

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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ALL Districts

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §17.3, relating to motor vehicle certificates of title, to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth at length verbatim in this minute order.

IT IS THEREFORE ORDERED by the commission that the amendments to §17.3 are adopted and are authorized for filing with the Office of the Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Submitted and reviewed by:

Recommended by:

\_\_\_\_\_  
Director, Vehicle Titles and Registration  
Division

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Minute Number      Date Passed

1 Adoption Preamble

2 The Texas Department of Transportation (department) adopts  
3 amendments to §17.3 concerning motor vehicle certificates of  
4 title. The amendments to §17.3 are adopted without changes to  
5 the proposed text as published in the March 16, 2007 issue of  
6 the *Texas Register* (32 TexReg 1489) and will not be republished.

7  
8 EXPLANATION OF ADOPTED AMENDMENTS

9 Transportation Code, §520.023, provides that when a vehicle is  
10 sold, the seller may submit a vehicle transfer notification form  
11 notifying the department of the sale. Upon receipt, the  
12 department updates the motor vehicle record to advise users of  
13 the record that the vehicle has been sold and the date of sale.  
14 Once the record is marked, state law creates a rebuttable  
15 presumption that the transferee is the current owner of the  
16 vehicle, and is subject to civil and criminal liability arising  
17 out of use, operation, or abandonment of the vehicle.

18  
19 Until a new vehicle title changing ownership is applied for  
20 through a county tax office, the department's motor vehicle  
21 records remain in the name of the last recorded owner. If the  
22 vehicle is sold to a licensed motor vehicle dealer, the dealer  
23 is not required to title the vehicle until it is sold to a  
24 retail purchaser. In addition, the vehicle may be sold to other  
25 dealers through reassignment of the title. In some cases, the

1 vehicle may be operated under the prior owner's name for months  
2 or even years. Each of these scenarios creates a problem when  
3 the vehicle notification transfer has not been completed because  
4 it is the prior owner who is notified when parking tickets or  
5 toll violations are issued against the vehicle, if the vehicle  
6 is abandoned, or is used in criminal activity, rather than the  
7 current owner of the vehicle.

8

9 An increasing number of sellers are receiving notification of  
10 violations for vehicles they have sold resulting in an increased  
11 volume of inquiries and complaints to the department. In part  
12 because of the \$5 notification fee charged by the department,  
13 many sellers of vehicles do not notify the department of the  
14 vehicle transfer and therefore are not afforded the protection  
15 provided under the law.

16

17 Subsection §17.3(f), Department notification of second hand  
18 vehicle transfers, is amended to eliminate payment of the \$5 fee  
19 for submission of a vehicle transfer notification. When the \$5  
20 fee was adopted in 1996, the costs associated with  
21 implementation of the legislation and processing the  
22 notifications was significantly higher than it is today. In  
23 1996, the implementation costs included development, printing,  
24 and distribution costs for a new transfer notification form,  
25 revisions to the certificate of title record to include a

1 transfer notice, and revision of department publications. Other  
2 costs included manual processing, personnel costs and postage  
3 for incomplete forms, filing, photocopy, and storage costs, and  
4 processing and collection of fees.

5  
6 Since 1996, the cost to process transfer notifications has  
7 significantly decreased. The department contracts with a  
8 private vendor for data extraction and validation of transfer  
9 forms, data entry, some rejection functions for incomplete or  
10 incorrect forms submitted, and scanning or imaging the transfer  
11 notifications. The electronic capture of the form eliminates  
12 the need to maintain and file hard copies of the forms, storage  
13 space, and the time involved to retrieve copies on request.

14  
15 Elimination of the fee may encourage more sellers to notify the  
16 department, and a motor vehicle dealer to provide or submit  
17 notifications to the department for their customers, thus  
18 improving the integrity of the motor vehicle ownership records.  
19 Elimination of the fee will also reduce staff processing times  
20 for collection of the fee or rejection of the form when the fee  
21 is not submitted.

22  
23 COMMENTS

24 No comments on the proposed amendments were received.

25

1 STATUTORY AUTHORITY

2 The amendments are adopted under Transportation Code, §201.101,  
3 which provides the Texas Transportation Commission with the  
4 authority to establish rules for the conduct of the work of the  
5 department, and more specifically, Transportation Code,  
6 §501.131, which governs the titling of motor vehicles, and  
7 Transportation Code, §520.023 which allows the department to  
8 adopt a fee for filing a notice of transfer.

9

10 CROSS REFERENCE TO STATUTE

11 Transportation Code, Chapter 501, and Transportation Code,  
12 Chapter 520.

1 SUBCHAPTER A. MOTOR VEHICLE CERTIFICATES OF TITLE

2 §17.3. Motor Vehicle Certificates of Title.

3 (a) - (e) No Change.

4 (f) Department notification of second hand vehicle  
5 transfers. A transferor of a motor vehicle may voluntarily make  
6 written notification to the department of the sale of the  
7 vehicle, in accordance with Transportation Code, Chapter 520,  
8 Subchapter C, and this subsection.

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

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

19 (2) Records. On receipt of written notice of transfer  
20 [~~and a \$5.00 fee~~] from the transferor of a motor vehicle, the  
21 department will mark its records to indicate the date of  
22 transfer and will maintain a record of the information provided  
23 on the written notice of transfer.

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

4           (A) the owner of the vehicle; and

5           (B) subject to civil and criminal liability arising out  
6 of the use, operation, or abandonment of the vehicle, to the  
7 extent that ownership of the vehicle subjects the owner of the  
8 vehicle to criminal or civil liability under another provision  
9 of the law.

10           (4) Certificate of title issuance. A certificate of  
11 title will not be issued in the name of a transferee until the  
12 transferee files an application for the certificate of title as  
13 described in this section.

14           (g) - (h) No Change.