which the title has been surrendered in exchange for:

(A) a salvage vehicle title or salvage record of title issued under this chapter;

(B) a nonrepairable vehicle title or nonrepairable vehicle record of title issued under this chapter or Subchapter D, Chapter 683; or

(C) an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B);

(3) with a gross weight in excess of 11,000 pounds; or

(4) purchased by a commercial fleet buyer who:

(A) is a deputy authorized by rules adopted under Section 520.0071;

(B) utilizes the dealer title application process developed to provide a method to submit title transactions to the county in which the commercial fleet buyer is a deputy; and

(C) has authority to accept an application for registration and application for title transfer that the county assessor-collector may accept.

(c) Each duty imposed by this section on the seller of a motor vehicle is solely that of the seller.

(d) A seller who applies for the registration or a title for a motor vehicle under Subsection (a)(1) may apply:

(1) to the county assessor-collector of the county in which:

(A) the owner is domiciled; or

(B) the motor vehicle is purchased or encumbered; or

(2) to any county assessor-collector who is willing to

accept the application.

(e) Repealed by Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 11(2), eff. March 1, 2022.

(f) A seller has a reasonable time to comply with the terms of Subsection (a)(1) and is not in violation of that provision during the time the seller is making a good faith effort to comply. Notwithstanding compliance with this chapter, equitable title to a vehicle passes to the purchaser of the vehicle at the time the vehicle is the subject of a sale that is enforceable by either party.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.37(a), eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1423, Sec. 3, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 76, Sec. 1, eff. May 14, 2001; Acts 2003, 78th Leg., ch. 1325, Sec. 17.01, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 14A.822, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1023 (H.B. 988), Sec. 1, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 1173 (H.B. 3433), Sec. 3, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1232 (S.B. 1759), Sec. 3, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 11, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 44, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 6, eff. September 1, 2013.

Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 2, eff. March 1, 2022.

Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 11(2), eff. March 1, 2022.

Sec. 501.0235. PERSONAL IDENTIFICATION INFORMATION FOR OBTAINING TITLE. (a) The department may require an applicant for a title to provide current personal identification as determined by department rule.

(b) Any identification number required by the department under this section may be entered in the department's electronic titling system but may not be printed on the title.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 12, eff. January 1, 2012.

Sec. 501.0236. ISSUANCE OF TITLE AND PERMITS WHEN DEALER GOES OUT OF BUSINESS. (a) This section applies only to a person who is the purchaser of a motor vehicle for which the dealer:

(1) is required to apply for a title for the vehicle under Section 501.0234; and

(2) does not apply for the title because the dealer has gone out of business.

(b) A purchaser to whom this section applies may apply for a title in the manner prescribed by the department by rule.

(c) An application for a title under this section must include a release of any recorded lien on the motor vehicle unless the only recorded lienholder is a dealer described by Subsection (a).

(d) The department shall waive the payment of fees for a title issued to a purchaser described by this section if the purchaser can show that fees for a title were paid to the dealer.

(e) Notwithstanding Section 503.033(e), the department may recover against the surety bond executed by the dealer under Section 503.033 the amount of any fee waived for a title or permit issued under this section.

(f) The department shall adopt the rules necessary to implement this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 1309 (H.B. 3842), Sec. 1, eff. September 1, 2019.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 668 (H.B. 718), Sec. 5, eff. July 1, 2025.

Sec. 501.024. TITLE RECEIPT. (a) A county assessor-collector who receives an application for a title shall issue a title receipt to the applicant containing the information

concerning the motor vehicle required for issuance of a title under Section 501.021 or Subchapter I after:

(1) the requirements of this chapter are met, including the payment of the fees required under Section 501.138; and

(2) the information is entered into the department's titling system.

(b) If a lien is not disclosed on the application for a title, the assessor-collector shall issue a title receipt to the applicant.

(c) If a lien is disclosed on the application for a title, the assessor-collector shall issue a duplicate title receipt to the lienholder.

(d) A title receipt with registration or permit authorizes the operation of the motor vehicle on a public highway in this state until the title is issued.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, Sec. 2, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 13, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 45, eff. September 1, 2013.

Sec. 501.025. MANUFACTURER'S CERTIFICATE REQUIRED ON FIRST SALE. A county assessor-collector may not issue a title receipt on the first sale of a motor vehicle unless the applicant for the title provides the application for a title and a manufacturer's certificate in a manner prescribed by the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 14, eff. January 1, 2012.

Sec. 501.027. ISSUANCE OF TITLE. (a) On the day that a county assessor-collector issues a title receipt, a copy of the title receipt and all evidence of title shall be submitted to the

department in the period specified in Section 501.023(b).

(b) Not later than the fifth day after the date the department receives an application for a title and the department determines the requirements of this chapter are met:

(1) the title shall be issued to the first lienholder or to the applicant if a lien is not disclosed on the application; or

(2) the department shall notify the applicant that the department's titling system has established a record of title of the motor vehicle in the applicant's name if a lien is not disclosed. If a lien is disclosed on the application, the department shall notify the lienholder that the lien has been recorded.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, Sec. 3, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 15, eff. January 1, 2012.

Sec. 501.0275. ISSUANCE OF TITLE FOR UNREGISTERED VEHICLE. (a) The department shall issue a title for a motor vehicle that complies with the other requirements under this chapter unless:

(1) the vehicle is not registered for a reason other than a reason provided by Section 501.051(a)(6); and

(2) the applicant does not provide evidence of financial responsibility that complies with Section 502.046.

(b) On application for a title under this section, the applicant must surrender any license plates issued for the motor vehicle if the plates are not being transferred to another vehicle and any registration insignia for validation of those plates to the department.

Added by Acts 1999, 76th Leg., ch. 1423, Sec. 4, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 16, eff. January 1, 2012.

Sec. 501.0276. DENIAL OF TITLE RECEIPT, TITLE, OR RECORD OF

TITLE FOR FAILURE TO PROVIDE PROOF OF EMISSIONS TESTING. A county assessor-collector may not issue a title receipt and the department may not issue a certificate of title for a vehicle subject to Section 548.3011 unless proof that the vehicle has passed a vehicle emissions test as required by that section, in a manner authorized by that section, is presented to the county assessor-collector with the application for a title.

Added by Acts 2001, 77th Leg., ch. 1075, Sec. 3, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 17, eff. January 1, 2012.

Sec. 501.028. SIGNATURES. (a) On receipt of a certificate of title, the owner of a motor vehicle shall write the owner's name in ink in the space provided on the certificate.

(b) Upon transfer of ownership, the seller shall complete assignment of title by signing and printing the seller's name, printing the date of transfer, and printing the purchaser's name and address on the title.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 6, eff. September 1, 2017.

Sec. 501.029. ACCEPTABLE PROOF OF OWNERSHIP. The board by rule may provide a list of the documents required for the issuance of a receipt that evidences title to a motor vehicle for registration purposes only. The fee for application for the receipt is the fee applicable to application for a title. The title receipt may not be used to transfer an interest in or establish a lien on the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, Sec. 4, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 18, eff. January 1, 2012.

Sec. 501.030. MOTOR VEHICLES BROUGHT INTO STATE. (a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, the county assessor-collector shall verify that the vehicle has passed the inspections required by Chapter 548, as indicated in the Department of Public Safety's inspection database under Section 548.251, or that the owner has obtained an identification number inspection in accordance with department rule.

(b) Before a motor vehicle that was not manufactured for sale or distribution in the United States may be titled in this state, the applicant must:

(1) provide to the assessor-collector:

(A) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging:

(i) receipt of a statement of compliance submitted by the importer of the vehicle; and

(ii) that the statement meets the safety requirements of 19 C.F.R. Section 12.80(e);

(B) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and shown to conform to federal emission requirements; and

(C) a receipt or certificate issued by the United States Department of the Treasury showing that all gas guzzler taxes due on the vehicle under 26 U.S.C. Section 4064(a) have been paid; or

(2) provide to the assessor-collector proof, satisfactory to the department, that the vehicle was not brought into the United States from outside the country.

(c) Subsections (a) and (b) do not apply to a motor vehicle lawfully imported into the United States by a distributor or dealer from the vehicle's manufacturer.

(d) If a motor vehicle has not been titled or registered in the United States, the application for title must be accompanied by:

(1) a manufacturer's certificate of origin written in

English issued by the vehicle manufacturer;

(2) the original documents that constitute valid proof of ownership in the country where the vehicle was originally purchased, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator; or

(3) if the vehicle was imported from a country that cancels the vehicle registration and title for export, the documents assigned to the vehicle after the registration and title were canceled, with an English translation of the documents verified as to the accuracy of the translation by an affidavit of the translator.

(e) Before a motor vehicle that is required to be registered in this state and that is brought into this state by a person other than a manufacturer or importer may be bargained, sold, transferred, or delivered with an intent to pass an interest in the vehicle or encumbered by a lien, the owner must apply for a title in a manner prescribed by the department to the county assessor-collector for the county in which the transaction is to take place or to any assessor-collector who is willing to accept the application. The assessor-collector may not issue a title receipt unless the applicant delivers to the assessor-collector satisfactory evidence showing that the applicant is the owner of the vehicle and that the vehicle is free of any undisclosed liens.

(f) A county assessor-collector may not be held liable for civil damages arising out of the assessor-collector's failure to reflect on the title receipt a lien or encumbrance on a motor vehicle to which Subsection (e) applies unless the failure constitutes wilful or wanton negligence.

(g) Until an applicant has complied with this section:

(1) a county assessor-collector may not accept an application for title; and

(2) the applicant is not entitled to an appeal as provided by Sections 501.052 and 501.053.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 19,

eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1291 (H.B. 2305), Sec. 10, eff. March 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 7, eff. September 1, 2017.

Acts 2021, 87th Leg., R.S., Ch. 592 (S.B. 876), Sec. 3, eff. March 1, 2022.

Sec. 501.0301. CERTAIN OFF-HIGHWAY VEHICLES PURCHASED OUTSIDE THIS STATE. (a) In this section:

(1) "Off-highway vehicle" means:

(A) an all-terrain vehicle or recreational off-highway vehicle, as those terms are defined by Section 551A.001;

(B) a motorcycle, as that term is defined by Section 541.201, other than a motorcycle described by Section 521.001, that is designed by the manufacturer for off-highway use only; or

(C) a utility vehicle, as that term is defined by Section 551A.001.

(2) "Retailer" has the meaning assigned by Section 151.008, Tax Code.

(b) A county assessor-collector may not issue a title receipt and the department may not issue a certificate of title for an off-highway vehicle purchased from a retailer located outside this state and designated by the manufacturer as a model year that is not more than one year before the year in which the application for title is made unless the applicant for the title delivers to the assessor-collector or the department, as applicable, satisfactory evidence showing that the applicant:

(1) has paid to the comptroller the applicable use tax imposed on the vehicle under Subchapter D, Chapter 151, Tax Code; or

(2) is not required to pay any taxes described by Subdivision (1).

(c) The comptroller shall promulgate forms to be used by each county assessor-collector for purposes of implementing this section.

(d) The comptroller may adopt rules as necessary to implement this section, including rules that define "satisfactory evidence" for purposes of this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 371 (H.B. 1543), Sec. 2, eff. September 1, 2019.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. 3607), Sec. 20.003, eff. September 1, 2021.

Sec. 501.031. RIGHTS OF SURVIVORSHIP AGREEMENT. (a) The department shall include on each title an optional rights of survivorship agreement that:

(1) provides that if the agreement is between two or more eligible persons, the motor vehicle will be owned by the surviving owners when one or more of the owners die; and

(2) provides for the acknowledgment by signature, either electronically or by hand, of the persons.

(b) If the vehicle is registered in the name of one or more of the persons who acknowledged the agreement, the title may contain a:

(1) rights of survivorship agreement acknowledged by all the persons; or

(2) remark if a rights of survivorship agreement is on file with the department.

(c) Ownership of the vehicle may be transferred only:

(1) by all the persons acting jointly, if all the persons are alive; or

(2) on the death of one of the persons, by the surviving person or persons by transferring ownership of the vehicle, in the manner otherwise required by law, with a copy of the death certificate of the deceased person.

(d) A rights of survivorship agreement under this section may be revoked only if the persons named in the agreement file a joint application for a new title in the name of the person or persons designated in the application.

(e) A person is eligible to file a rights of survivorship agreement under this section if the person:

(1) is married and the spouse of the person is the only other party to the agreement;

(2) is unmarried and attests to that unmarried status by affidavit; or

(3) is married and provides the department with an affidavit from the person's spouse that attests that the person's interest in the vehicle is the person's separate property.

(f) The department may develop an optional electronic rights of survivorship agreement for public use.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.39(a), eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 17.05, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 241, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 20, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 46, eff. September 1, 2013.

Sec. 501.0315. BENEFICIARY DESIGNATION. (a) The owner of a motor vehicle may designate a sole beneficiary to whom the owner's interest in the vehicle transfers on the owner's death as provided by Chapter 115, Estates Code, by submitting an application for title under Section 501.023 with the designation. To be effective, the designation must state that the transfer of an interest in the vehicle to the designated beneficiary is to occur at the transferor's death.

(b) The legal name of a beneficiary designated under this section must be included on the title.

(c) The department shall transfer title of a motor vehicle to a beneficiary designated under this section for the vehicle if the beneficiary submits:

(1) an application for title under Section 501.023 not later than the 180th day after the date of the owner's death or, if the vehicle is owned by joint owners, the last surviving owner's death, as applicable; and

(2) satisfactory proof of the death of the owner or

owners, as applicable.

(d) A beneficiary designation may be changed or revoked by submitting a new application for title under Section 501.023.

(e) A beneficiary designation or a change or revocation of a beneficiary designation made on an application for title of a motor vehicle that has not been submitted to the department before the death of a vehicle's owner or owners who made, changed, or revoked the designation, as applicable, is invalid.

(f) The department may adopt rules to administer this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 586 (S.B. 869), Sec. 3, eff. September 1, 2017.

Sec. 501.032. IDENTIFICATION NUMBER INSPECTION REQUIRED. (a) In addition to any requirement established by department rule, a motor vehicle, trailer, or semitrailer must have an identification number inspection under Section 501.0321 if:

(1) the department does not have a motor vehicle record for the motor vehicle, trailer, or semitrailer in the department's registration and title system, and the owner of the motor vehicle, trailer, or semitrailer is filing a bond with the department under Section 501.053;

(2) the motor vehicle, trailer, or semitrailer was last titled or registered outside of the United States and imported into the United States; or

(3) the owner or person claiming ownership requires an assigned or reassigned identification number under Section 501.033.

(b) An active duty member of a branch of the United States armed forces, or an immediate family member of such a member, returning to Texas with acceptable proof of the active duty status is exempt from an identification number inspection required under Subsection (a)(2).

(c) Repealed by Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 26(1), eff. September 1, 2017.

(d) Repealed by Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 26(1), eff. September 1, 2017.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 21, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 47, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 8, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 9, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 26(1), eff. September 1, 2017.

Sec. 501.0321. IDENTIFICATION NUMBER INSPECTION. (a) An inspection required under Section 501.032 must verify, as applicable, the identity of:

(1) a motor vehicle;

(2) a trailer or semitrailer;

(3) a frame, body, or motor of a motor vehicle; or

(4) an item of equipment not required to be titled but that may be registered under Chapter 502 or issued licensed plates under Chapter 504.

(b) An inspection under this section may not rely solely on the public identification number to verify the identity.

(c) An inspection under this section may be performed only by a person who has successfully completed an appropriate training program as determined by department rule and is:

(1) an auto theft investigator who is a law enforcement officer of this state or a political subdivision of this state;

(2) a person working under the direct supervision of a person described by Subdivision (1);

(3) an employee of the department authorized by the department to perform an inspection under this section; or

(4) an employee of the National Insurance Crime Bureau authorized by the department to perform an inspection under this section.

(d) The department shall prescribe a form on which the identification number inspection is to be recorded. The department may provide the form only to a person described by Subsection (c).

(e) The department or another entity that provides an inspection under this section may impose a fee of not more than $40 for the inspection. The county or municipal treasurer of a county or municipal entity that provides an inspection under this section shall credit the fee to the general fund of the county or municipality, as applicable, to defray the entity's cost associated with the inspection. If the department provides an inspection under this section, the fee shall be deposited to the credit of the Texas Department of Motor Vehicles fund.

(f) The department may not impose a fee for an inspection requested by the department. The department shall include a notification of the waiver to the owner at the time the department requests the identification number inspection.

Added by Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 10, eff. September 1, 2017.

Sec. 501.0322. ALTERNATIVE IDENTIFICATION NUMBER INSPECTION. The department by rule may establish a process for verifying the identity of an item listed in Section 501.0321(a) as an alternative to an identification number inspection under Section 501.0321. The rules may include the persons authorized to perform the inspection, when an alternative inspection under this section is required, and any fees that may be assessed. Any fee authorized must comply with Sections 501.0321(e) and (f).

Added by Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 10, eff. September 1, 2017.

Sec. 501.033. ASSIGNMENT AND REASSIGNMENT OF IDENTIFICATION NUMBER BY DEPARTMENT. (a) If the permanent identification number affixed by the manufacturer has been removed, altered, or obliterated, or a permanent identification number was never assigned, the department shall assign an identification number to a motor vehicle, semitrailer, trailer, motor, frame, or

body of a motor vehicle, or an item of equipment not required to be titled but that may be registered under Chapter 502 or issued license plates under Chapter 504 on inspection under Section 501.0321 and application to the department.

(b) An application under this section must be in a manner prescribed by the department and accompanied by valid evidence of ownership in the name of, or properly assigned to, the applicant as required by the department.

(c) A fee of $2 must accompany each application under this section to be deposited in the Texas Department of Motor Vehicles fund.

(d) The assigned identification number shall be die-stamped or otherwise affixed in the manner and location designated by the department.

(e) The department shall reassign an original manufacturer's identification number only if the person who conducts the inspection under Section 501.0321 determines that the permanent identification number affixed by the manufacturer has been removed, altered, or obliterated.

(f) If the department reassigns a manufacturer's identification number, a representative of the department shall affix the number in a manner and location designated by the department.

(g) On affixing an assigned identification number or witnessing the affixing of a reassigned identification number, the owner or the owner's representative shall certify on a form prescribed by the department that the identification number has been affixed in the manner and location designated by the department and shall submit the form in a manner prescribed by the department.

(h) Only the department may issue an identification number to a motor vehicle, trailer, semitrailer, motor, frame, or body of a motor vehicle, or an item of equipment not required to be titled but that may be registered under Chapter 502 or issued license plates under Chapter 504. The department may not recognize an identification number assigned by any other agency or political subdivision of this state.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 223 (S.B. 1356), Sec. 1, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 22, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 48, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 7, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 11, eff. September 1, 2017.

Sec. 501.0331. MOTOR NUMBER REQUIRED FOR REGISTRATION. A person may not apply to the county assessor-collector for the registration of a motor vehicle from which the original motor number has been removed, erased, or destroyed until the motor vehicle bears the motor number assigned by the department.

Transferred, redesignated and amended from Transportation Code, Section 520.011 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 23, eff. January 1, 2012.

Sec. 501.0332. APPLICATION FOR MOTOR NUMBER RECORD. (a) To obtain a motor number assigned by the department, the owner of a motor vehicle that has had the original motor number removed, erased, or destroyed must file a sworn application with the department.

(b) The department shall maintain a record of each motor number assigned by the department that includes:

(1) the motor number assigned by the department;

(2) the name and address of the owner of the motor vehicle; and

(3) the make, model, and year of manufacture of the motor vehicle.

Transferred, redesignated and amended from Transportation Code, Section 520.012 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 24, eff. January 1, 2012.

Sec. 501.034. ISSUANCE OF TITLE TO GOVERNMENT AGENCY. The department may issue a title to a government agency if a vehicle or part of a vehicle is:

(1) forfeited to the government agency;

(2) delivered by court order under the Code of Criminal Procedure to a government agency for official purposes; or

(3) sold as abandoned or unclaimed property under the Code of Criminal Procedure.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 25, eff. January 1, 2012.

Sec. 501.0341. ISSUANCE OF TITLE TO GOVERNMENT AGENCY FOR TRAVEL TRAILER. (a) The department by rule shall establish a process to automatically issue a title to a government agency for a travel trailer used by the government agency to provide temporary housing in response to a natural disaster or other declared emergency.

(b) Notwithstanding Section 501.004(b)(3), rules adopted under this section may provide for the issuance of a title for a travel trailer described by Subsection (a) that is owned or operated by the United States or transferred to a state agency from the United States.

Added by Acts 2019, 86th Leg., R.S., Ch. 811 (H.B. 2315), Sec. 2, eff. September 1, 2019.

Sec. 501.035. TITLE FOR FORMER MILITARY VEHICLE. (a) Notwithstanding any other law, the department shall issue a title for a former military vehicle if all requirements for issuance of a title are met.

(b) In this section, "former military vehicle" has the meaning assigned by Section 502.001.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.40(a), eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 26, eff. January 1, 2012.

Acts 2019, 86th Leg., R.S., Ch. 1079 (H.B. 1755), Sec. 5, eff. September 1, 2019.

Sec. 501.036. TITLE FOR FARM TRAILER OR FARM SEMITRAILER. (a) Notwithstanding any other provision of this chapter, the department may issue a title for a farm trailer or farm semitrailer with a gross vehicle weight of not more than 34,000 pounds if all requirements for issuance of a title are met.

(b) To obtain a title under this section, the owner must:

(1) apply for the title in the manner required by Section 501.023; and

(2) pay the fee required by Section 501.138.

(c) A subsequent purchaser of a farm trailer or farm semitrailer titled previously under this section or in another jurisdiction must obtain a title under this section.

Added by Acts 2001, 77th Leg., ch. 422, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 280 (H.B. 505), Sec. 1, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 27, eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 12, eff. September 1, 2017.

Sec. 501.037. TITLE FOR TRAILERS OR SEMITRAILERS. (a) Notwithstanding any other provision of this chapter, the department may issue a title for a trailer or semitrailer that has a gross vehicle weight of 4,000 pounds or less if all other requirements for issuance of a title are met.

(b) To obtain a title under this section, the owner of the trailer or semitrailer must:

(1) apply for the title in the manner required by Section 501.023; and

(2) pay the fee required by Section 501.138.

(c) A subsequent purchaser of a trailer or semitrailer

titled previously under this section or in another jurisdiction must obtain a title under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 49, eff. September 1, 2013.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 13, eff. September 1, 2017.

Sec. 501.038. CERTIFICATE OF TITLE FOR CUSTOM VEHICLE OR STREET ROD. (a) In this section, "custom vehicle" and "street rod" have the meanings assigned by Section 504.501.

(b) Notwithstanding any other provision of this chapter, if the department issues a certificate of title for a custom vehicle or street rod, the model year and make of the vehicle must be listed on the certificate of title and must be the model year and make that the body of the vehicle resembles. The certificate of title must also include the word "replica."

(c) The owner of the custom vehicle or street rod shall provide the department with documentation identifying the model year and make that the body of the vehicle resembles.

Added by Acts 2011, 82nd Leg., R.S., Ch. 729 (H.B. 890), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C. REFUSAL TO ISSUE, REVOCATION, SUSPENSION, OR ALTERATION OF CERTIFICATE

Sec. 501.051. GROUNDS FOR REFUSAL TO ISSUE OR FOR REVOCATION OR SUSPENSION OF TITLE. (a) A title may be refused, canceled, suspended, or revoked by the department if:

(1) the application contains a false or fraudulent statement;

(2) the applicant failed to furnish required information requested by the department;

(3) the applicant is not entitled to a title;

(4) the department has reason to believe that the motor vehicle is stolen;

(5) the department has reason to believe that the

issuance of a title would defraud the owner or a lienholder of the motor vehicle;

(6) the registration for the motor vehicle is suspended or revoked; or

(7) the required fee has not been paid.

(b) The department may rescind, cancel, or revoke an application for a title if a notarized or county-stamped affidavit is presented containing:

(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;

(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;

(3) a statement that the vehicle:

(A) was never in the possession of the title applicant; or

(B) was in the possession of the title applicant; and

(4) the signatures of the dealer, the applicant, and any lienholder.

(c) A rescission, cancellation, or revocation containing the statement authorized under Subsection (b)(3)(B) does not negate the fact that the vehicle has been the subject of a previous retail sale.

(d) The department shall place a hold on processing a title application for a motor vehicle if the department receives a request for a hold accompanied by evidence of a legal action regarding ownership of or a lien interest in the motor vehicle. The hold shall continue until a final, nonappealable judgment is entered in the action or the party requesting the hold requests that the hold be removed.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 28, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 51, eff. September 1, 2013.

Acts 2021, 87th Leg., R.S., Ch. 959 (S.B. 1817), Sec. 2, eff.

September 1, 2021.

Sec. 501.052. HEARING ON REFUSAL TO ISSUE OR REVOCATION OR SUSPENSION OF TITLE; APPEAL. (a) Except as provided by Subsection (f), an interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation under Section 501.051 may apply for a hearing to the county assessor-collector for the county in which the person is a resident. On the day an assessor-collector receives the application, the assessor-collector shall notify the department of the date of the hearing.

(b) The assessor-collector shall hold the hearing not earlier than the 11th day and not later than the 15th day after the date the assessor-collector receives the application for a hearing.

(c) At the hearing, the applicant and the department may submit evidence.

(d) A determination of the assessor-collector is binding on the applicant and the department as to whether the department correctly refused to issue or correctly rescinded, canceled, revoked, or suspended the title.

(e) An applicant aggrieved by the determination under Subsection (d) may appeal only to the county or district court of the county of the applicant's residence. An applicant must file an appeal not later than the fifth day after receipt of the assessor-collector's determination. The judge shall try the appeal in the manner of other civil cases. All rights and immunities granted in the trial of a civil case are available to the interested parties. If the department's action is not sustained, the department shall promptly issue a title for the vehicle.

(f) A person may not apply for a hearing under this section if the department's decision under Section 501.051 is related to:

(1) a title for a salvage motor vehicle or a nonrepairable motor vehicle, as defined by Section 501.091; or

(2) a title for a vehicle:

(A) that is the subject of any pending litigation or court proceedings;

(B) for which a court has awarded ownership or

possession to another person; or

(C) that is held as evidence in a criminal investigation.

(g) A county assessor-collector who receives an application for a hearing submitted in violation of Subsection (f):

(1) shall deny the application; and

(2) is not required to send notice under Subsection (a) or hold a hearing under Subsection (b).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 29, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 30, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 52, eff. September 1, 2013.

Acts 2021, 87th Leg., R.S., Ch. 959 (S.B. 1817), Sec. 3, eff. September 1, 2021.

Acts 2025, 89th Leg., R.S., Ch. 151 (S.B. 1464), Sec. 1, eff. September 1, 2025.

Sec. 501.0521. COURT ORDERED TITLE CHANGES. (a) A justice of the peace or municipal court judge may not issue an order related to a title except as provided by Chapter 47, Code of Criminal Procedure, or Section 27.031(a)(3), Government Code.

(b) A county or district court judge may not order the department to change the type of title for:

(1) a nonrepairable vehicle titled after September 1, 2003; or

(2) a vehicle for which the department has issued a certificate of authority under Section 683.054.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 53, eff. September 1, 2013.

Sec. 501.053. FILING OF BOND AS ALTERNATIVE TO HEARING. (a) As an alternative to the procedure provided by Section 501.052, the person may obtain a title by filing a bond with the

department if the vehicle is in the possession of the applicant and:

(1) there is no security interest on the vehicle;

(2) any lien on the vehicle is at least 10 years old; or

(3) the person provides a release of all liens with bond.

(b) The bond must be:

(1) in the manner prescribed by the department;

(2) executed by the applicant;

(3) issued by a person authorized to conduct a surety business in this state;

(4) in an amount equal to one and one-half times the value of the vehicle as determined by the department, which may set an appraisal system by rule if it is unable to determine that value; and

(5) conditioned to indemnify all prior owners and lienholders and all subsequent purchasers of the vehicle or persons who acquire a security interest in the vehicle, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, occurring because of the issuance of the title for the vehicle or for a defect in or undisclosed security interest on the right, title, or interest of the applicant to the vehicle.

(c) An interested person has a right of action to recover on the bond for a breach of the bond's condition. The aggregate liability of the surety to all persons may not exceed the amount of the bond.

(d) A bond under this section expires on the third anniversary of the date the bond became effective.

(e) The board by rule may establish a fee to cover the cost of administering this section.

(f) A person may not obtain a title under this section for a salvage motor vehicle or a nonrepairable motor vehicle, as defined by Section 501.091.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 31,

eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 54, eff. September 1, 2013.

Acts 2021, 87th Leg., R.S., Ch. 959 (S.B. 1817), Sec. 4, eff. September 1, 2021.

SUBCHAPTER D. SALES OF MOTOR VEHICLES AND TRANSFERS OF TITLE

Sec. 501.071. SALE OF VEHICLE; TRANSFER OF TITLE. (a) Except as provided by Sections 503.036 and 503.039, a motor vehicle may not be the subject of a subsequent sale unless the owner designated on the title submits a transfer of ownership of the title.

(b) The transfer of the title must be in a manner prescribed by the department that:

(1) certifies the purchaser is the owner of the vehicle; and

(2) certifies there are no liens on the vehicle or provides a release of each lien on the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1127 (H.B. 2495), Sec. 1, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 32, eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 14, eff. September 1, 2017.

Sec. 501.072. ODOMETER DISCLOSURE STATEMENT. (a) Except as provided by Subsection (c), the transferor of a motor vehicle transferred in this state shall provide to the transferee a disclosure of the vehicle's odometer reading at the time of the transfer in compliance with 49 U.S.C. Section 32705.

(b) When application for a title is made, the transferee shall record the odometer reading on the application. The disclosure required by Subsection (a) must accompany the application.

(c) An odometer disclosure statement is not required for the transfer of a motor vehicle that is exempt from odometer disclosure requirements under 49 C.F.R. Part 580.

(d) The department shall provide for use consistent with 49 C.F.R. Part 580:

(1) a secure power of attorney form; and

(2) a secure reassignment form for licensed motor vehicle dealers.

(e) In this section, "transferee" and "transferor" have the meanings assigned by 49 C.F.R. Section 580.3.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 395 (S.B. 1062), Sec. 1, eff. January 1, 2018.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 15, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. 4170), Sec. 15.001, eff. September 1, 2019.

Sec. 501.0721. DELIVERY OF RECEIPT AND TITLE TO PURCHASER OF USED MOTOR VEHICLE. A person, whether acting for that person or another, who sells, trades, or otherwise transfers a used motor vehicle shall deliver to the purchaser at the time of delivery of the vehicle a properly assigned title or other evidence of title as required under this chapter.

Transferred, redesignated and amended from Transportation Code, Section 520.022 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 33, eff. January 1, 2012.

Sec. 501.073. SALES IN VIOLATION OF CHAPTER. A sale made in violation of this chapter is void and title may not pass until the requirements of this chapter are satisfied.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.074. TRANSFER OF VEHICLE BY OPERATION OF LAW. (a) The department shall issue a new title for a motor vehicle registered in this state for which the ownership is transferred by

operation of law or other involuntary divestiture of ownership after receiving:

(1) a certified copy of an order appointing a temporary administrator or of the probate proceedings;

(2) letters testamentary or letters of administration;

(3) if administration of an estate is not necessary, an affidavit showing that administration is not necessary, identifying all heirs, and including a statement by the heirs of the name in which the certificate shall be issued;

(4) a court order; or

(5) the bill of sale from an officer making a judicial sale.

(b) If a lien is foreclosed by nonjudicial means, the department may issue a new title in the name of the purchaser at the foreclosure sale on receiving the affidavit of the lienholder of the fact of the nonjudicial foreclosure.

(c) If a constitutional or statutory lien is foreclosed, the department may issue a new title in the name of the purchaser at the foreclosure sale on receiving:

(1) the affidavit of the lienholder of the fact of the creation of the lien and of the divestiture of title according to law; and

(2) proof of notice as required by Sections 70.004 and 70.006, Property Code, or by Section 59.0445, Property Code.

(d) Notwithstanding the terms of Section 501.005, in the event of a conflict between this section and other law, this section controls.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.41, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 76, Sec. 2, eff. May 14, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 405 (S.B. 690), Sec. 8, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 34, eff. January 1, 2012.

Sec. 501.076. LIMITED POWER OF ATTORNEY. (a) An owner who has a contractual option to transfer ownership of a vehicle in full or partial satisfaction of the balance owed on the vehicle, as provided in Section 348.123(b)(5), Finance Code, may execute a written limited power of attorney that authorizes an agent to complete and sign for the owner, and provide to the transferee, the form to transfer the title under Section 501.071 and the odometer disclosure under Section 501.072, and the other documents necessary to transfer title.

(b) The owner may execute the limited power of attorney at the time the owner enters the contract giving the owner the option to transfer the vehicle or at any time after that date. The limited power of attorney may only be used if an owner elects to transfer the vehicle in full or partial satisfaction of the contract and may not be used by the holder of the contract as part of the holder's exercise of a remedy for a default by the owner under the contract.

(c) The person named as the agent in the limited power of attorney must meet the following requirements:

(1) the person may be a person who has been deputized to perform vehicle registration functions as authorized by rules adopted under Section 520.0071, a licensed vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents; and

(2) the person may not be the transferee or an employee of the transferee. The person may not act as the agent of both the transferor and transferee in the transaction. For the purposes of this section, a person is not the agent of both the transferor and transferee in a transaction unless the person has the authority to sign the documents pertaining to the transfer of title on behalf of both the transferor and the transferee.

(d) If a limited power of attorney is used under Subsection (a), the holder of the contract shall accompany the power of attorney with a written statement that the vehicle was returned at the election of the owner in full or partial satisfaction of the

owner's obligations under the contract and not as the result of the exercise by the holder of the contract of its remedies for default.

(e) A signed and dated written odometer disclosure containing the information described in this subsection may be included on or with the power of attorney if the power of attorney is executed within 120 days before the date of the transfer and is accompanied by the conspicuous written notification described in this subsection. If an odometer disclosure is not obtained in that manner, the transferee or agent or the person to whom the vehicle is delivered at the time of the transfer shall request an odometer disclosure as provided in this subsection. Not more than 120 days before the transfer of the vehicle by the owner, the transferee or agent under the power of attorney or person receiving delivery of the vehicle shall in writing request the owner to provide a signed and dated written statement stating the odometer reading (not to include tenths of a mile) as of the date of the statement, and further stating words to the effect that either: (i) to the best of the owner's knowledge, the odometer reading reflects the actual mileage of the vehicle; (ii) the actual mileage has gone over the odometer's mechanical limits and the odometer reading reflects the amount of mileage in excess of the mechanical limits of the odometer, if the owner knows that to be the case; or (iii) the odometer reading is not the actual mileage, if the owner knows that to be the case. The statement may consist of a form in which the agent or transferee or person receiving the vehicle includes the identification of the vehicle and owner and which allows the owner to fill in the odometer reading and mark an applicable box to indicate which of condition (i), (ii), or (iii) is applicable and to date and sign the statement. With the request for the owner's statement, the transferee or agent or person receiving the vehicle shall provide a written notification to the owner to the effect that the owner has a duty under law to state the odometer reading, state which of conditions (i), (ii), or (iii) is applicable, and sign, date, and return the statement and that failing to do so or providing false information may result in fines or imprisonment. Unless the written notification is delivered to the owner at substantially the same time that the owner is delivering the signed

and dated owner's statement, the written notification must also state a date by which the owner must provide this information and an address to which it may be delivered. This written notification to the owner must be in bold letters, underlined, or otherwise conspicuous and may be in a separate document or included as part of a form to be used for the owner's statement or in another document relating to the potential transfer. The transferee or agent or the person receiving delivery of the vehicle may mail the request and notification to the last known address of the owner or may otherwise send or deliver it to the owner. If there are multiple owners of the same vehicle, the request and notification may be sent to one or more of them and it shall be sufficient for one owner to sign the statement. The owner has a duty to return the signed and dated statement as directed in the notification. In completing the odometer disclosure on the owner's behalf, the agent shall identify the same condition (i), (ii), or (iii) provided in the owner's statement, unless the agent knows that the condition identified in the owner's statement is not correct. The agent will not indicate in the odometer disclosure it completes on the owner's behalf that the odometer reading is not the actual mileage unless either the owner has so indicated in the owner's statement or the agent knows that the owner's statement is not correct. The agent shall transmit the owner's statement it receives to the transferee after the title transfer is completed. The owner's statement received by the transferee under this subsection need not be filed with the filing office for the other title documents, but the transferee shall retain the owner's statement for a time period and in a similar manner to the retention methods used by a lessor to retain statements under 49 C.F.R. Section 580.8(b), as it may from time to time be amended. The transferee may rely upon the agent's odometer disclosure and the owner's statement unless it knows that they are not correct. A failure by an owner to comply with an obligation under this subsection subjects the owner to the penalties and enforcement provisions of Subchapter H but does not affect the validity of the transfer of title.

(f) This section does not in any way impair or impede any transfers made through use of a power of attorney prior to the

effective date of this section, and such transfers shall continue to be valid if they comply with the provisions of this section or would otherwise comply with the law in effect prior to the effective date of this section. This section does not apply to powers of attorney authorized under federal law or regulation that authorize a transferee to act as the agent of the transferor under certain circumstances or to powers of attorney otherwise authorized by the law of this state. This section does not affect the use of powers of attorney to sign, complete, and deliver the form to transfer title and other documents necessary to transfer title, including the odometer disclosure, in title transfers other than those described in Subsection (a).

(g) The power of attorney created in this section shall be limited for the purposes and duration specified in this section.

Added by Acts 2003, 78th Leg., ch. 958, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 35, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 55, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 8, eff. September 1, 2013.

SUBCHAPTER E. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

Sec. 501.091. DEFINITIONS.

In this subchapter:

(1) "Actual cash value" means the market value of a motor vehicle.

(2) "Casual sale" means the sale by a salvage vehicle dealer or an insurance company of five or fewer nonrepairable motor vehicles or salvage motor vehicles to the same person during a calendar year, but does not include:

(A) a sale at auction to a salvage vehicle dealer;

(B) a sale to an insurance company, out-of-state buyer, or governmental entity; or

(C) the sale of an export-only motor vehicle to a

person who is not a resident of the United States.

(3) "Damage" means sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include:

(A) gradual damage from any cause;

(B) sudden damage caused by hail;

(C) any damage caused only to the exterior paint of the motor vehicle; or

(D) theft, unless the motor vehicle was damaged during the theft and before recovery.

(4) "Export-only motor vehicle" means a motor vehicle described by Section 501.099.

(5) "Insurance company" means:

(A) a person authorized to write automobile insurance in this state; or

(B) an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

(6) "Major component part" means one of the following parts of a motor vehicle:

(A) the engine;

(B) the transmission;

(C) the frame;

(D) a fender;

(E) the hood;

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

(G) a bumper;

(H) a quarter panel;

(I) a deck lid, tailgate, or hatchback;

(J) the cargo box of a vehicle with a gross vehicle weight of 10,000 pounds or less, including a pickup truck;

(K) the cab of a truck;

(L) the body of a passenger motor vehicle;

(M) the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

(7) "Metal recycler" means a person who:

(A) 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;

(B) has a facility to convert ferrous or nonferrous metal into raw material products by 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

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(8) "Motor vehicle" has the meaning assigned by Section 501.002.

(9) "Nonrepairable motor vehicle" means a motor vehicle:

(A) 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;

(B) that comes into this state under a comparable ownership document that indicates that the vehicle is nonrepairable;

(C) that a salvage vehicle dealer has reported to the department under Section 501.1003;

(D) for which an owner has surrendered evidence of ownership for the purpose of dismantling, scrapping, or destroying the motor vehicle; or

(E) that is sold for export only under Section 501.099.

(10) "Nonrepairable vehicle title" means a printed document issued by the department that evidences ownership of a nonrepairable motor vehicle.

(10-a) "Nonrepairable record of title" means an electronic record of ownership of a nonrepairable motor vehicle.

(11) "Out-of-state buyer" means a person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted

purchasers of salvage motor vehicles or nonrepairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction.

(12) "Out-of-state ownership document" means a negotiable document issued by another state or jurisdiction that the department considers sufficient to prove ownership of a nonrepairable motor vehicle or salvage motor vehicle and to support the issuance of a comparable Texas title for the motor vehicle. The term does not include any title or certificate issued by the department.

(13) "Public highway" has the meaning assigned by Section 502.001.

(14) "Rebuilder" means a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway, more than five salvage motor vehicles in a calendar year.

(15) "Salvage motor vehicle" means a motor vehicle that:

(A) has damage to or is missing a major component part to the extent that the cost of repairs, including parts and labor other than the cost of materials and labor for repainting the motor vehicle and excluding sales tax on the total cost of repairs, exceeds the actual cash value of the motor vehicle immediately before the damage; or

(B) comes into this state under an out-of-state salvage motor vehicle title or similar out-of-state ownership document.

(16) "Salvage vehicle title" means a printed document issued by the department that evidences ownership of a salvage motor vehicle.

(16-a) "Salvage record of title" means an electronic record of ownership of a salvage motor vehicle.

(17) "Salvage vehicle dealer" means a person engaged in this state in the business of acquiring, selling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles, salvage motor vehicles, or, if incidental to a

salvage motor vehicle dealer's primary business, used automotive parts regardless of whether the person holds a license issued by the department to engage in that business. The term does not include an unlicensed person who:

(A) casually repairs, rebuilds, or reconstructs not more than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year;

(B) buys not more than five nonrepairable motor vehicles or salvage motor vehicles in the same calendar year; or

(C) is a licensed used automotive parts recycler if the sale of repaired, rebuilt, or reconstructed nonrepairable motor vehicles or salvage motor vehicles is more than an incidental part of the used automotive parts recycler's business.

(18) "Self-insured motor vehicle" means a motor vehicle for which the owner or a governmental entity assumes full financial responsibility for motor vehicle loss claims without regard to the number of motor vehicles they own or operate. The term does not include a motor vehicle that is insured by an insurance company.

(19) "Used part" means 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.

(20) "Used parts dealer" and "used automotive parts recycler" have the meaning assigned to "used automotive parts recycler" by Section 2309.002, Occupations Code.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, Sec. 501.0911 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 567 (H.B. 1350), Sec. 1, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 783 (S.B. 1095), Sec. 8, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 4.08, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 36, eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 16, eff. September 1, 2017.

Sec. 501.09111. RIGHTS AND LIMITATIONS OF NONREPAIRABLE VEHICLE TITLE, NONREPAIRABLE RECORD OF TITLE, SALVAGE VEHICLE TITLE, OR SALVAGE RECORD OF TITLE. (a) A person who owns a nonrepairable motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, record a lien as provided for in Section 501.097(a)(3)(A), and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not:

(A) operate or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law;

(B) repair, rebuild, or reconstruct the motor vehicle; or

(C) register the motor vehicle.

(b) A person who holds a nonrepairable certificate of title issued prior to September 1, 2003, is entitled to the same rights listed in Subsection (a) and may repair, rebuild, or reconstruct the motor vehicle.

(c) A person who owns a salvage motor vehicle:

(1) is entitled to possess, transport, dismantle, scrap, destroy, repair, rebuild, reconstruct, record a lien on, and sell, transfer, or release ownership of the motor vehicle or a used part from the motor vehicle; and

(2) may not operate, register, or permit the operation of the motor vehicle on a public highway, in addition to any other requirement of law.

Redesignated and amended from Transportation Code, Section 501.098 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 37, eff. January 1, 2012.

Sec. 501.09112. APPEARANCE OF NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. (a) The department's printed nonrepairable vehicle title must clearly indicate that it is the negotiable ownership document for a nonrepairable motor vehicle.

(b) A nonrepairable vehicle title must clearly indicate that the motor vehicle:

(1) may not be:

(A) issued a regular title;

(B) registered in this state; or

(C) repaired, rebuilt, or reconstructed; and

(2) may be used only as a source for used parts or scrap metal.

(c) The department's printed salvage vehicle title must clearly show that it is the ownership document for a salvage motor vehicle.

(d) A salvage vehicle title or a salvage record of title for a vehicle that is a salvage motor vehicle because of damage caused exclusively by flood must bear a notation that the department considers appropriate. If the title for a motor vehicle reflects the notation required by this subsection, the owner may sell, transfer, or release the motor vehicle only as provided by this subchapter.

(d-1) The department and the Texas Division of Emergency Management shall coordinate with the Federal Emergency Management Agency to ensure that the department has information, including a vehicle identification number, necessary to apply the notation under Subsection (d) to the title of a vehicle:

(1) to which that subsection applies; and

(2) that has been repaired or salvaged using financial assistance designated for that purpose and administered by the Federal Emergency Management Agency.

(e) An electronic application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title must clearly advise the applicant of the same provisions required on a printed title.

(f) A nonrepairable vehicle title, nonrepairable record of

title, salvage vehicle title, or salvage record of title in the department's electronic database must include appropriate remarks so that the vehicle record clearly shows the status of the vehicle.

Redesignated and amended from Transportation Code, Section 501.103 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 38, eff. January 1, 2012.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 99 (H.B. 2310), Sec. 1, eff. September 1, 2019.

Sec. 501.09113. OUT-OF-STATE SALVAGE OR REBUILT SALVAGE VEHICLE. (a) On receipt of a proper application from the owner of a motor vehicle, the department shall issue the applicant the appropriate title with any notations determined by the department as necessary to describe or disclose the motor vehicle's current or former condition if the motor vehicle was brought into this state from another state or jurisdiction and has on any title or comparable out-of-state ownership document issued by the other state or jurisdiction or record in the National Motor Vehicle Title Information System reported by another state or jurisdiction:

(1) a "rebuilt," "repaired," "reconstructed," "flood damage," "fire damage," "owner retained," "salvage," or similar notation; or

(2) a "nonrepairable," "dismantle only," "parts only," "junked," "scrapped," "crushed," or similar notation.

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 26(2), eff. September 1, 2017.

Redesignated and amended from Transportation Code, Section 501.101 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 39, eff. January 1, 2012.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 17, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 26(2), eff. September 1, 2017.

Sec. 501.0925. INSURANCE COMPANY NOT REQUIRED TO SURRENDER

CERTIFICATES OF TITLE IN CERTAIN SITUATIONS. (a) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title that the company is unable to obtain may obtain from the department not earlier than the 30th day after the date of payment of the claim:

(1) a salvage vehicle title for a salvage motor vehicle;

(2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or

(3) a regular certificate of title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(b) An application for a title under Subsection (a) must be submitted to the department on a form prescribed by the department and include:

(1) a statement that the insurance company has provided at least two written notices attempting to obtain the certificate of title for the motor vehicle; and

(2) evidence acceptable to the department that the insurance company has made payment of a claim involving the motor vehicle.

(c) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a certificate of title for which the company is unable to obtain proper assignment of the certificate may obtain from the department not earlier than the 30th day after the date of payment of the claim:

(1) a salvage vehicle title for a salvage motor vehicle;

(2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or

(3) a regular certificate of title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(d) An application for a title under Subsection (c) must be submitted to the department on a form prescribed by the department and include:

(1) a statement that the insurance company has provided at least two written notices attempting to obtain a proper assignment of the certificate of title; and

(2) the certificate of title.

(e) A title issued under Subsection (a) or (c) must be issued in the name of the insurance company.

(f) An insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by an out-of-state ownership document may obtain from the department a salvage vehicle title or nonrepairable vehicle title if:

(1) the motor vehicle was damaged, stolen, or recovered in this state;

(2) the motor vehicle owner from whom the company acquired ownership resides in this state; or

(3) otherwise allowed by department rule.

(g) A title may be issued under Subsection (f) if the insurance company:

(1) surrenders a properly assigned title on a form prescribed by the department; or

(2) complies with the application process for a title issued under Subsection (a) or (c).

(h) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.

(i) The department by rule may provide that a person required by this section to provide notice may provide the notice electronically, including through the use of e-mail or an interactive website established by the department for that purpose.

(j) Section 501.1001(c) applies to a motor vehicle acquired by an insurance company as described in Subsection (a), (c), or (f).

(k) The department may adopt rules to implement this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 2, eff. September 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 20.007, eff. September 1, 2013.

Sec. 501.0935. ISSUANCE OF TITLE TO SALVAGE POOL OPERATOR. (a) In this section, "salvage pool operator" has the meaning assigned by Section 2302.001, Occupations Code.

(b) This section applies only to a salvage pool operator who, on request of an insurance company, takes possession of a motor vehicle that is the subject of an insurance claim and the insurance company subsequently:

(1) denies coverage with respect to the motor vehicle; or

(2) does not otherwise take ownership of the motor vehicle.

(b-1) An insurance company described by Subsection (b) shall notify the salvage pool operator of the denial of the claim regarding the motor vehicle or other disposition of the motor vehicle. The insurance company must include in the notice the name and address of the owner of the motor vehicle and the lienholder, if any.

(c) Before the 31st day after receiving notice under Subsection (b-1), a salvage pool operator shall notify the owner of the motor vehicle and any lienholder that:

(1) the owner or lienholder must remove the motor vehicle from the salvage pool operator's possession at the location specified in the notice to the owner and any lienholder not later than the 30th day after the date the notice is mailed; and

(2) if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle as described by Subsection (d).

(d) The salvage pool operator may include in the costs described by Subsection (c)(2) only costs actually incurred by the salvage pool operator that have not been reimbursed by a third party or are not subject to being reimbursed by a third party, such as costs of notices, title searches, and towing and other costs

incurred with respect to the motor vehicle. The costs described by Subsection (c)(2):

(1) may not include charges for storage or impoundment of the motor vehicle; and

(2) may be deducted only from the proceeds of a sale of the motor vehicle.

(e) The notice required of a salvage pool operator under this section must be sent by registered or certified mail, return receipt requested.

(f) If a motor vehicle is not removed from a salvage pool operator's possession before the 31st day after the date notice is mailed to the motor vehicle's owner and any lienholder under Subsection (c), the salvage pool operator may obtain from the department:

(1) a salvage vehicle title for a salvage motor vehicle; or

(2) a nonrepairable vehicle title for a nonrepairable motor vehicle.

(g) An application for a title under Subsection (f) must:

(1) be submitted to the department on a form prescribed by the department; and

(2) include evidence that the notice was mailed as required by Subsection (c) to the motor vehicle owner and any lienholder.

(h) A title issued under this section must be issued in the name of the salvage pool operator.

(i) The department shall issue the appropriate title to a person authorized to apply for the title under this section if the department determines that the application is complete and complies with applicable law.

(j) On receipt of a title under this section, the salvage pool operator shall sell the motor vehicle and retain from the proceeds of the sale the costs incurred by the salvage pool operator as permitted by Subsection (d) along with the cost of titling and selling the motor vehicle. The salvage pool operator shall pay any excess proceeds from the sale to the previous owner of the motor vehicle and the lienholder, if any. The excess proceeds must be

mailed to the lienholder.

(k) If the previous owner of the motor vehicle and the lienholder, if any, cannot be identified or located, any excess proceeds from the sale of the motor vehicle under Subsection (j) shall escheat to the State of Texas. The proceeds shall be administered by the comptroller and shall be disposed of in the manner provided by Chapter 74, Property Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 2, eff. September 1, 2011.

Sec. 501.095. SALE, TRANSFER, OR RELEASE. (a) If the department has not issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title for the motor vehicle and a comparable out-of-state ownership document for the motor vehicle has not been issued by another state or jurisdiction, a business or governmental entity described by Subdivisions (1)-(3) may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle only to a person who is:

(1) a licensed salvage vehicle dealer, a used automotive parts recycler under Chapter 2309, Occupations Code, or a metal recycler under Chapter 2302, Occupations Code;

(2) an insurance company that has paid a claim on the nonrepairable or salvage motor vehicle; or

(3) a governmental entity.

(b) A person, other than a salvage vehicle dealer, a used automotive parts recycler, or an insurance company licensed to do business in this state, who acquired ownership of a nonrepairable or salvage motor vehicle that has not been issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, salvage record of title, or a comparable ownership document issued by another state or jurisdiction shall, before selling the motor vehicle, surrender the properly assigned title for the motor vehicle to the department and apply to the department for the appropriate ownership document.

(c) If the department has issued a nonrepairable vehicle title or salvage vehicle title for the motor vehicle or another

state or jurisdiction has issued a comparable out-of-state ownership document for the motor vehicle, a person may sell, transfer, or release a nonrepairable motor vehicle or salvage motor vehicle to any person.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 1421, Sec. 10, eff. June 1, 2003. Renumbered from Transportation Code Sec. 501.0916 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 783 (S.B. 1095), Sec. 10, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 4.10, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 40, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 41, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 56, eff. September 1, 2013.

Sec. 501.097. APPLICATION FOR NONREPAIRABLE VEHICLE TITLE OR SALVAGE VEHICLE TITLE. (a) An application for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title must:

(1) be made in a manner prescribed by the department and accompanied by a $8 application fee;

(2) include, in addition to any other information required by the department:

(A) the name and current address of the owner; and

(B) a description of the motor vehicle, including the make, style of body, model year, and vehicle identification number; and

(3) include the name and address of:

(A) any currently recorded lienholder, if the motor vehicle is a nonrepairable motor vehicle; or

(B) any currently recorded lienholder or a new lienholder, if the motor vehicle is a salvage motor vehicle.

(b) Except as provided by Sections 501.0925 and 501.0935, on receipt of a complete application, the properly assigned title or manufacturer's certificate of origin, and the application fee, the department shall, before the sixth business day after the date the department receives the application, issue the applicant the appropriate title for the motor vehicle.

(c) A printed nonrepairable vehicle title must state on its face that the motor vehicle:

(1) may not:

(A) be repaired, rebuilt, or reconstructed;

(B) be issued a title or registered in this state;

(C) be operated on a public highway, in addition to any other requirement of law; and

(2) may only be used as a source for used parts or scrap metal.

(c-1) The department's titling system must include a remark that clearly identifies the vehicle as a salvage or nonrepairable motor vehicle.

(d) The fee collected under Subsection (a)(1) shall be credited to the Texas Department of Motor Vehicles fund to defray the costs of administering this subchapter and the costs to the department for issuing the title.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, Sec. 501.0920 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 4, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 42, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 9, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 18, eff.

September 1, 2017.

Sec. 501.098. EXCEPTION TO TITLE REQUIREMENT FOR CERTAIN VEHICLES. (a) Notwithstanding any other law, a used automotive parts recycler may purchase a motor vehicle without obtaining a title to the vehicle if:

(1) the vehicle is at least 13 years old and is purchased solely for parts, dismantling, or scrap;

(2) the vehicle has not been registered for at least seven years;

(3) the recycler complies with Subsections (b), (c), and (g); and

(4) either:

(A) the recycler does not dismantle, crush, or shred the vehicle before the close of business on the third business day after the date the recycler submitted to the department the information required under Subsection (c), if the vehicle is:

(i) not subject to a recorded security interest or lien; or

(ii) subject only to recorded security interests or liens:

(a) for which a release of each recorded security interest or lien on the vehicle is provided; or

(b) that were recorded on the certificate of title more than six years before the date of purchase under this section; or

(B) the recycler does not dismantle, crush, or shred the vehicle before the date stated in the written statement required by Subsection (h)(4), if the recycler determined under Subsection (g) that the vehicle is subject to a recorded security interest or lien, other than a security interest or lien described by Paragraph (A)(ii).

(b) A used automotive parts recycler who purchases a motor vehicle under this section shall compile the following information in the manner prescribed by the department:

(1) the name, address, and National Motor Vehicle Title Information System identification number of the recycler;

(2) the name, initials, or other identification of the individual recording the information required by this subsection;

(3) the date of the transaction;

(4) a description of the vehicle, including the make and model to the extent practicable;

(5) the vehicle identification number of the vehicle;

(6) the license plate number of any vehicle transporting the vehicle being sold;

(7) the amount of consideration given for the vehicle;

(8) a written statement signed by the seller or an agent acting on behalf of the seller:

(A) certifying that the seller or agent has the lawful right to sell the vehicle; and

(B) acknowledging that a person who falsifies information contained in the written statement is subject to criminal penalties and restitution for losses incurred as a result of the sale of the vehicle based on falsified information contained in the statement;

(9) the name and address of the seller, and the seller's agent if applicable;

(10) a photocopy or electronic scan of:

(A) a valid driver's license of the seller or the seller's agent; or

(B) any other photographic identification card of the seller or the seller's agent issued by any state or federal agency; and

(11) proof demonstrating that the recycler has reported the vehicle to the department as provided by Subsection (c).

(c) A used automotive parts recycler who purchases a motor vehicle under this section shall submit to the department, in the manner prescribed by the department, and to the National Motor Vehicle Title Information System information necessary to satisfy any applicable requirement for reporting information to the National Motor Vehicle Title Information System in accordance with rules adopted under 28 C.F.R. Section 25.56. The information must be submitted not later than 24 hours, not counting weekends or

official state holidays, after the close of business on the day the vehicle is received. The department may report information received under this subsection to the National Motor Vehicle Title Information System on the recycler's behalf. A used automotive parts recycler is not required to report information to the National Motor Vehicle Title Information System if the department reports the information on behalf of the recycler under this subsection.

(d) Not later than 48 hours after receiving motor vehicle information from a used automotive parts recycler under Subsection (c), the department shall notify the recycler whether the vehicle has been reported stolen.

(e) If the department notifies a used automotive parts recycler under Subsection (d) that a motor vehicle has been reported stolen, the recycler shall notify the appropriate local law enforcement agency of the vehicle's current location and provide to the agency identifying information of the person who sold the vehicle to the recycler.

(f) On receipt of motor vehicle information under Subsection (c), the department shall:

(1) add a notation to the motor vehicle record of the vehicle indicating that the vehicle has been dismantled, scrapped, or destroyed; and

(2) cancel the title of the vehicle.

(g) Not later than 48 hours after a used automotive parts recycler purchases a motor vehicle under this section, the recycler shall, in the manner prescribed by the department, verify whether the vehicle is subject to any recorded security interest or lien. If the recycler determines that the vehicle is subject to a recorded security interest or lien, other than a security interest or lien described by Subsection (a)(4)(A)(ii), the recycler shall provide notice, in accordance with Subsection (h), to the county assessor-collector of the county in which the recycler is located of the recycler's purchase of the vehicle.

(h) Notice provided to the county assessor-collector under Subsection (g) must include:

(1) the information described by Subsections

(b)(1)-(5);

(2) the contact information of the lienholder identified by the used automotive parts recycler under Subsection (g);

(3) the date on which the notice is provided to the county assessor-collector;

(4) a written statement signed by the recycler or the recycler's agent that the vehicle will not be dismantled or scrapped on or before the 21st day after the date described by Subdivision (3); and

(5) a $25 administrative fee.

(i) Not later than the fifth day after the date a used automotive parts recycler provides notice to a county assessor-collector under Subsection (g), the county assessor-collector shall notify the lienholder and the last registered owner of the vehicle, if the recycler did not purchase the vehicle from the last registered owner, of the recycler's purchase of the motor vehicle, which must include the contact information of the recycler provided under Subsection (h)(1) and a copy of the written statement provided under Subsection (h)(4).

(j) Not later than the 14th day after the date a county assessor-collector provides notice to a lienholder or a last registered owner under Subsection (i), the lienholder or last registered owner may retrieve the vehicle from the recycler at no cost.

(k) A person who purchases a motor vehicle under this section that is later determined by the department or another governmental entity to have been reported stolen is not criminally or civilly liable unless the person had knowledge that the vehicle was a stolen vehicle or failed to comply with the requirements of Subsection (b) or (c).

(l) A court shall order a person who sells a motor vehicle under this section to pay restitution, including attorney's fees, to the owner or lienholder of the vehicle or to a used automotive parts recycler in an amount equal to the amount of any damage or loss caused by an offense committed by the seller related to the vehicle.

(m) Records required to be maintained under this section must be open to inspection by a representative of the department or a law enforcement officer during reasonable business hours.

(n) A contract with a United States Department of Justice approved third-party data consolidator, pursuant to 28 C.F.R. Part 25, may be used to satisfy:

(1) the responsibilities of the department under this section; and

(2) the reporting responsibilities of a used automotive parts recycler under Subsection (c).

(o) This section preempts all requirements that are inconsistent with specific provisions of this section relating to the purchase and dismantling, crushing, or shredding of a motor vehicle without obtaining the title to the vehicle.

Added by Acts 2025, 89th Leg., R.S., Ch. 685 (H.B. 5436), Sec. 1, eff. September 1, 2025.

Sec. 501.099. SALE OF EXPORT-ONLY MOTOR VEHICLES. (a) This section applies to a nonrepairable motor vehicle or a salvage motor vehicle that is offered for sale in this state to a person who resides in a jurisdiction outside the United States.

(b) A person may purchase a nonrepairable motor vehicle or a salvage motor vehicle only if:

(1) the person purchases the motor vehicle from a licensed salvage vehicle dealer or a governmental entity;

(2) the motor vehicle has been issued a nonrepairable vehicle title or a salvage vehicle title; and

(3) the purchaser certifies to the seller on a form provided by the department that the purchaser will:

(A) remove the motor vehicle from the United States; and

(B) not return the motor vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number.

(c) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall, before the

sale of the motor vehicle, obtain a copy, photocopy, or other accurate reproduction of a valid identification card, identification certificate, or an equivalent document issued to the purchaser by the appropriate authority of the jurisdiction in which the purchaser resides that bears a photograph of the purchaser and is capable of being verified using identification standards adopted by the United States or the international community.

(d) The department by rule shall establish a list of identification documents that are valid under Subsection (c) and provide a copy of the list to each holder of a salvage vehicle dealer license and to each appropriate governmental entity.

(e) A salvage vehicle dealer or a governmental entity that sells a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States shall:

(1) stamp on the face of the title so as not to obscure any name, date, or mileage statement on the title the words "FOR EXPORT ONLY" in capital letters that are black; and

(2) stamp in each unused reassignment space on the back of the title the words "FOR EXPORT ONLY" and print the number of the dealer's salvage vehicle license or the name of the governmental entity, as applicable.

(f) The words "FOR EXPORT ONLY" required by Subsection (e) must be at least two inches wide and clearly legible.

(g) A salvage vehicle dealer or governmental entity who sells a nonrepairable motor vehicle or a salvage motor vehicle under this section to a person who is not a resident of the United States shall keep on the business premises of the dealer or entity until the third anniversary of the date of the sale:

(1) a copy of each document related to the sale of the vehicle; and

(2) a list of all vehicles sold under this section that contains:

(A) the date of the sale;

(B) the name of the purchaser;

(C) the name of the country that issued the identification document provided by the purchaser, as shown on the document; and

(D) the vehicle identification number.

(h) This section does not prevent a person from exporting or importing a used part obtained from an export-only motor vehicle. Added by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Sec. 501.100. APPLICATION FOR REGULAR CERTIFICATE OF TITLE FOR SALVAGE VEHICLE. (a) The owner of a motor vehicle for which a nonrepairable vehicle title issued prior to September 1, 2003, or for which a salvage vehicle title or salvage record of title has been issued may apply for a title after the motor vehicle has been repaired, rebuilt, or reconstructed and, in addition to any other requirement of law, only if the application:

(1) describes each major component part used to repair the motor vehicle;

(2) states the name of each person from whom the parts used in assembling the vehicle were obtained; and

(3) shows the identification number required by federal law to be affixed to or inscribed on the part.

(b) On receipt of a complete application under this section accompanied by the fee for the title, the department shall issue the applicant a title.

(c) A title issued under this section must describe or disclose the motor vehicle's former condition in a manner reasonably understandable to a potential purchaser of the motor vehicle.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a $65 rebuilder fee. The applicant shall include the fee with the statement submitted under Section 502.156 for the vehicle.

(e) On or after the 31st day after the date the department receives a rebuilder fee under Subsection (d), the department shall deposit $50 of the fee to the credit of the state highway fund to be used only by the Department of Public Safety to enforce this chapter and $15 to the credit of the general revenue fund.

(f) The department may not issue a regular title for a motor vehicle based on a:

(1) nonrepairable vehicle title or comparable out-of-state ownership document;

(2) receipt issued under Section 501.1003(b); or

(3) certificate of authority.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, Sec. 501.0922, 501.0923 as consolidated and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 43, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 57, eff. September 1, 2013.

Sec. 501.1001. SALVAGE MOTOR VEHICLES OR NONREPAIRABLE MOTOR VEHICLES FOR INSURANCE COMPANIES OR SELF-INSURED PERSONS.

(a) Except as provided by Section 501.0925, an insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle shall surrender the properly assigned evidence of ownership and apply for the appropriate title under Section 501.097.

(b) For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title or salvage record of title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title or nonrepairable record of title.

(c) An insurance company or other person who acquires ownership of a motor vehicle other than a nonrepairable or salvage motor vehicle may voluntarily and on proper application obtain a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title for the vehicle.

(d) This subsection applies only to a motor vehicle in this state that is a self-insured motor vehicle and that is damaged to the extent it becomes a nonrepairable or salvage motor vehicle. The owner of a motor vehicle to which this subsection applies shall submit to the department before the 31st business day after the date of the damage, in a manner prescribed by the department, a statement

that the motor vehicle was self-insured and damaged. When the owner submits a report, the owner shall surrender the ownership document and apply for a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 1, eff. September 1, 2011.

Redesignated from Transportation Code, Section 501.092 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 44, eff. January 1, 2012.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 44, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 20.008, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 19, eff. September 1, 2017.

Sec. 501.1002. OWNER-RETAINED VEHICLES.

(a) If an insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, the insurance company shall:

(1) submit to the department, before the 31st day after the date of the payment of the claim, on the form prescribed by the department, a report stating that the insurance company:

(A) has paid a claim on the motor vehicle; and

(B) has not acquired ownership of the motor vehicle; and

(2) provide notice to the owner of the motor vehicle of:

(A) the report required under Subdivision (1); and

(B) the requirements for operation or transfer of ownership of the motor vehicle under Subsection (b).

(b) The owner of a salvage or nonrepairable motor vehicle may not transfer ownership of the motor vehicle by sale or otherwise

unless the department has issued a salvage vehicle title, salvage record of title, nonrepairable vehicle title, or nonrepairable record of title for the motor vehicle or a comparable ownership document has been issued by another state or jurisdiction for the motor vehicle in the name of the owner.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code Sec. 501.0915 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 3, eff. September 1, 2011.

Redesignated and amended from Transportation Code, Section 501.093 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 45, eff. January 1, 2012.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 20, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 21, eff. September 1, 2017.

Sec. 501.1003. SALVAGE DEALER RESPONSIBILITIES. (a) If a salvage vehicle dealer acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, the dealer shall, before the 31st day after the date the dealer acquires the motor vehicle, submit to the department a report stating that the motor vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

(1) make the report in a manner prescribed by the department; and

(2) submit with the report a properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document for the motor vehicle.

(b) After receiving the report and title or document, the department shall issue the salvage vehicle dealer a receipt for the

manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document.

(c) The department shall adopt rules to notify the salvage dealer if the vehicle was not issued a printed title, but has a record of title in the department's titling system.

Redesignated and amended from Transportation Code, Section 501.096 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 46, eff. January 1, 2012.

Sec. 501.104. REBUILDER TO POSSESS TITLE OR OTHER DOCUMENTATION. (a) This section applies to a person engaged in repairing, rebuilding, or reconstructing more than five motor vehicles, regardless of whether the person is licensed to engage in that business.

(b) A person described by Subsection (a) must possess:

(1) an acceptable ownership document or proof of ownership for any motor vehicle that is:

(A) owned by the person;

(B) in the person's inventory; and

(C) being offered for resale; or

(2) a contract entered into with the owner, a work order, or another document that shows the authority for the person to possess any motor vehicle that is:

(A) owned by another person;

(B) on the person's business or casual premises; and

(C) being repaired, rebuilt, or reconstructed for the other person.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, Sec. 501.0929 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 47, eff. January 1, 2012.

Sec. 501.107. APPLICABILITY OF SUBCHAPTER TO RECYCLER. (a) This subchapter does not apply to a sale to, purchase by, or other transaction by or with, a metal recycler except as provided by Subsections (b) and (c).

(b) A metal recycler shall submit to the department the properly assigned manufacturer's certificate of origin, regular certificate of title, nonrepairable vehicle title, salvage vehicle title, or comparable out-of-state ownership document that the person receives in conjunction with the purchase of a motor vehicle not later than the 60th day after the date the metal recycler receives the title or out-of-state ownership document.

(c) This subchapter applies to a transaction with a metal recycler in which a motor vehicle:

(1) is sold 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

(2) is used for that purpose.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(a), eff. Sept. 1, 1997. Renumbered from Transportation Code, Sec. 501.0931 and amended by Acts 2003, 78th Leg., ch. 1325, Sec. 17.02, eff. Sept. 1, 2003.

Sec. 501.108. RECORD RETENTION. (a) Each licensed salvage vehicle dealer, used automotive parts recycler, or insurance company that sells a nonrepairable motor vehicle or a salvage motor vehicle at a casual sale shall keep on the business premises of the dealer or the insurance company a list of all casual sales made during the preceding 36-month period that contains:

(1) the date of the sale;

(2) the name of the purchaser;

(3) the name of the jurisdiction that issued the identification document provided by the purchaser, as shown on the document; and

(4) the vehicle identification number.

(b) A salvage vehicle dealer or used automotive parts recycler shall keep on the business premises of the dealer or recycler, until the third anniversary of the date the report on the

motor vehicle is submitted to the department, a record of the vehicle, its ownership, and its condition as dismantled, scrapped, or destroyed as required by Section 501.1003.

Redesignated and amended from Transportation Code, Section 501.105 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 48, eff. January 1, 2012.

Sec. 501.109. OFFENSES. (a) A person commits an offense if the person:

(1) applies to the department for a title for a motor vehicle; and

(2) knows or reasonably should know that:

(A) the vehicle is a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(B) the vehicle identification number assigned to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(C) the title issued to the motor vehicle belongs to a nonrepairable motor vehicle that has been repaired, rebuilt, or reconstructed;

(D) the vehicle identification number assigned to the motor vehicle belongs to an export-only motor vehicle;

(E) the motor vehicle is an export-only motor vehicle; or

(F) the motor vehicle is a nonrepairable motor vehicle or salvage motor vehicle for which a nonrepairable vehicle title, salvage vehicle title, or comparable ownership document issued by another state or jurisdiction has not been issued.

(b) A person commits an offense if the person knowingly sells, transfers, or releases a salvage motor vehicle in violation of this subchapter.

(c) A person commits an offense if the person knowingly fails or refuses to surrender a regular certificate of title after the person:

(1) receives a notice from an insurance company that the motor vehicle is a nonrepairable or salvage motor vehicle; or

(2) knows the vehicle has become a nonrepairable motor

vehicle or salvage motor vehicle under Section 501.1001.

(c-1) A person commits an offense if the person knowingly:

(1) fails to obtain or falsifies information required under Section 501.098(c);

(2) falsifies the information required under Section 501.098(b) or (h);

(3) falsifies the statement required under Section 501.098(b)(8) or (h)(4);

(4) sells a vehicle under Section 501.098 that is the subject of a security interest or lien other than a security interest or lien described by Section 501.098(a)(4)(A)(ii); or

(5) otherwise violates Section 501.098.

(d) Except as provided by Subsection (e), an offense under Subsection (a), (b), (c), or (c-1) is a Class C misdemeanor.

(e) If it is shown on the trial of an offense under Subsection (a), (b), (c), or (c-1) that the defendant has been previously convicted of:

(1) one offense under Subsection (a), (b), (c), or (c-1), the offense is a Class B misdemeanor; or

(2) two or more offenses under Subsection (a), (b), (c), or (c-1), the offense is a state jail felony.

(f) Subsection (c) does not apply to an applicant for a title under Sections 501.0925 and 501.0935.

(g) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a title to a nonrepairable motor vehicle or salvage motor vehicle;

(2) an application for a certified copy of an original title to a nonrepairable motor vehicle or salvage motor vehicle;

(3) an assignment of title for a nonrepairable motor vehicle or salvage motor vehicle;

(4) a discharge of a lien on a title for a nonrepairable motor vehicle or salvage motor vehicle; or

(5) any other document required by the department or necessary for the transfer of ownership of a nonrepairable motor vehicle or salvage motor vehicle.

(h) An offense under Subsection (g) is a felony of the third degree.

(i) Money generated from penalties collected for offenses under Subsection (c-1) may be used only for enforcement, investigation, prosecution, and training activities related to motor vehicle related offenses.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1136 (H.B. 1422), Sec. 5, eff. September 1, 2011.

Redesignated and amended from Transportation Code, Section 501.102 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 49, eff. January 1, 2012.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 22, eff. September 1, 2017.

Acts 2025, 89th Leg., R.S., Ch. 685 (H.B. 5436), Sec. 2, eff. September 1, 2025.

Sec. 501.110. ENFORCEMENT OF SUBCHAPTER. (a) This subchapter shall be enforced by the department and any other governmental or law enforcement entity, including the Department of Public Safety, and the personnel of the entity as provided by this subchapter.

(b) The department, an agent, officer, or employee of the department, or another person enforcing this subchapter is not liable to a person damaged or injured by an act or omission relating to the issuance or revocation of a title, nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, or salvage record of title under this subchapter.

Redesignated and amended from Transportation Code, Section 501.106 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 50, eff. January 1, 2012.

SUBCHAPTER F. SECURITY INTERESTS

Sec. 501.111. PERFECTION OF SECURITY INTEREST. (a) Except as provided by Subsection (b), a person may perfect a security

interest in a motor vehicle that is the subject of a first or subsequent sale only by recording the security interest on the title as provided by this chapter.

(b) A person may perfect a security interest in a motor vehicle held as inventory by a person in the business of selling motor vehicles only by complying with Chapter 9, Business & Commerce Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 51, eff. January 1, 2012.

Sec. 501.112. SALE OR SECURITY INTEREST NOT CREATED BY CERTAIN VEHICLE LEASES. Notwithstanding any other law, an agreement for the lease of a motor vehicle does not create a sale or security interest by merely providing that the rental price is permitted or required to be adjusted under the agreement as determined by the amount realized on the sale or other disposition of the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.113. RECORDATION OF SECURITY INTEREST. (a) Recordation of a lien under this chapter is considered to occur when:

(1) the department's titling system is updated; or

(2) the county assessor-collector accepts the application of title that discloses the lien with the filing fee.

(b) For purposes of Chapter 9, Business & Commerce Code, the time of recording a lien under this chapter is considered to be the time of filing the security interest, and on such recordation, the recorded lienholder and assignees under Section 501.114 obtain priority over the rights of a lien creditor, as defined by Section 9.102, Business & Commerce Code, for so long as the lien is recorded on the title.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 814 (S.B. 1592), Sec. 4, eff.

June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 52, eff. January 1, 2012.

Sec. 501.114. ASSIGNMENT OF LIEN. (a) A lienholder may assign a lien recorded under Section 501.113 without making any filing or giving any notice under this chapter. The lien assigned remains valid and perfected and retains its priority, securing the obligation assigned to the assignee, against transferees from and creditors of the debtor, including lien creditors, as defined by Section 9.102, Business & Commerce Code.

(b) An assignee or assignor may, but need not to retain the validity, perfection, and priority of the lien assigned, as evidence of the assignment of a lien recorded under Section 501.113:

(1) apply to the county assessor-collector for the assignee to be named as lienholder on the title; and

(2) notify the debtor of the assignment.

(c) Failure to make application under Subsection (b) or notify a debtor of an assignment does not create a cause of action against the recorded lienholder, the assignor, or the assignee or affect the continuation of the perfected status of the assigned lien in favor of the assignee against transferees from and creditors of the debtor, including lien creditors, as defined by Section 9.102, Business & Commerce Code.

(d) An application under Subsection (b) must be acknowledged by the assignee.

(e) On receipt of the completed application and fee, the department may:

(1) amend the department's records to substitute the assignee for the recorded lienholder; and

(2) issue a new title as provided by this chapter.

(f) The issuance of a title under Subsection (e) is recordation of the assignment.

(g) Regardless of whether application is made for the assignee to be named as lienholder on the title, the time of the recordation of a lien assigned under this section is considered to

be the time the lien was initially recorded under Section 501.113.

(h) Notwithstanding Subsections (a)-(g) and procedures that may be conducted under those subsections, the assignment of a lien does not affect the procedures applicable to the foreclosure of a worker's lien under Chapter 70, Property Code, or the rights of the holder of a worker's lien. Notice given to the last known lienholder of record, as provided by that chapter, is adequate to allow foreclosure under that chapter.

(i) Notwithstanding Subsections (a)-(g) and the procedures that may be conducted under those subsections, the assignment of a lien does not affect the procedures applicable to the release of a holder's lien under Section 348.408, Finance Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 814 (S.B. 1592), Sec. 5, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 53, eff. January 1, 2012.

Sec. 501.115. DISCHARGE OF LIEN. (a) When a debt or claim secured by a lien has been satisfied, the lienholder shall, within a reasonable time not to exceed the maximum time allowed by Section 348.408 or 353.405(b), Finance Code, as applicable, execute and deliver to the owner, or the owner's designee, a discharge of the lien in a manner prescribed by the department.

(b) The owner may submit the discharge and title to the department for a new title.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 296, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 268, Sec. 1, eff. May 28, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 117 (H.B. 2559), Sec. 24, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 54, eff. January 1, 2012.

Sec. 501.116. CANCELLATION OF DISCHARGED LIEN. The

department may cancel a discharged lien that has been recorded on a title for 10 years or more if the recorded lienholder:

(1) does not exist; or

(2) cannot be located for the owner to obtain a release of the lien.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 55, eff. January 1, 2012.

Sec. 501.117. ELECTRONIC LIEN SYSTEM. (a) The department by rule shall develop a system under which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on a certificate of title. The department may establish categories of lienholders that may participate in the system and, except as provided by this section, may require a lienholder to participate in the system.

(b) The department shall publish and distribute procedures for using the system to county assessor-collectors and to financial institutions and other potential motor vehicle lienholders.

(c) The provisions of this chapter relating to perfecting, assigning, discharging, and canceling a security interest in a motor vehicle by record maintained on a certificate of title do not apply to the extent the security interest is governed by rules adopted under this section.

(d) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system if the department has issued fewer than 100 notifications of security interests in motor vehicles to the depository institution during a calendar year.

(e) The department by rule shall establish a reasonable schedule for compliance with the requirements of Subsection (a) for each category of lienholder that the department requires to participate in the system.

(f) The department may not:

(1) prohibit a lienholder from using an intermediary to access the system; or

(2) require a lienholder to use an intermediary to access the system.

Added by Acts 2001, 77th Leg., ch. 505, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 813 (H.B. 2575), Sec. 1, eff. September 1, 2011.

SUBCHAPTER G. ADMINISTRATIVE PROVISIONS

Sec. 501.132. DUPLICATE TITLE RECEIPT. Except as otherwise provided by department rule, the department may not issue a duplicate title receipt unless the original title receipt or certificate of title is surrendered.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 67, Sec. 5, eff. Sept. 1, 2001.

Sec. 501.134. CERTIFIED COPY OF LOST OR DESTROYED CERTIFICATE OF TITLE. (a) If a printed title is lost or destroyed, the owner or lienholder disclosed on the title may obtain, in the manner provided by this section and department rule, a certified copy of the lost or destroyed title directly from the department by applying in a manner prescribed by the department and paying a fee of $2. A fee collected under this subsection shall be deposited to the credit of the Texas Department of Motor Vehicles fund.

(b) If a lien is disclosed on a title, the department may issue a certified copy of the title only to the first lienholder or the lienholder's verified agent unless the owner has original proof from the lienholder of lien satisfaction.

(c) The department must plainly mark "certified copy" on the face of a certified copy issued under this section.

(d) A certified copy of the title that is lawfully obtained under this section supersedes and invalidates any previously issued title or certified copy. If the certified copy of the title is later rescinded, canceled, or revoked under Section 501.051, the department may revalidate a previously superseded or invalidated title or certified copy of title.

(e) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec.

247(3), eff. January 1, 2012.

(f) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 247(3), eff. January 1, 2012.

(g) The department may issue a certified copy of a title only if the applicant:

(1) is the registered owner of the vehicle, the holder of a recorded lien against the vehicle, or a verified agent of the owner or lienholder; and

(2) submits personal identification as required by department rule.

(h) If the applicant is the agent of the owner or lienholder of the vehicle and is applying on behalf of the owner or lienholder, the applicant must submit verifiable proof that the person is the agent of the owner or lienholder.

(i) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 247(3), eff. January 1, 2012.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.42(a), eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 67, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 56, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 247(3), eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 10, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 23, eff. January 1, 2019.

Acts 2017, 85th Leg., R.S., Ch. 969 (S.B. 2076), Sec. 24, eff. January 1, 2019.

Sec. 501.135. RECORD OF STOLEN OR CONCEALED MOTOR VEHICLE. (a) The department shall:

(1) make a record of each report to the department that a motor vehicle registered in this state has been stolen or concealed in violation of Section 32.33, Penal Code; and

(2) note the fact of the report in the department's

records.

(b) A person who reports a motor vehicle as stolen or concealed under Subsection (a) shall notify the department promptly if the vehicle is recovered, and the department shall change its records accordingly.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 57, eff. January 1, 2012.

For expiration of Subsections (b-1), (b-2), and (b-3), see Subsection (b-3).

Sec. 501.138. COLLECTION AND DISPOSITION OF FEES.

(a) An applicant for a title, other than the state or a political subdivision of the state, must pay a fee of:

(1) $33 if the applicant's residence is a county located within a nonattainment area as defined under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(2) $28 if the applicant's residence is any other county.

(b) The fees shall be distributed as follows:

(1) $5 of the fee to the county treasurer for deposit in the officers' salary fund;

(2) $8 of the fee to the department:

(A) together with the application within the time prescribed by Section 501.023; or

(B) if the fee is deposited in an interest-bearing account or certificate in the county depository or invested in an investment authorized by Subchapter A, Chapter 2256, Government Code, not later than the 35th day after the date on which the fee is received; and

(3) the following amount to the comptroller at the time and in the manner prescribed by the comptroller:

(A) $20 of the fee if the applicant's residence is a county located within a nonattainment area as defined under

Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as amended, or is an affected county, as defined by Section 386.001, Health and Safety Code; or

(B) $15 of the fee if the applicant's residence is any other county.

(b-1) Except as provided by Subsection (b-4), fees collected under Subsection (b) to be sent to the comptroller shall be deposited to the credit of the Texas emissions reduction plan fund.

(b-2) The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas emissions reduction plan fund under Subsection (b-1). On or before the fifth workday of each month, the Texas Department of Transportation shall remit to the comptroller for deposit to the credit of the Texas Mobility Fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas emissions reduction plan fund under Subsection (b-1) in the preceding month. The Texas Department of Transportation shall use for remittance to the comptroller as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

(b-3) This subsection and Subsections (b-1) and (b-2) expire on the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code.

(b-4) Fees collected under Subsection (b) to be sent to the comptroller shall be deposited to the credit of the Texas Mobility Fund if the fees are collected on or after the last day of the state fiscal biennium during which the Texas Commission on Environmental Quality publishes in the Texas Register the notice required by Section 382.037, Health and Safety Code.

(c) Of the amount received under Subsection (b)(2), the department shall deposit:

(1) $5 in the general revenue fund; and

(2) $3 to the credit of the Texas Department of Motor Vehicles fund to recover the expenses necessary to administer this chapter.

(d) The county owns all interest earned on fees deposited or invested under Subsection (b)(2)(B). The county treasurer shall credit that interest to the county general fund.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1331, Sec. 24, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1125 (H.B. 2481), Sec. 19, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 262 (S.B. 12), Sec. 2.15, eff. June 8, 2007.

Acts 2007, 80th Leg., R.S., Ch. 262 (S.B. 12), Sec. 2.16, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1125 (H.B. 1796), Sec. 20, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 58, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 58, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 11, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 1301 (H.B. 3745), Sec. 2.03, eff. August 30, 2019.

Acts 2021, 87th Leg., R.S., Ch. 1043 (H.B. 4472), Sec. 10, eff. September 1, 2021.

Sec. 501.139. ELECTRONIC FUNDS TRANSFER. A county assessor-collector that transfers money to the department under this chapter shall transfer the money electronically.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 59, eff. September 1, 2013.

SUBCHAPTER H. PENALTIES AND OTHER ENFORCEMENT PROVISIONS

Sec. 501.145. FILING BY PURCHASER; APPLICATION FOR TRANSFER OF TITLE. (a) Not later than the later of the 30th day after the date of assignment on the documents or the date provided by Section 152.069, Tax Code, the purchaser of the used motor vehicle shall file with the county assessor-collector:

(1) the certificate of title or other evidence of title; or

(2) if appropriate, a document described by Section 502.457 and the title or other evidence of ownership.

(b) The filing under Subsection (a) is an application for transfer of title as required under this chapter and an application for transfer of the registration of the motor vehicle.

(c) Notwithstanding Subsection (a), if the purchaser is a member of the armed forces of the United States, a member of the Texas National Guard or of the National Guard of another state serving on active duty under an order of the president of the United States, or a member of a reserve component of the armed forces of the United States serving on active duty under an order of the president of the United States, the documents described by Subsection (a) must be filed with the county assessor-collector not later than the 60th day after the date of assignment of ownership. Reenacted, transferred, redesignated and amended by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 59, eff. January 1, 2012.

Sec. 501.146. TITLE TRANSFER; LATE FEE. (a) If the application for the transfer of title is not filed during the period provided by Section 501.145, the late fee is to be paid to the county assessor-collector when the application is filed. If the seller holds a general distinguishing number issued under Chapter 503 of this code or Chapter 2301, Occupations Code, the seller is liable for the late fee in the amount of $10. If the seller does not hold a general distinguishing number, subject to Subsection (b) the applicant's late fee is $25.

(b) If the application is filed after the 60th day after the date the purchaser was assigned ownership of the documents under Section 501.0721, the late fee imposed under Subsection (a) accrues an additional penalty in the amount of $25 for each subsequent

30-day period, or portion of a 30-day period, in which the application is not filed.

(c) Subsections (a) and (b) do not apply if the motor vehicle is eligible to be issued:

(1) classic vehicle license plates under Section 504.501; or

(2) antique vehicle license plates under Section 504.502.

(d) A late fee imposed under this section may not exceed $250.

Transferred, redesignated and amended from Transportation Code, Section 520.032 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 60, eff. January 1, 2012.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 60, eff. June 14, 2013.

Sec. 501.147. VEHICLE TRANSFER NOTIFICATION. (a) On receipt of a written notice of transfer from the seller of a motor vehicle or a dealer who holds a general distinguishing number issued under Chapter 503, the department shall indicate the transfer on the motor vehicle records maintained by the department. As an alternative to a written notice of transfer, the department shall establish procedures that permit the seller of a motor vehicle or a dealer who holds a general distinguishing number issued under Chapter 503 to electronically submit a notice of transfer to the department through the department's Internet website. A notice of transfer provided through the department's Internet website is not required to bear the signature of the seller or include the date of signing.

(a-1) On the sale or transfer of a motor vehicle to a dealer who holds a general distinguishing number issued under Chapter 503, the dealer shall submit the notice of transfer under Subsection (a).

(b) The notice of transfer shall be provided by the department and must include a place for the seller to state:

(1) a complete description of the vehicle as

prescribed by the department;

(2) the full name, address, and telephone number of the seller;

(3) the full name, address, and telephone number of the purchaser;

(4) the date the seller delivered possession of the vehicle to the purchaser;

(5) the signature of the seller; and

(6) the date the seller signed the form.

(c) This subsection applies only if the department receives notice under Subsection (a) that includes the full name, address, and telephone number of the purchaser before the 30th day after the date the seller delivered possession of the vehicle to the purchaser or in accordance with Section 152.069, Tax Code. After the date of the transfer of the vehicle shown on the records of the department, the purchaser of the vehicle shown on the records is rebuttably presumed to be:

(1) the owner of the vehicle; and

(2) subject to civil and criminal liability arising out of the use, operation, or abandonment of the vehicle, to the extent that ownership of the vehicle subjects the owner of the vehicle to criminal or civil liability under another provision of law.

(d) The department may adopt rules to implement this section.

(e) This section does not impose or establish civil or criminal liability on the owner of a motor vehicle who transfers ownership of the vehicle but does not disclose the transfer to the department.

(f) The department may not issue a title or register the vehicle until the purchaser applies for a title to the county assessor-collector as provided by this chapter.

(g) A transferor who files the appropriate form with the department as provided by, and in accordance with, this section, whether that form is a part of a title or a form otherwise promulgated by the department to comply with the terms of this section, has no vicarious civil or criminal liability arising out

of the use, operation, or abandonment of the vehicle by another person. Proof by the transferor that the transferor filed a form under this section is a complete defense to an action brought against the transferor for an act or omission, civil or criminal, arising out of the use, operation, or abandonment of the vehicle by another person after the transferor filed the form. A copy of the form filed under this section is proof of the filing of the form.

Transferred, redesignated and amended from Transportation Code, Section 520.023 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 61, eff. January 1, 2012.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 529 (H.B. 3288), Sec. 1, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 668 (H.B. 718), Sec. 7, eff. July 1, 2025.

Sec. 501.148. ALLOCATION OF FEES. (a) The county assessor-collector may retain as commission for services provided under this subchapter half of each late fee.

(b) The county assessor-collector shall report and remit the balance of the fees collected to the department on Monday of each week as other fees are required to be reported and remitted. The department shall deposit the remitted fees in the state treasury to the credit of the Texas Department of Motor Vehicles fund.

(c) Of each late fee collected from a person who does not hold a general distinguishing number by the department under Subsection (b), $10 may be used only to fund a statewide public awareness campaign designed to inform and educate the public about the provisions of this chapter.

Transferred, redesignated and amended from Transportation Code, Section 520.033 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 62, eff. January 1, 2012.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 12, eff. September 1, 2013.

Sec. 501.151. PLACEMENT OF SERIAL NUMBER WITH INTENT TO CHANGE IDENTITY. (a) A person commits an offense if the person stamps or places a serial number on a vehicle or part of a vehicle with the intent of changing the identity of the vehicle.

(b) It is an affirmative defense to prosecution of an offense under this section that the person acted with respect to a number assigned by:

(1) a vehicle manufacturer and the person was an employee of the manufacturer acting within the course and scope of employment; or

(2) the department, and the person was:

(A) discharging official duties as an agent of the department; or

(B) complying with department rule as an applicant for a serial number assigned by the department.

(c) An offense under this section is a felony of the third degree.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.152. SALE OR OFFER WITHOUT TITLE RECEIPT OR TITLE. (a) Except as provided by this section, a person commits an offense if the person:

(1) sells, offers to sell, or offers as security for an obligation a motor vehicle registered in this state; and

(2) does not possess the title receipt or certificate of title for the vehicle.

(b) It is not a violation of this section for the beneficial owner of a vehicle to sell or offer to sell a vehicle without having possession of the title to the vehicle if the sole reason he or she does not have possession of the title is that the title is in the possession of a lienholder who has not complied with the terms of Section 501.115(a).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 296, Sec. 2, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 63, eff. January 1, 2012.

Sec. 501.153. APPLICATION FOR TITLE FOR STOLEN OR CONCEALED VEHICLE. A person commits an offense if the person applies for a title for a motor vehicle that the person knows is stolen or concealed in violation of Section 32.33, Penal Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 64, eff. January 1, 2012.

Sec. 501.154. ALTERATION OF CERTIFICATE OR RECEIPT. A person commits an offense if the person alters a manufacturer's certificate, a title receipt, or a title.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 65, eff. January 1, 2012.

Sec. 501.155. FALSE NAME, FALSE INFORMATION, AND FORGERY. (a) A person commits an offense if the person knowingly provides false or incorrect information or without legal authority signs the name of another person on:

(1) an application for a title;

(2) an application for a certified copy of an original title;

(3) an assignment of title for a motor vehicle;

(4) a discharge of a lien on a title for a motor vehicle; or

(5) any other document required by the department or necessary to the transfer of ownership of a motor vehicle.

(b) An offense under this section is a felony of the third degree.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 66, eff. January 1, 2012.

Sec. 501.156. DUTY OF TRANSPORTERS TO DETERMINE RIGHT OF POSSESSION; OFFENSE. (a) The master or captain of a ship or airplane or a person who owns or controls the operation of a ship or airplane, in whole or part:

(1) may not take on board or allow to be taken on board the ship or airplane in this state for transport a motor vehicle without inquiring of the motor vehicle titles and registration division of the department as to the recorded ownership of the motor vehicle; and

(2) must make a reasonable inquiry as to the right of possession of a motor vehicle by the person delivering the vehicle for transport if the recorded owner of the vehicle is a person other than the person delivering the vehicle for transport.

(b) A person who violates this section commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than $50 or more than $500 for a first offense and, at the jury's discretion, not less than $100 or more than $1,000 for a subsequent offense.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 501.157. PENALTIES. (a) Unless otherwise provided by this chapter, an offense under this chapter is a misdemeanor punishable by a fine of not less than $1 or more than $100 for the first offense. If a person is subsequently convicted of the same offense, at the jury's discretion, a person may be fined not less than $2 or more than $200.

(b) A person commits an offense if the person violates Subchapter E or a rule adopted under that subchapter. An offense under this subsection is a Class A misdemeanor.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.43(b), eff. Sept. 1, 1997.

Sec. 501.158. SEIZURE OF STOLEN VEHICLE OR VEHICLE WITH ALTERED VEHICLE IDENTIFICATION NUMBER. (a) A peace officer may seize a vehicle or part of a vehicle without a warrant if the officer has probable cause to believe that the vehicle or part:

(1) is stolen; or

(2) has had the serial number removed, altered, or obliterated.

(b) A vehicle or part seized under this section may be treated as stolen property for purposes of custody and disposition of the vehicle or part.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 67, eff. January 1, 2012.

Sec. 501.161. EXECUTION OF TRANSFER DOCUMENTS; PENALTY. (a) A person who transfers a motor vehicle in this state shall complete in full and date as of the date of the transfer all documents relating to the transfer of registration or title. A person who transfers a vehicle commits an offense if the person fails to execute the documents in full.

(b) A person commits an offense if the person:

(1) accepts a document described by Subsection (a) that does not contain all of the required information; or

(2) alters or mutilates such a document.

(c) An offense under this section is a misdemeanor punishable by a fine of not less than $50 and not more than $200.

Transferred, redesignated and amended from Transportation Code, Section 520.035 by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 68, eff. January 1, 2012.

Sec. 501.162. MOTOR NUMBER REQUIRED FOR REGISTRATION; PENALTY. A person commits an offense if the person violates Section 501.0331. An offense under this section is a misdemeanor punishable by a fine of not less than $50 and not more than $100.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 69, eff. January 1, 2012.

Sec. 501.163. APPLICATION FOR MOTOR NUMBER RECORD; PENALTY. A person who fails to comply with Section 501.0332 commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than $10 and not more than $100.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 69, eff. January 1, 2012.

SUBCHAPTER I. ELECTRONIC TITLING SYSTEM

Sec. 501.171. APPLICATION OF SUBCHAPTER. This subchapter applies only if the department implements a titling system under Section 501.173.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Sec. 501.172. DEFINITIONS. In this subchapter:

(1) "Document" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(2) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) "Electronic document" means a document that is in an electronic form.

(4) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

(5) "Paper document" means a document that is in printed form.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Sec. 501.173. ELECTRONIC TITLING SYSTEM. (a) The board by rule may implement an electronic titling system.

(b) A record of title maintained electronically by the department in the titling system is the official record of vehicle

ownership unless the owner requests that the department issue a printed title.

(c) In addition to other title fees, the board by rule may set a fee to be assessed for the issuance of a paper title to cover the cost of administering the electronic titling system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 61, eff. September 1, 2013.

Sec. 501.174. VALIDITY OF ELECTRONIC DOCUMENTS. (a) If this chapter requires that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is met by an electronic document that complies with this subchapter.

(b) Except as otherwise provided by this section, if a law requires that a document be signed, the requirement is satisfied by an electronic signature.

(c) A requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal is not required to accompany an electronic signature.

(d) The department by rule shall establish a process to accept electronic signatures on secure documents that have been electronically signed through a system not controlled by the department.

(e) A system used for submitting electronic signatures to the department must verify the identity of the person electronically signing a document and submit the document through the electronic titling system.

(f) This section does not require the department to certify

an electronic signature process or an electronic signature vendor before accepting a document that is executed with an electronic signature.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 395 (S.B. 1062), Sec. 2, eff. January 1, 2018.

Sec. 501.175. RECORDING OF DOCUMENTS. (a) Under the titling system, the department may:

(1) receive, index, store, archive, and transmit electronic documents;

(2) provide for access to, and for search and retrieval of, documents and information by electronic means; and

(3) convert into electronic form:

(A) paper documents that it accepts for the titling of a motor vehicle; and

(B) information recorded and documents that were accepted for the titling of a motor vehicle before the titling system was implemented.

(b) The department shall continue to accept paper documents after the titling system is implemented.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Sec. 501.176. PAYMENT OF FEES BY ELECTRONIC FUNDS TRANSFER OR CREDIT CARD. (a) The department may accept payment by electronic funds transfer, credit card, or debit card of any title or registration fee that the department is required or authorized to collect under this chapter.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 1290

(H.B. 2017), Sec. 23

(b) The department may collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card. The amount of the fee must not exceed the charges incurred by the state because of the use of the electronic funds transfer, credit card, or debit card.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70

(b) The department may collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card in an amount not to exceed the amount of the charges incurred by the department to process the payment.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23

(c) For online transactions the department may collect from a person making payment by electronic funds transfer, credit card, or debit card an amount equal to any fee charged in accordance with Section 2054.2591, Government Code.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70

(c) The department may collect the fee set under Section 2054.2591, Government Code, from a person making a payment by electronic funds transfer, credit card, or debit card through the online project implemented under Section 2054.252, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Sec. 501.177. SERVICE CHARGE. If, for any reason, the payment of a fee under this chapter by electronic funds transfer, credit card, or debit card is not honored by the funding institution, or by the electronic funds transfer, credit card, or debit card company on which the funds are drawn, the department may collect from the person who owes the fee being collected a service charge that is for the collection of that original amount and is in addition to the original fee. The amount of the service charge must be reasonably related to the expense incurred by the department in collecting the original amount.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Sec. 501.178. DISPOSITION OF FEES. All fees collected under this subchapter shall be deposited to the credit of the Texas Department of Motor Vehicles fund.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70, eff. January 1, 2012.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1287 (H.B. 2202), Sec. 13, eff. September 1, 2013.

Sec. 501.179. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1290 (H.B. 2017), Sec. 23, eff. September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 70,

eff. January 1, 2012.