



Texas Automotive Recycling REPORT

May/June 2015

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The Texas Automotive Recycling Report

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The Texas Automotive Recycling Report

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A Letter From the Executive Director

By Cheryl Lambright

"Braggin" Rights Are Everything

I recently attended the 2015 ARA State Legislative Summit and Hill Days in Washington DC. As always, it is a proud moment to be able to tell a group of people from all over this great nation that I come from TEXAS, an even greater nation!

TARA is a prominently recognized state automotive recyclers association and it always personally humbles me to visit with other state affiliate chapters and realize that you allowed me to represent your interests in this industry. You make my job easy because you are doing the right things in Texas on all levels. TARA and its' members have put out tremendous effort to be the best at what they do and gain respectability from not only the federal and state legislatures but with the demanding public. The salvage yard image has propelled itself to a multifaceted industry that provides a proportionate amount of recyclable products and keeps reusing and reinventing the necessity for upcycled and recycled products.

The ARA Hill Days provides me not only an opportunity to brag on Texas but to learn new avenues to make the association better prepared to know what things are happening so that TARA can be ready when another crisis appears. The other foot is always falling. I also got the opportunity to go to the Hill to visit with legislatures from the state of Texas and brag on our industry even more to fellow Texans. It is a great job.... bragging all the time!

During the DC legislative summit, while all this information is swirling around, suddenly appears Speaker of the House John Boehner. I don't care what political party attachment you might profess, there is something really heady about being in a small intimate gathering with the Speaker of the House (the number 3 guy). He, of course is an amazing presenter, and yes, he comes from a humble back ground and built a business from scratch, so it is apparent that he can relate to this industry. In the moment, the main thing that

was going through my mind, "Is how far this industry has progressed that **we would and could warrant** a visit from the Speaker of the House." Speaker Boehner, gathered in a room of about 60 recyclers, taking one on one questions with no reporters and actually answering the tough questions was apparent that this industry was definitely at a different level. His concerns on a national level were, debt of this nation and keeping businesses in business.

Be proud of your industry. Because of the hard work of associations like ARA and TARA and all the other state associations, and **their members**, the legislatures on the state and national level now are aware of automotive recyclers and their importance. This industry has arrived and with that recognition comes responsibility. No doubt automotive recyclers will rise to the call but to keep this momentum going we must grow our associations. Members be gets members. Make it a goal this year to get at least one new business to join. The best referral your association can have is a referral from another member.

None of this can be done with a few but it can be done if everyone makes an effort to increase membership. Recyclers who present best business practices are going to get attention from the entities that regulate the industry and the lawmakers and it will be good attention not bad. Already, TARA has made its' mark. At a hearing at the state capitol this past week on regulation of the salvage vehicle dealer license, an individual from one of the state regulatory agencies said that they always knew that if a yard was a TARA member, inspection would be an easy task. Be productive in signaling your business out from the rest of the crowd, it will pay off for you repeatedly. Associations are not fluff, they are worth every cent you invest. Being in DC and at the Texas state capitol for house and senate hearings was proof enough. Please continue to support your association and help it grow.



TARA Legislative Update

By Bruce Ormand



Substantive Has Impact On All Levels

Sub·stan·tive
adjective
adjective: substantive
'səbstən(t)iv,səb'stan(t)iv/

1. having a firm basis in reality and therefore important, meaningful, or considerable.

Greeting to one all, I am back once again by unpopular demand!

As I have thought about this issue's article, I was reminded of the word I used when testifying before the Senate on SB 1504 proposed to reorganize the salvage vehicle dealers' license. While I know the meaning, I thought I would, yes you guessed it, google the word because we know the internet is **always** correct. I will admit this legislative world is a roller coaster ride and my emotions go up and down with it. When I sit back and reflect on where TARA has been and where we are going, I am proud to tell you, that what we are doing is substantive.

I wished that the enthusiasm that we share at TARA for creating and doing something substantive was equally matched by our counter parts (legislature) on the state levels but they have another word and it is called passivity. I am reminded of a movie I once saw and they kept having meetings about their FTP report, the fact that the FTP report was of no use to anyone didn't matter, it was still important that they meet over it. That is how it is dealing with State ran agencies.... you shake hands, you do your presentation and then you are told they will meet with their people and then you never hear back from them. Always ask myself, who are their people, because we are meeting with Directors, Majors, Commissioner's and the list goes on and on, so who are those people and how does one actually meet THEIR people?

I am reminded of the famous lines from the movie A FEW GOOD MEN from Col. Jessup as he states during the trial, " You don't want the truth, because deep down inside

in places you don't talk about at parties, you want me on that wall; you need on that wall. We use words like honor, loyalty, code.....

I think, the legislatures' lines would go something like this: "You don't want the truth, because deep down inside in places you don't talk about at our meetings, you want us

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passive, you need us passive because we use words like next meeting, vacation, we will get back with you."

I know this sounds like a bitter diatribe but I assure you that we are not deterred here at TARA. We will keep pressing on and I know in the end we will win this battle to protect this industry and to level the playing field for the legitimate business. We continue to monitor all the legislative bills this session and so far so good.

TARA again is leading the fight to make sure RMA does not take away the right and hold you unreasonably liable for selling used tires. There is a salvage bill that has clean up language in it but nothing substantive to speak of and we have testified in the Senate and House and pointed out that we have spoken with both sponsors of bills and that there is substantive things that needed to be added to the bill.

Back to the word substantive, I believe that it is important that in this life we are substantive to the ones that matter the most, our family. At the end of the day when all is said and done the most important people in our lives are those near and dear whether friends or family and the impact that you have on each other lives does matter. The one thing that I know for sure it is not a matter of if, but of when trouble will come knocking on your door and it is in those times that you realize the important people in your life. So a word of wisdom to myself and to us all, stop and smell the roses, give a kind word, encourage someone struggling or just do something kind for someone with no strings attached. It will change their life as well as yours. Until next time I wish you all the best.



TARA PAC FUND DON'T BE LEGISLATED OUT OF BUSINESS

2015 Legislative Session begins January.

All the Funds that TARA "Packed Away" are already dispersed in preparation for this session. However, the sale of used tires is going to be front and center again. This time the big players are going to propose very stringent "safe used tire legislation".

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Organized Selling - Part Two

By Mike Kunkel

We left the last article talking about organizational skills and how they impact your ability to sell. The next step in being organized is to know your schedules. What are your cut off times for warehouse parts, shipping deadlines, delivery routes and yard pulls? If you do not set the proper expectation for part readiness, the customer will assume it is available now or for next day delivery. This will take time away from you later if you do not set the expectation properly.

Keeping you customer organized is the next area of improvement. Keeping the call organized and on track is a necessity. We need to know a couple of things in order to do that. First, who are we talking to and where are they calling from? Get their name and number first. You can then make it personal and not have to get that information at the end of the call. The next thing that is needed is what part they are looking for.

From there, the selling process can start. You now know who, what and where portions of the sale in place. You can stay on the sales script with the questions you normally ask to qualify and close the sale.

Sales script? Qualify? Close the sale?

Who does those things? The answer is that we all do but some at better at it than others. The sales script is the routine that we use to walk the customer to the purchase. The first part of the sales script is to qualify the customer.

Is the vehicle theirs or is it a whole-

sale customer? Insurance estimate or customer is paying for repair? Have they checked prices or have a price expectation? When will they be installing the part? These are all questions that qualify the customer and walk towards the sale. Each of these questions gives you the opportunity to ask for the sale. If the answer is no, keep moving on your process. Keep in mind that once you give the price, you are no longer in control of the sale so save that for last.

You must remain positive and friendly during the entire process. Your voice inflection will show negativity and that will not help your close and most of the time will make the close nearly impossible.

Selling used auto parts has some unique variables to it that can be difficult to learn quickly. One of those ar-

reas is brokering parts. The expectation level for the percentage of brokered parts to in-stock sales is growing. Our customer wants to deal with a few select vendors who satisfy their needs. Brokering parts is required if we are going to take care of their parts needs.

Brokering parts for your customer means that you are helping them with their parts needs. They are counting on you to give them the same quality and service that they get when you have the part in your inventory. That is one of the primary reasons they want to do business with you. Friction costs on used parts is something that causes us to miss sales.

We will cover brokering parts in the next article. Until then, I hope the winter weather sales are still carrying over for you!

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Most Common Code Violations for Used Automotive Parts Recyclers

Source: Texas Department of Licensing and Regulation website

1. **Surrender of Vehicle Title** - 14 Tex. Occ. Code Ch. 2309.301(b) & 16 Tex. Admin. Code Ch. 87.50(a). Failure of a used automotive parts recycler to submit to the Texas Department of Motor Vehicles a properly assigned manufacturer's certificate of origin, regular certificate of title, non-repairable vehicle title, salvage vehicle title, other ownership document, or comparable out-of-state ownership document for the motor vehicle, before the 31st day after the date of acquiring the motor vehicle.
2. **Removal & Disposal of License Plates** - 14 Tex. Occ. Code Ch. 2309.352 & 16 Tex. Admin. Code Ch. 87.73. Failure to immediately remove any unexpired license plates from the vehicle; and place the license plates in a secure place until destroyed by the used automotive parts recycler.
3. **Title Required** - 14 Tex. Occ. Code Ch. 2309.301(a) & 16 Tex. Admin. Code Ch. 87.70. Failure of a used automotive parts recycler who acquires ownership of a salvage motor vehicle to obtain a properly assigned title from the previous owner of the vehicle.
4. **Records of Purchases** - 14 Tex. Occ. Code Ch. 2309.302 & 16 Tex. Admin. Code Ch. 87.71(a). Failed to maintain a record of or sales receipt for each motor vehicle, salvage motor vehicle, nonrepairable motor vehicle, and used automotive part purchased.
5. **Employed a person who did not hold an employee**

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ASSOCIATION NEWS

- license. - 16 Tex. Admin. Code Ch. 87.24(c). Used automotive parts recyclers may not employ a person required to hold a license under this chapter unless the person presents and the employer maintains a copy of a valid employee license issued under this chapter to the employee.
6. **Employed a person whose employee license has expired.** - 16 Tex. Admin. Code Ch. 87.26(c) To renew and maintain continuous licensure, the renewal requirements under this section must be completed prior to the expiration of the license. A late renewal means the licensee will have an unlicensed period from the expiration date of the expired license to the issuance date of the renewed license. During the unlicensed period, a person may not perform any function of a used automotive parts recycler employee that requires a license under this chapter.
 7. **Periodic Inspection Requirements** - 16 Tex. Admin. Code Ch. 87.45(b). The used automotive parts recycling business owner, manager, or their representative must, immediately upon request,

make available to the inspector all records, notices and other documents required by this chapter.

8. **Failed to keep and maintain evidence of compliance with the DMV notification requirement.** - 16 Tex. Admin. Code Ch. 87.50(b). Used automotive parts recyclers shall keep and maintain evidence of compliance with filing of vehicle ownership documents.

9. **Record of Purchase; Inventory of Parts** - 16 Tex. Admin. Code Ch. 87.75(a). Failed to keep an accurate and legible record containing all required information of each purchased or delivered used component part.
<http://www.tdlr.texas.gov/parts/aprviolations.htm>

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Hi-Way Auto Parts Named Early, TX, Chamber of Commerce's March Business of the Month

Source: www.autobodynews.com

Early Chamber of Commerce honored James Cooley, Jr. and Dalton Cooley, owners of Hi-Way Auto Parts, with the Business of the Month award for March 2015. Hi-way Auto Inc. is a dismantling and recycling facility spe-

cializing in late model auto parts.

Located on Hwy 279 in Brownwood, Texas, Hi-way Auto Parts has over 30,000 sq. ft of auto parts in their warehouses and their facilities cover over 50 acres. Hi-Way Auto offers high

quality recycled auto parts to insurance companies, collision repair shops, mechanical shops, and the retail public. Parts can be searched on their website at www.hiwayauto.com.

The Cooleys are second generation auto recyclers with over 30 years experience. Junior and Dalton have turned their family owned recycling business into one of the preferred suppliers of quality recycled auto parts in Central Texas and beyond.

Hi-Way Auto Parts started in the late 1940s with 3 employees and was purchased by James Cooley, Sr. in 1975. Now James Jr. handles the day to day operations and Dalton is responsible for purchasing inventory. Hi-Way Auto Parts has grown to over 30 employees and continuously strives to provide a high standard of excellence in customer service, quality, and competitive prices, according to their press release.

Early Chamber of Commerce congratulates Junior, Dalton and their entire staff for being a community supporter of the entire Brown County area and for earning the chamber's Business of the Month Award.

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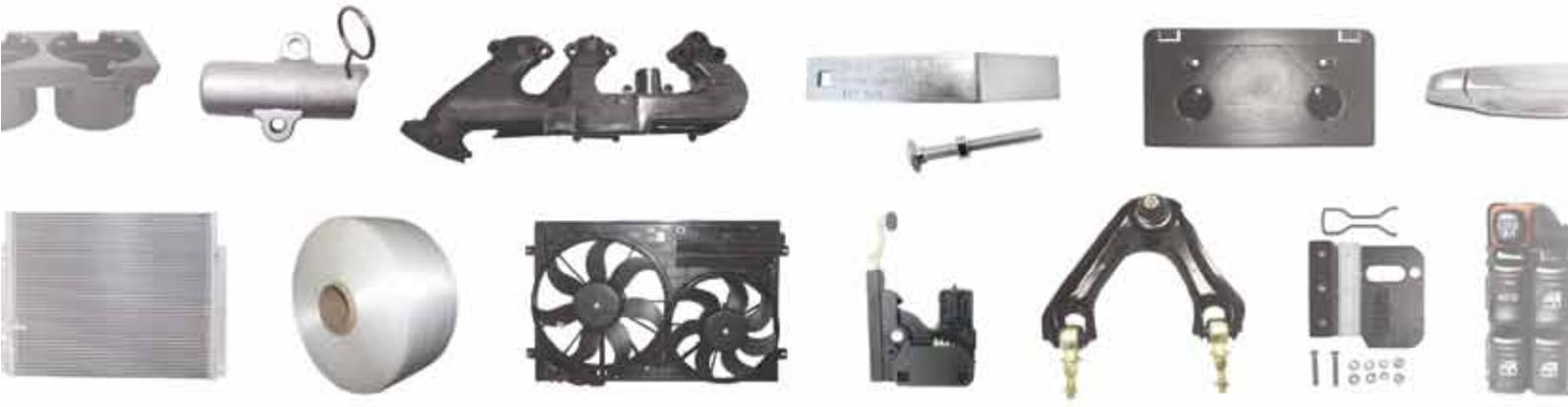


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Licensing – Inspections – Component Parts CONFUSING – YOU BET!

By *Cheryll Lambright*

With so many agencies inspecting your business, sometimes it is confusing as to what agency it is and what the requirements are. I have been getting more and more reports of multiple inspections to the same business. Let's see if we can get a little better educated about these procedures.

***TRUTH – Inspections
have no cut off date.***

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Law enforcement (federal, state, county, city) at any time have the right to inspect your property. ***So you are always subject to an inspection.***

Governmental agencies that permit or license you (TDLR, DMV, TCEQ) along with city and county agencies that license or permit, you can do scheduled or random inspections as mandated or by complaint filed.

Beginning to look pretty scary? But this is not something new. This has been the statues and regulations for business in Texas and all other states for many decades.

So how do we keep this in perspective? Let's see if we can simplify what we should expect from an inspection and what is truth.

TDLR License

TDLR (Texas Department of Licensing and Regulations) is your state agency that provides your UAPR (Used Automotive Parts Recycler) License. UAPR is defined under the Texas Occupation Code as:

Sec. 2309.002. DEFINITIONS. In this chapter:

- (6) "Used automotive parts recycler" means a person licensed under this chapter to operate a used automotive parts recycling business.
- (7) "Used automotive parts recycling" means the dismantling and reuse or resale of used automotive parts and the safe disposal of salvage motor vehicles or nonrepairable motor vehicles, including the resale of those vehicles.

TDLR inspects each licensee every two years, unless a complaint has been filed. If the business is considered a risk to the public, then they are subject to additional risk-based inspections.

TRUTH: TDLR is not law enforcement (DPS, Sheriff, Constable, Police etc.) Once again law enforcement are random inspections and have no pattern.



Salvage Vehicle Dealers License

Many of UAPR's also carry a Salvage Vehicle Dealers License which is issued by TXDMV (Texas Department of Motor Vehicle).

TRUTH: You DO NOT have to have a salvage vehicle dealer's license to be a UAPR.

Salvage Vehicle Dealer is defined by the Texas Transportation Code: Sec. 501.091. DEFINITIONS. In this subchapter:

(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.

This is where the gray areas come in. What is "Incidental"? TDLR has provided answers to this question on their website <http://www.tdlr.texas.gov/parts/aprfaq.htm> and are set out below:

TRUTH: Do salvage vehicle dealers also have to hold a Used Automotive Parts Recycler business license?

If the salvage vehicle dealer deals in used automotive parts as more than an incidental part of the salvage vehicle dealer's primary business, then the Act applies and registration as a UAPR is required.

What does "more than an incidental part of the salvage vehicle dealer's primary business" mean?

Whether used auto part recycling is incidental to a salvage dealer's primary business is a question of fact that must be determined on a case by case basis. However, there is a guiding principle to help the question of whether an activity is incidental. Generally, "incidental" means **occurring by chance or without intention**. Therefore, if the salvage dealer sells recycled parts in a routine systematic way then it would appear to be more than incidental to the business.

Salvage Vehicle Dealers are inspected and regulated differently than UAPR. UAPR have periodic inspections where salvage vehicle dealers are regulated under Texas Occupation Code 2302.0015., which give consent to entry and inspection of the premises of licensee by a member of the TXDMV board, an employee or agent of the TXDMV board or department, a member of the Public Safety Com-

mission, an officer of the Department of Public Safety, or a peace officer.

TRUTH: If DPS is making an inspection, more than likely they are applying the Salvage Vehicle Dealer Regulations instead of the UAPR regulations. Be clear that you are operating the sale of parts under the UAPR license.

Three Day Hold On Parts?

Law Enforcement does not seem to understand the difference between parts dismantled from a salvage vehicle and the purchase of "a" component part independent of the salvage vehicle. UAPR **does not have to hold a part for 3 days** or assign a unique inventory number to a part IF, the part was removed from a salvage vehicle that a UAPR possesses. As long as the parts you sell are from a dismantled vehicle, there is no hold or inventory number. However, if you do engage in buying "a" component part, even as a UAPR, you must keep records and hold the part as stated in Texas Occupation Code 2309 set out below for UAPR. The requirements for Salvage Vehicle Dealers buying component parts is set out below in Texas Occupation Code 2302. There is a big difference between the two. Make yourself aware of the difference and operate your business by the UAPR regulations.

TRUTH: There is no hold on **dismantled** parts for UAPR.

Used Automotive Parts Recyclers

Occupations Code

Regulation of Motor Vehicles and Transportation

Regulations Related to Motor Vehicles

Chapter 2309

Administered by the Texas Department of Licensing and Regulation

Sec. 2309.354. Record of Purchase; Inventory of Parts.

- (a) A used automotive parts recycler shall keep an accurate and legible record of each used component part purchased by or delivered to the recycler. The record must include:
 - (1) the date of purchase or delivery;
 - (2) the driver's license number of the seller and a legible photocopy of the seller's driver's license; and



- (3) a description of the part and, if applicable, the make and model of the part.
- (b) As an alternative to the information required by Subsection (a), a used automotive parts recycler may record:
 - (1) the name of the person who sold the part or the motor vehicle from which the part was obtained; and
 - (2) the Texas certificate of inventory number or the federal taxpayer identification number of the person.
- (c) The department shall prescribe the form of the record required by Subsection (a) and shall make the form available to used automotive parts recyclers.
- (d) This section does not apply to:
 - (1) an interior component part or special accessory part from a motor vehicle more than 10 years old; or
 - (2) a part delivered to a used automotive parts recycler by a commercial freight line, commercial carrier, or licensed used automotive parts recycler.

Sec. 2309.355. Retention of Component Parts.

- (a) A used automotive parts recycler shall retain each component part in its original condition on the business premises of the recycler for at least three calendar days, excluding Sundays, after the date the recycler obtains the part.
- (b) This section does not apply to the purchase by a used automotive parts recycler of a nonoperational engine, transmission, or rear axle assembly from another used automotive parts recycler or an automotive-related business.

Salvage Vehicle Dealers

Occupations Code

Regulation of Motor Vehicles and Transportation

Regulations Related to Motor Vehicles

Chapter 2302

Administered by the Texas Department of Motor Vehicles

Sec. 2302.254. Record Of Purchase; Inventory Of Parts.

- (a) A salvage vehicle dealer shall keep an accurate and legible inventory of each used component part purchased by or delivered to the dealer. The inventory must contain a record of each part that includes:
 - (1) the date of purchase or delivery;
 - (2) the name, age, address, sex, and driver's license number of the seller and a legible photocopy of the seller's driver's license;
 - (3) the license plate number of the motor vehicle in which the part was delivered;
 - (4) a complete description of the part, including the type of material and, if applicable, the make, model, color, and size of the part; and
 - (5) the vehicle identification number of the motor vehicle from which the part was removed.
- (b) Instead of the information required by Subsection (a), a salvage vehicle dealer may record:
 - (1) the name of the person who sold the part or the motor vehicle from which the part was obtained; and
 - (2) the Texas certificate of inventory number or the federal taxpayer identification number of that person.
- (c) The department shall prescribe the form of the record required under Subsection (a) and shall make the form available to salvage vehicle dealers.
- (d) This section does not apply to:
 - (1) an interior component part or special accessory part that is from a motor vehicle more than 10 years of age; or
 - (2) a part delivered to a salvage vehicle dealer by a commercial freight line or commercial carrier.

Sec. 2302.255. Assignment Of Inventory Number.

- (a) A salvage vehicle dealer shall:
 - (1) assign a unique inventory number to each transaction in which the dealer purchases or takes deliver of a component part
 - (2) attach the unique inventory number to each component part the dealer obtains in the transaction; and



ASSOCIATION NEWS

- (3) retain each component part in its original condition on the business premises of the dealer for at least three calendar days, excluding Sundays, after the date the dealer obtains the part.
- (b) An inventory number attached to a component part under Subsection (a) may not be removed while the part remains in the inventory of the salvage vehicle dealer.
- (c) A salvage vehicle dealer shall record a component part on an affidavit bill of sale if:
 - (1) the component part does not have a vehicle identification number or the vehicle identification number has been removed; or
 - (2) the vehicle identification number of the vehicle from which the component part was removed is not available.
- (d) The department shall prescribe and make available the form for the affidavit bill of sale.
- (e) This section does not apply to the purchase by a salvage vehicle dealer of a nonoperational engine, transmission, or rear axle assembly from another salvage vehicle dealer or an automotive-related business.

Information compiled from the TDLR website <http://www.tdlr.texas.gov/>

ASSOCIATE MEMBERS

Auction Systems of Amarillo

Phone: (806) 622-1322

Auto Data Direct, Inc.

Phone: 850-877-8804

Bishop International

Phone: (214) 426-6449

Brock Supply Co.

Phone: (800) 528-4400

Car-Part.com

Phone: (859) 344-1925

Hollander, A Solera Company

Phone: (800) 825-0644, Ext. 2449

Insurance Auto Auction

Phone: (708) 492-7000

James Environmental

Phone: (512) 244-3631

Kabele Truck & Auto Parts

Phone: 800-225-6908

Lamb Fuels, Inc.

Phone: (619) 421-0805

LKQ Corporation

Government Affairs

Phone: (954) 492-9092

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Phone: (806) 376-6301

Phoenix Automotive Cores

Phone: (602)415-9166

Platinum Recovery & Recycling

830-303-8916

Recyclers Power Source

Phone: (800) 336-5614

Waymer & Associates Insurance

Agency

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Do You Have a Good Core Program?

By Amber Elenbaas

What's a core program? How can it benefit your business? I travel to recycling facilities of all sorts and sizes and teach them how to implement the core strategy that's best for them. When you treat your cores as valuable commodities and maximize your core profits, you can add \$25, \$50, \$100, even \$200 per vehicle. Are vehicles getting any cheaper to buy? Everywhere I go, people are paying more and more for their cars and trucks. So we need to figure out how to get more out of them in order to stay profitable!

Core programs come in many shapes and sizes. The easiest place to start is often at the end of each vehicle's life: at the point of crush. When you enter the VIN number of the car you are going to crush into the RAS website, it will show you what we're paying for every part, and you can decide at that time what is worth it to pull and sell. A \$95 steering gear rack is always worth it, but what about a \$15 rack? What if it's unbolted in the vehicle, then is it worth it? A \$7 door window motor doesn't sound that profitable to pull, but what if the mirror was sold, so the door trim panel is already off and it takes just a few seconds to zip that motor off? How much should you pay the people removing the cores – by the hour or by the part, or a percentage of the core money they earn for you? The answers to these questions vary by the recycler, but deciding how you are going to do it ahead of time makes implementing an end-of-life core program easy.

If you are pulling cores at the point of crush, you'll start to notice that RAS pays for a lot of parts you cannot seem to sell. And if you look at your inventory on our website, you can see that you have parts on your shelves over 2,500 days old – that's 7 years! You have parts that you have stocked 10 or more of the same part! Many recyclers don't realize they have cash hanging on their shelves gathering dust. I would argue that many of these parts, you will never sell. But let's say you will sell them eventually. If you wait another year, and sell that alternator for \$100, you've made \$100. If you sell that same part to RAS for \$35, and you take that money (and your other core money) and use it to buy another vehicle, if your cost of goods is 50% then you will double your money. So now you have \$70. Now you take that money and you invest it into another vehicle, and you again double it and you have \$140. If you can turn your investments four times a year, that \$35 in cash turns into \$560 in one year. Selling old parts sitting around on your shelves can provide cash flow year round, or just during your slow months. Again, each yard will want to customize when and how they do this, but each yard will benefit.

What happens to the parts that come back from your customers as cores? If they wind up in the crush pile, you are missing out on extra money. Most recyclers are now charging core charges and customers have accepted this. If you aren't charging cores yet,

your competitors have paved the way for you. Charging for cores keeps parts out of landfills. It also adds to your bottom line. A percentage of the cores you charge for will never come back, so that's money you can keep and reinvest. A percentage of cores that come back will add to your scrap weight. But a percentage of them are worth a lot of money to Rebuilders Automotive Supply. When you sell an engine brain box for \$150 with a \$50 core, you are now making \$200 on that part. How do you know when to charge \$5 and when to charge \$50? That's another solution that depends on the recycler. Those who belong to URG have the option of their core program, which shows many core buyers prices on parts right at the part lookup screen of PinPro or Powerlink so your salesperson can see how much to charge when they are selling the part. Powerlink users will soon have "CoreConnect" right in the inventory section of their computer system, so they can look up parts by stock number, VIN number, or Hollander interchange number. Others just use our website, and look parts up by year, make, and model, or by Hollander interchange number.

Most recyclers who start selling cores begin to core at the point of dismantle or depollution. If you have 12 of those axle shafts in stock, why stock one more when you can cash out now? What if the core price on those parts has dropped after the 6 months or year goes by and you're going to crush that



INDUSTRY NEWS

car? Isn't it easier to pull cores when the vehicle is on the hoist, instead of waiting and having a guy do it in the field?

There are many options for implementing a core program, and each yard is different. If you are interested in planning a core strategy for your company, do not hesitate to contact me for more information or for example core poli-

cies and procedures. I am happy to help any recycler that wants to maximize their cores!

Amber Elenbaas,
Rebuilders Automotive Supply
amber@coresupply.com
616-836-7140

Industry News

Importing and Buying Used Cars in Mexico is Big Business

Source: <http://www.vallartadaily.com/buying-used-car-mexico/>

Puerto Vallarta - December 8, 2014 - In spite of continually changing auto import laws, red tape as long as the border itself, and limited designated times for processing car imports at the border, thousands of used cars and trucks still make it across the US – Mexico border each day where American used car sales makes for big business.

Due to tougher regulations and more scrutiny of paperwork with Mexico's tax administration (SAT) implemented this year on imported "junk cars" or "chatarras", imports have declined nearly 38% compared to 2013, a trend that Mexico's auto dealers welcome.

From January to August of 2014 used car imports declined compared to the same period last year from 63,764 to 39,826.

However tougher regulations come at a time when even more cars will be eligible for importation into Mexico next year. In 2009 American used car imports were only possible for cars ten years old or older. Under NAFTA the age restriction for used cars has dropped to eight years, and in 2015 the age of an import vehicle to Mexico will be lowered to four years old. However the reduction in age limits is being challenged in courts as unconstitutional.

The fees for importing a used vehicle into Mexico can range between \$800 – \$1200 USD depending on the make, model, year, and value of the car being imported. While the cost of importing is significant for a used car, the cost at resell is still attractive to Mexican buyers and usually much less expensive than Mexican used cars in the market.

People importing and reselling used cars in Mexico say many cars are damaged from accidents where the owner didn't carry sufficient insurance on the vehicle so they are sold at a low cost. The automobiles are then imported into Mexico where auto bodywork can be much cheaper than in the United States. Many say that the once damaged cars are still in better condition than the used cars in Mexico because the road's infrastructure in Mexico causes a rapid decline in auto suspension and other issues, and many feel that Americans take better care of their cars with proper maintenance.

Eduardo Solis, president of the Mexican Automotive Industry Association, said that Mexico is turning into the waste bucket of American junk cars.

Also fueling the used car industry is a lack of financing, or eligible individuals, in Mexico for automobile purchases, where only 52% of cars are purchased using financing, compared to over 75% in Brazil and other similar economies in Latin America.

The border cities between Mexico and the United States are lined with import agents and import lots full of cars waiting for clearance to be important for sale and usage in Mexico.

Many retiring Americans and Canadians choose to import their vehicles using agents to avoid the process of purchasing a car as a foreigner in Mexico.



MEMBERSHIP APPLICATION

Texas Automotive Recyclers Association

The undersigned hereby applies for membership in the *Texas Automotive Recyclers Association* and agrees to be bound by its bylaws accordingly.

By-Laws are available at www.texasara.com.

(PLEASE PRINT)

Date: _____

PRIMARY Yard Name: _____

Address: _____

City: _____ County: _____ State: _____ ZIP Code: _____

Business Phone: (_____) _____ FAX: (_____) _____

E-Mail: _____ Web site: _____

Company Owner/Manager: _____ Title: _____

Specify Company Type: Sole Proprietorship _____ Partnership/Type _____

Corporation/Type _____ Other _____

TDLR Used Auto Parts Recyclers License No.: _____ TCEQ Storm Water Permit Number: _____

ADDITIONAL Yard Name: _____

Address: _____

City: _____ County: _____ State: _____ ZIP Code: _____

Business Phone: (_____) _____ FAX: (_____) _____

E-Mail: _____ Web site: _____

Company Owner/Manager: _____ Title: _____

TDLR Used Auto Parts Recyclers License No.: _____ TCEQ Storm Water Permit Number: _____

Please indicate category below:

Direct Primary Member \$325.00 per year Associate Member \$325.00 per year

Additional Yard(s) - \$100.00 per yard/per year Affiliate Member \$325.00 per year

Please attach information for all additional yards

Payment Information

Check Enclosed (payable to TARA) MasterCard Visa Discover American Express

Automatic Monthly Credit Card Payment: \$28.50 per month (*Payment includes a \$1.42 a monthly credit card processing fee for a total of \$342 annually. Charges will continue on a monthly basis and membership will automatically renew unless written notice of cancellation is received 30 days prior to monthly charge.*)

Card # _____ Verification Code: _____ Expiration Date _____

PRINT Name of Cardholder _____

Signature of Cardholder _____

Address: (If different than above address) _____

Return to: TARA • c/o Cheryl Lambricht • PO Box 3547 • Galveston, TX 77552
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