

Texas Auto Total Loss Threshold by Law

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 that:

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

(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.