



# ADMINISTRATION AND REGULATORY AFFAIRS DEPARTMENT

## Transportation Section Policy

Subject: **Salvaged Titled Vehicles**

Policy No.

**VFH - 017**

Effective Date:

**Upon Approval**

### 1. AUTHORITY

1.1. Chapter 46, Houston Code of Ordinances (“Ordinance”)

### 2. PURPOSE

2.2. The purpose of the policy is to establish guidelines for the suspended enforcement of a portion of the forfeiture provision in Sec. 46-11.3(b).

### 3. POLICY STATEMENT

3.3. Sec. 46-11.3(a) of the Ordinance prohibits the permitting of vehicles that are titled, “salvaged, junk, rebuilt-salvaged, total loss, non-repairable”, or any equivalent or comparable classification any other jurisdiction. Sec. 46-11.3(b) created an exception to the prohibition if the vehicle was permitted on or before August 6, 2014. However, Sec. 46-11.3(b) also states that the exception will be forfeited under two conditions: (1) the permit is revoked or (2) if the vehicle is transferred, leased, sold, rented or assigned in any other manner. The unintended consequence of this provision has been the creation of a situation where an independent contractor driver is bound to a permittee until the vehicle age limit has been reached. In other words, the driver does not have the ability to drive for another vehicle-for-hire permittee because he cannot take his permitted vehicle from one permittee to another – thereby endangering his independent contractor status. This provision as written creates a situation where a driver is not a free agent as intended under the traditional understanding of the independent contractor relationship.

Accordingly, this policy hereby suspends enforcement of that portion of the forfeiture provision in Sec. 46-11.3(b) that limits the ability of vehicle for hire drivers to drive for companies other than the one for which he/she was driving on August 6, 2014.

### 4. PROCEDURES

- 4.1. The policy will be effective from the date of signature and expire upon the date of any replacing or overriding Ordinance provision and/or new Director’s Rule and Regulation.
- 4.2. Sec. 46-11.3 of the Ordinance pertains to vehicle for hire title classification. This provision details no new vehicles as of August 6, 2014 shall be of certain title classifications, including “salvaged, junk, rebuilt-salvage”, etc. The provision explicitly states a vehicle with a listed classification may not be transferred but allowed to remain online though time-out provisions, if placed in service prior to August 6, 2014.
- 4.3. Any vehicle to which Sec. 46-11.3 applies may, after the date of this policy approval date, transfer from one company to another, however all other provisions required of the vehicle in Sec. 46-11.3 must be maintained.
- 4.4. This does not preempt the age requirements listed in the specific article that pertains to that vehicles permit requirements.

Approved:

Date Approved:

February 6, 2019

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