

[<<Prev Rule](#)[Next Rule>>](#)

Texas Administrative Code

[TITLE 43](#)

TRANSPORTATION

[PART 10](#)

TEXAS DEPARTMENT OF MOTOR VEHICLES

[CHAPTER 217](#)

VEHICLE TITLES AND REGISTRATION

[SUBCHAPTER D](#)

NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

RULE §217.83

Requirement for Non-repairable or Salvage Vehicle Title

(a) Determination of condition of vehicle.

(1) Salvage motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs shall be used to determine whether the damage is sufficient to classify the motor vehicle as a salvage motor vehicle.

(2) Non-repairable motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs, or alternate method commonly used by the insurance industry, shall be used to determine whether the damage is sufficient to classify the motor vehicle as a non-repairable motor vehicle.

(3) The actual cash value of the motor vehicle is the market value of a motor vehicle as determined:

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

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

(4) The cost of repairs, including parts and labor, shall be determined by:

(A) using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or

(B) an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

(5) The cost of repairs does not include:

(A) the cost of:

(i) repairs related to gradual damage to a motor vehicle;

(ii) repairs related to hail damage; or

(iii) materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or

(B) sales tax on the total cost of repairs.

(b) Who must apply.

(1) An insurance company licensed to do business in this state that acquires ownership or possession of a non-

repairable or salvage motor vehicle that is covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall obtain a non-repairable or salvage vehicle title, as provided by §217.84 of this title (relating to Application for Non-repairable or Salvage Vehicle Title), before selling or otherwise transferring the non-repairable or salvage motor vehicle, except as provided by subsection (c) of this section.

(2) A salvage vehicle dealer shall obtain a Non-repairable or Salvage Vehicle Title, or comparable out-of-state ownership document, before selling or otherwise transferring the motor vehicle, except as provided by §217.88(b) of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle).

(3) A person, other than an insurance company or salvage vehicle dealer, who acquires ownership of a non-repairable or salvage motor vehicle that has not been issued a non-repairable vehicle title, a salvage vehicle title, or a comparable out-of-state ownership document, shall obtain a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the motor vehicle, unless the motor vehicle will be dismantled, scrapped, or destroyed.

(c) Owner retained vehicles.

(1) An owner may retain a vehicle only as provided by this subsection and if the vehicle was titled in Texas before it became a salvage or non-repairable vehicle.

(2) When an insurance company pays a claim on a non-repairable or salvage motor vehicle and does not acquire ownership of the motor vehicle, the company shall submit to the department before the 31st day after the date of the payment of the claim, on a form prescribed by the department, a report stating that:

(A) the insurance company has paid a claim on the non-repairable or salvage motor vehicle; and

(B) the insurance company has not acquired ownership of the non-repairable or salvage motor vehicle.

(3) Upon receipt of the report described in paragraph (2) of this subsection, the department will place an appropriate notation on the motor vehicle record to prevent registration and transfer of ownership prior to the issuance of a salvage or non-repairable vehicle title.

(4) The owner who retained the non-repairable or salvage motor vehicle to which this subsection applies shall obtain a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the non-repairable or salvage motor vehicle.

(5) Until a non-repairable or salvage vehicle title, or a comparable out-of-state ownership document, has been issued for an owner-retained non-repairable or salvage vehicle, the owner of the motor vehicle may not sell or otherwise transfer ownership of the vehicle.

(6) The owner of an owner retained non-repairable or salvage motor vehicle may not operate or permit operation of the motor vehicle on a public highway, until the motor vehicle is rebuilt, titled as a rebuilt salvage motor vehicle or rebuilt non-repairable motor vehicle, if applicable, and is registered in accordance with Subchapter B of this chapter.

(d) Self-insured vehicles. The owner of a non-repairable or salvage motor vehicle that is self-insured and that has been removed from normal operation by the owner shall apply to the department for a non-repairable or salvage vehicle title, as provided by §217.84, before the 31st day after the damage occurred, and before selling or otherwise transferring ownership of the non-repairable or salvage motor vehicle.

(e) Casual sales. A salvage vehicle dealer, salvage pool operator, or insurance company that acquires a non-repairable or salvage motor vehicle shall apply to the department for a non-repairable or salvage vehicle title, in accordance with §217.84, prior to offering the motor vehicle for sale in a casual sale.

(f) Export-only vehicles. A salvage vehicle dealer, including a salvage pool operator acting as agent for an

insurance company, or governmental entity that acquires a non-repairable or salvage motor vehicle and offers it for sale to a non-United States resident shall apply to the department for a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the non-repairable or salvage motor vehicle and before delivery of the non-repairable or salvage motor vehicle to the buyer. A salvage vehicle dealer or governmental entity shall maintain records of all export-only non-repairable or salvage motor vehicle sales as provided by §217.88(g).

(g) Voluntary application. A person who owns or acquires a motor vehicle that is not a non-repairable or salvage motor vehicle may voluntarily, and on proper application, as provided by §217.84, apply for a non-repairable or salvage vehicle title.

Source Note: The provisions of this §217.83 adopted to be effective March 12, 2015, 40 TexReg 1096

[List of Titles](#)[Back to List](#)[HOME](#)[TEXAS REGISTER](#)[TEXAS ADMINISTRATIVE CODE](#)[OPEN MEETINGS](#)