

Board Meeting Agenda Book



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

October 19, 2017

Full Board Meeting, 8:00 a. m.

**AGENDA
BOARD MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR ROOM
AUSTIN, TEXAS 78731
THURSDAY, OCTOBER 19, 2017
8:00 A.M.**

All agenda items are subject to possible discussion, questions, consideration, and action by the Board of the Texas Department of Motor Vehicles (Board). Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Board. Presentations may be made by the identified staff or Board member or other staff as needed. The Board reserves the right to discuss any items in executive session where authorized by the Open Meetings Act.

- 1. Roll Call and Establishment of Quorum**
- 2. Chair's Reports** - Chairman Raymond Palacios
[Proposed 2018 Board Meeting Schedule](#)
- 3. Executive Director's Reports** - Whitney Brewster
 - A. Awards, Recognition of Years of Service, and Announcements
 - B. Sunset Review Status Update
 - C. Interagency Agreement between TxDOT and TxDMV Update
 - D. Hurricane Relief Response
 - E. Operational Plans
 - Summary of FY 2017 Operational Plan
 - Overview of FY 2018 Operational Plan
 - F. Introduction of Interim Enforcement Division Director
 - G. Application Migration and Server Infrastructure Transformation (AMSIT) Project Update

BRIEFINGS AND ACTION ITEMS

- 4. Finance and Audit**
 - A. [TxDMV Fund Update](#) - Linda M. Flores and Renita Bankhead (BRIEFING ONLY)
 - B. [FY 2017 Quarterly Financial Report](#) - Linda M. Flores and Renita Bankhead (BRIEFING ONLY)
 - C. [Facilities Update](#) - Linda M. Flores and Ann Pierce (BRIEFING ONLY)
 - D. [Internal Audit Update](#) - Sandra Menjivar-Suddeath (BRIEFING ONLY)
 - Annual Internal Audit Report for FY 2017

5. **Legislative and Public Affairs** - Caroline Love (BRIEFING ONLY)
[85th Legislative Implementation](#)
6. **Projects and Operations** - Judy Sandberg (BRIEFING ONLY)
[Enterprise Projects Update](#)
7. **Specialty Plate Design** - Jeremiah Kuntz
 - A. (Texas Parks and Wildlife Foundation) Quail (New Non-Vendor Plate)
 - B. Texas 2000 (New Vendor Plate)

RULES - ADOPTION

Title 43, Texas Administrative Code

8. **Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
[Amendments, §§217.3, 217.4, 217.82, and 217.84](#)
(Relating to SB 2076 - new trailer size and rule language cleanup)
(*Proposal Published September 8, 2017 - 42 Tex. Reg. 4596*)
9. **Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
[Amendments, §217.45 and §217.182](#)
(Relating to HB 561 - package delivery license plate)
(*Proposal Published September 8, 2017 - 42 Tex. Reg. 4603*)
10. **Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
[Amendments, §§217.141, 217.142, and 217.143; and New, §217.144](#)
(Relating to SB 2076 - VIN inspections)
(*Proposal Published July 21, 2017 - 42 Tex. Reg. 3633*)
11. **Chapter 218, Motor Carriers** - Corrie Thompson and Jimmy Archer
[Amendments, §218.61](#)
(Relating to claims filed with household goods carriers)
(*Proposal Published June 23, 2017 - 42 Tex. Reg. 3262*)

RULES - PROPOSAL

Title 43, Texas Administrative Code

12. **Chapter 209, Finance** - Linda M. Flores
[New, §209.24](#)
(Relating to charges for public information)
13. **Chapter 210, Contract Management** - Linda M. Flores
[Amendments, §210.22](#)
(Relating to the Historically Underutilized Business Program)

- 14. Chapter 215, Motor Vehicle Distribution** - Corrie Thompson
[Amendments, §215.210](#)
(Relating to compliance with order granting relief for warranty performance obligations)
- 15. Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
[Amendments, §§217.43, 217.45, and 217.46](#)
(Relating to amending registration expiration dates to 12 months for consistency)
- 16. Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
[Amendments, §217.168 and §217.185](#)
(Relating to petition for rulemaking on dealer deputy compensation)
- 17. Chapter 217, Vehicle Titles and Registration** - Jimmy Archer
[Amendments, §217.54](#)
(Relating to HB 1793 - modifying the language regarding the payment of inspection fees and SB 2075 - clarifying the situations in which the one-time fee is due)
- 18. Chapter 219, Oversize and Overweight Vehicles and Loads** - Jimmy Archer
[Amendments, §§219.11, 219.42- 219.45, and 219.62-219.64](#)
(Relating to modernizing the permitting process via electronic submissions and rule language cleanup)

EXECUTIVE SESSION

- 19. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:**
 - **Section 551.071** - Consultation with and advice from legal counsel regarding:
 - pending or contemplated litigation, or a settlement offer;
 - a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code, Chapter 551; or
 - any item on this agenda.
 - **Section 551.074** - Personnel matters.
 - Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.
 - **Section 551.089** - Security devices or security audits:
 - the deployment, or specific occasions for implementation, of security personnel or devices; or
 - a security audit.
- 20. Action Items from Executive Session**

21. Public Comment**22. Adjournment**

The Board will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Board. No action will be taken on matters that are not part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Board members may respond in accordance with Government Code, Section 551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

Agenda items may be presented by the named presenters or other TxDMV staff.

Pursuant to Sections 30.06 and 30.07, Penal Code (trespass by license holder with a concealed or openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun or a handgun that is carried openly.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact Stacy Steenken by telephone at (512) 302-2380.

I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements.

CERTIFYING OFFICIAL: David D. Duncan, General Counsel, (512) 465-5665.

2018 Board Meeting HOLD DATES are highlighted yellow

Note: These are hold dates in case there will be a meeting in the month; start time is 8:00 a.m.; meetings are at the call of the Chairman; when we know for certain there will be a meeting we will confirm and provide as much notice as possible.

January						
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DATE: October 19, 2017

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Whitney Brewster, Executive Director
Agenda Item: 3.A.
Subject: **Executive Director's Reports – Recognition of Years of Service**

RECOMMENDATION

Board Chair and Members offer congratulations to employees receiving recognition for an award, reaching a state service milestone, or retirement.

PURPOSE AND EXECUTIVE SUMMARY

Beginning November 3, 2016, the Executive Director will announce the name of individuals who retired from the agency and will recognize employees who have reached a state service milestone of 20 years and every five-year increment thereafter. Recognition at the October 19, 2017 Board meeting for retirements and state service awards include:

Donald Burns in the Enforcement Division reached 20 years of state service.
Kristeauer Phillips in the Enforcement Division reached 20 years of state service.
Shebia Harrison in the Vehicle Titles & Registration Division reached 25 years of state service.
Mary Sedillo-Chacon in the Information Technology Services Division reached 25 years of state service.
Jeannie Weaver in the Human Resources Division reached 30 years of state service.

Finally, the following individuals recently retired from the agency:

Rose Guillen - Vehicle Titles & Registration Division
Helen Guerrero - Vehicle Titles & Registration Division
Paula Noland – Vehicle Titles & Registration Division
Debbie Fromme – Motor Carrier Division
Doris Curl – Motor Vehicle Division
Barbara Bonner – Finance and Administrative Services Division
Patrick Palmer - Finance and Administrative Services Division
Bill Harbeson – Enforcement Division
Carol Primrose – Motor Carrier Division
Charles Landers – Motor Carrier Division
Lori Smith – Enforcement Division
Beverly Trumble – Enforcement Division
Yolanda Johnson - Vehicle Titles & Registration Division

DATE: October 19, 2017

Action Requested: Briefing Only

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 4.A.
Subject: **Presentation of a summary of activities in the TxDMV Fund for month ending August 31, 2017**

RECOMMENDATION

This is a briefing of the TxDMV Fund revenue and expenditure activities for August, 2017. No action required.

PURPOSE AND EXECUTIVE SUMMARY

On September 1, 2016, the TxDMV began depositing revenue into the Texas Department of Motor Vehicle Fund (TxDMV Fund or Fund 0010.) The operating budget for Fiscal Year 2017 is primarily funded by revenues collected in the TxDMV Fund. Legislation authorized a one-time \$23 million transfer of funds from General Revenue (Fund 0001) to the TxDMV Fund as start-up resources.

FINANCIAL IMPACT

Collections for the TxDMV Fund for the year ending August 2017, totaled \$174.2 million consisting of \$151.2 million in revenue deposits (including \$7.1 million in collections for payments of fees for credit cards and Texas.gov) plus the \$23 million one-time transfer.

- Year-end revenue collections for the Processing and Handling Fee (P&H) were slightly below projections at \$36.5 million.

Obligations to the TxDMV Fund for the same period includes \$113.4 million in operating expenses, plus \$12.2 million in obligations for fringe benefits and \$7.1 million for convenience and Texas.gov fees. The result is a net cash balance of \$41.5 million at August 31, 2017.

Collected revenues for Fiscal Year 2017, excluding the \$23 million one-time transfer, covered the actual expenditures at year end. Any unspent operating expenses remaining after encumbered obligations are expended will lapse to the TxDMV Fund increasing balances available for future year appropriations.

BACKGROUND AND DISCUSSION

The 83rd Legislature, Regular Session, enacted two bills—H.B. 2202 and H.B. 6—that significantly affect TxDMV's revenue disposition for funds collected by the department and its method of finance for the 2014-2015 biennium. The 84th Legislature, Regular Session enacted SB 1512 which ensured that the TxDMV Fund and its revenue dedications were recreated and rededicated revenues for deposit into the TxDMV Fund.

The TxDMV Fund 0010 was created effective September 1, 2016, changing the agency's method of financing from General Revenue (with the exception of the Automobile Burglary and Theft Prevention Authority [ABTPA]) to the TxDMV Fund.

TxDMV Fund Revenue & Expenses

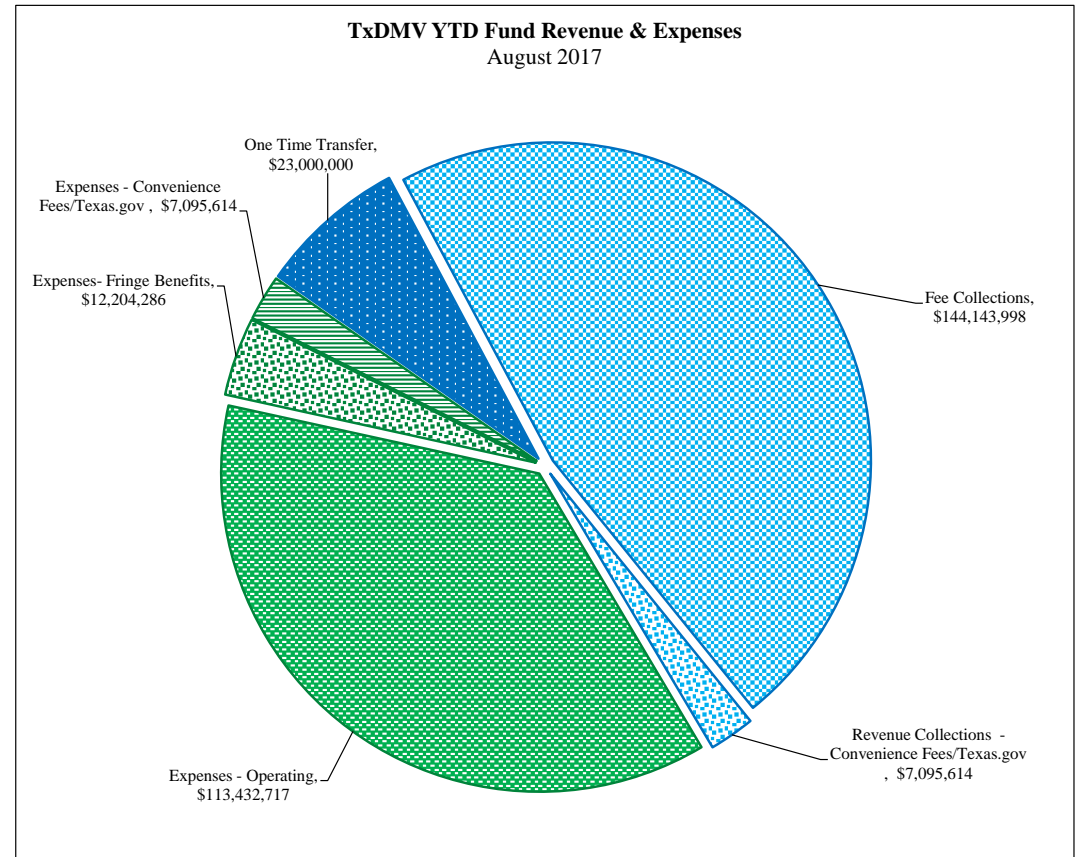
August 2017

Revenues

One Time Transfer		\$	23,000,000
Motor Vehicle Certificates	\$	40,210,435	
Motor Vehicle Registration Fees	\$	43,152,484	⁽¹⁾
Motor Carrier - Oversize / Overweight	\$	13,401,329	⁽²⁾
Motor Vehicle Business Licenses	\$	8,013,945	
Miscellaneous Revenue	\$	2,895,360	
Processing & Handling (P&H) Fees	\$	36,470,446	
Subtotal Fee Collections	\$	144,143,998	
Total Fee Collections with Transfer	\$	167,143,998	
Credit Card Convenience Fees	\$	3,634,416	⁽³⁾
Texas.gov Fees for Online P&H	\$	3,461,198	
Total Revenue for Convenience Fees and Texas.gov	\$	7,095,614	
Total Revenue	\$	174,239,612	

Expenditures

Salary Related	\$	37,319,387	
Benefit Replacement Pay	\$	97,319	
Other Personnel	\$	1,914,869	
Professional Fees	\$	9,240,186	
Fuels & Lubricants	\$	45,795	
Consumables	\$	1,052,461	
Utilities	\$	3,951,441	
Travel In-State	\$	291,708	
Travel Out-of-State	\$	47,601	
Rent - Building	\$	638,422	
Rent - Machine and Other	\$	235,307	
Advertising & Promotion	\$	24,950	
Purchased Contract Services	\$	30,286,789	⁽¹⁾
Computer Equipment & Software	\$	4,535,811	
Fees & Other Charges	\$	1,138,011	
Freight	\$	569,248	
Maintenance & Repair	\$	1,885,031	
Membership & Training	\$	239,848	
Other Expenses	\$	152,147	
Postage	\$	14,648,471	
Reproduction & Printing	\$	4,250,824	
Services	\$	845,390	
Other Capital	\$	21,701	
Subtotal Operating Expenses	\$	113,432,717	
Fringe Benefits	\$	12,204,286	
Credit Card Convenience Fees	\$	3,634,416	
Texas.gov Fees for Online P&H	\$	3,461,198	
Total Expenses	\$	132,732,617	
Net Cash Balance	\$	41,506,996	



Notes:

⁽¹⁾ MyPlates TxDMV Fund revenues for this period total \$4,571,402 with expenses totaling \$4,556,238

⁽²⁾ Motor Carrier - Oversize/Overweight excludes escrow deposits of \$2.6 million.

⁽³⁾ Credit Card Convenience Fees includes fees for Temp Permits, Oversize/Overweight Permits, TxIRP, Motor Carrier Credentialing System (MCCS) and eLICENSING.

DATE: October 19, 2017

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 4.B.
Subject: Quarterly Financial Report

RECOMMENDATION

The attached Financial Summary reflects revenues and expenditures for the TxDMV as of August 31, 2017. No action required.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) Board is briefed quarterly by staff on revenue collections and agency expenditures. The attached Financial Summary reflects revenues and expenditures for the Texas Department of Motor Vehicles (TxDMV) as of August 31, 2017.

Fiscal year 2017 TxDMV Fund 0010 collections of \$167,143,998 exceeded projections by 0.3%; however, collections for all revenues (including Fund 0006 and Fund 0001) were slightly below projection. TxDMV revenue collections were close to projections without any unanticipated fluctuations. Expenses for the same period totaled \$138,155,430 with salaries, professional fees, and contract services constituting the majority of the expenditures.

FINANCIAL IMPACT

Beginning in Fiscal Year 2017 the agency is funded from the newly created TxDMV Fund which includes the Processing and Handling Fee (P&H). The exception is the Automobile Burglary and Theft Prevention Authority (ABTPA), which will continue to be funded from General Revenue. The department completed the first eight months without any major cost overruns or unanticipated expenditures.

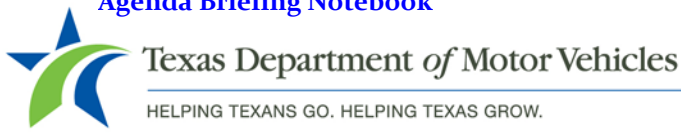
BACKGROUND AND DISCUSSION

Revenues

Through August of Fiscal Year 2017, TxDMV Fund collections exceeded expectations with overall revenue 0.3% higher than projected. Strong title revenue and business dealer license revenue both finished above projection, offsetting lower-than-projected registration revenue and oversize/overweight revenue. P&H revenue, including the \$0.50 automation portion and temporary permits, totaled \$36,470,446 through August 2017.

As of August 31, 2017, revenue collections for the new MyPlates contract totaled approximately \$31.1 million of which \$15.3 million counts toward the \$15 million General Revenue guarantee. The \$15 million General Revenue guarantee was met in the third week of August 2017.

Through Fiscal Year 2017, collections for all revenues ended 2.2% lower (or \$40.9 million) less than projected. The major drivers for lower-than-projected revenue collections are a decline in registration revenue and oversize/overweight revenue. Registration revenue is lower than anticipated, as the state has experienced a decrease in the number of vehicle registration transactions compared to the same period last year. Through August, oversize/overweight revenue was 3.3% below projected levels, but revenue in this category trended upward during the third and fourth quarters. The slump in oil prices and the related downturn in the oil patch continue to put pressure on the oversize/overweight category, but the number of permits issued on a monthly basis increased during the third and fourth quarters compared to the same period of Fiscal Year 2016.



Expenditures

Year-to-date expenditures through August 31, 2017 for all funds total \$138,155,430 of which 82% (\$113.4million) is funded by the TxDMV Fund. Obligations to the TxDMV Fund for the same period includes \$113.4 million in operating expenses, plus \$12.2 million in commitments for fringe benefits and \$7.1 million for convenience and Texas.gov fees.

Overall the largest expenditures incurred were in salary related categories, contract services (plate production/registration renewal) and professional fees (Data Center Services and Automation). Included in the year-to-date expenditures is approximately \$4.5 million for contract payments to the MyPlates vendor. Contract payments to the MyPlates vendor are contingent upon revenues collected. As of the end of August, MyPlates revenues totaled \$4,571,402. Through August 2017 cumulative vendor deposits to General Revenue (Gr) totaled \$31,058,267. Of these deposits, \$15,281,700 counts toward the contractual guarantee of \$15 million deposit guarantee to GR. MyPlates met the revenue guarantee the third week of August 2017.

Also included are capital appropriation expenditures of approximately \$30.7 million, of which 44.5% are for Automation projects associated with RTS Refactoring and LACE Replacement/eLicensing.

As of August 31, 2017 there was a balance of \$57.6 million in available funds (budget less actual expenditures). Of that total approximately \$20 million consisted of outstanding FY 2017 obligations leaving a net balance of \$37.7 million. TxDMV will carry forward to fiscal 2018, \$18 million in capital funds for Automation and \$1,046,000 in operating funds appropriated for the Bull Creek Relocation. The remaining balance consists of budgeted funds for MyPlates that were not necessary due to reduced revenue collections, funding set aside for Texas.gov payments for online processing that are retained by Texas.gov, salary savings resulting from the state hiring freeze and balances in various operating categories.



Texas Department *of* Motor Vehicles
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FY 2017 Financial Summary for the period ending August 31, 2017

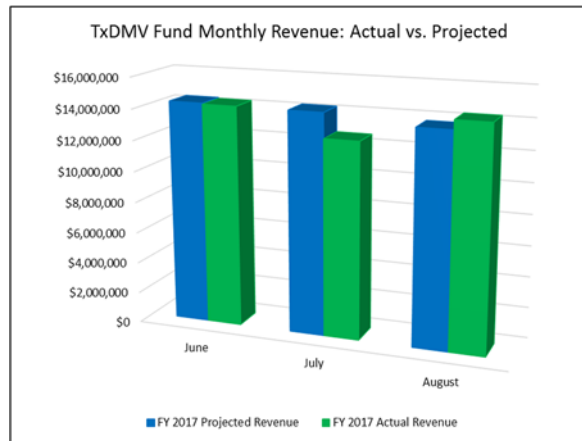
Finance and Administrative Services Division
August 31, 2017

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

TxDMV Fund Overview

<u>Revenues:</u>	FY 2017 YTD Projected Revenue	FY 2017 YTD Actual Revenue
Motor Vehicle Certificates of Title	\$ 37,817,000	\$ 40,210,435
Motor Vehicle Registration Fees	43,245,000	43,152,484
Motor Carrier - Oversize/Overweight	13,712,000	13,401,329
Business Dealer Licenses	7,670,000	8,013,945
Miscellaneous Revenue	2,572,400	2,895,360
TxDMV Fund One-time Transfer	23,000,000	23,000,000
Processing and Handling Fee	38,635,569	36,470,446
Total TxDMV Fund Revenue	\$ 166,651,969	\$ 167,143,998

Overall, TxDMV Fund revenue is 0.3% over projection for the entire 12 months of FY 2017. Title revenue is 6.3% higher than projected while registration revenue is 0.2% less than projected.



Through the 12 months of FY 2017 oversize/overweight deposits to the TxDMV Fund are 2.3% below projections, as fewer permits than expected have been issued in the depressed oil price environment. In the fourth quarter, the department saw an uptick in the number of permits issued and revenue received. In the fourth quarter, the department issued 14.8% more oversize/overweight permits than the same period of FY 2016. After a slow revenue start to the year and recent implementation of eLicensing, business dealer licenses revenue is now 4.5% higher than projected.

The department has been collecting processing and handling fee (P&H) revenue since November, and through August has collected nearly \$36.5 million. P&H revenue finished FY 2017 5.6% below

projection, but has been trending upward. Fourth-quarter P&H revenue was 1.3% under projection. Revenue-forecasting staff monitors P&H revenue on a monthly basis.

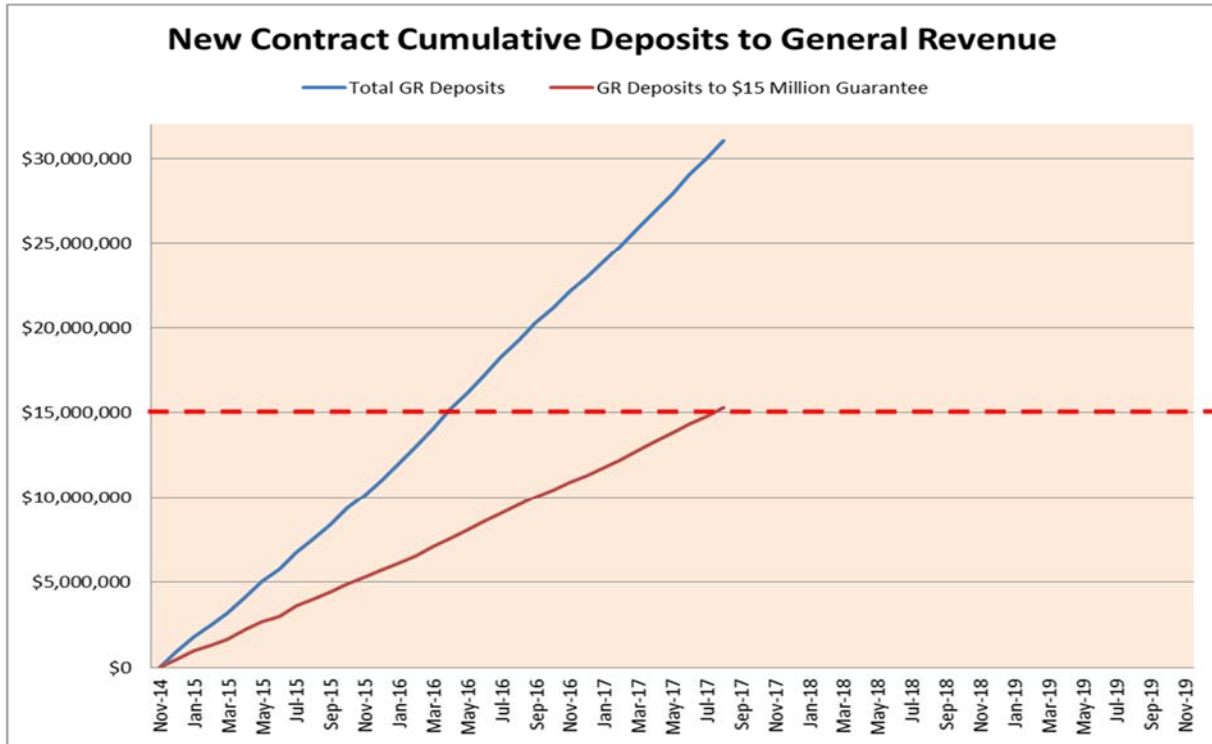
In FY 2017, the top four TxDMV Fund fees (P&H, title - \$3 portion, buyer's tag, and OS/OW) accounted for 52.7% of all TxDMV Fund revenue. The automation fee was reduced to \$0.50 in January via the P&H rule package and is included below in "Processing and Handling Fee (P&H)." MyPlates renewal fees and delinquent transfer penalties round out the top 10 TxDMV Fund fees. (The one-time \$23,000,000 transfer is not included below.)

Top 10 TxDMV Fund Fees for FY 2017		% of Total
Processing and Handling Fee (P&H)	36,470,446	25.3%
Title Fees (\$3 Portion)	19,613,014	13.6%
Buyer's Tag	18,605,735	12.9%
Oversize/Overweight Permits	13,401,329	9.3%
Automation Fee (Prior to Implementation of the P&H Fee)	10,461,757	7.3%
Business Dealer Licenses	8,013,945	5.6%
Delinquent Title Transfer (Public)	7,787,702	5.4%
Salvage/Title Histories	4,865,026	3.4%
My Plates - Renewal Fees	4,558,433	3.2%
Delinquent Transfer Penalties	2,588,717	1.8%
Top 10 TxDMV Fund Fees Deposits	\$ 126,366,105	87.7%
Total TxDMV Fund Deposits	\$ 144,143,998	100.0%

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

My Plates Contract Revenue and Guarantee Status

Through August FY 2017, cumulative vendor deposits to GR totaled \$31,058,267. Of these deposits, \$15,281,700 counts toward the contractual guarantee of \$15 million in deposits to GR. MyPlates met the revenue guarantee the third week of August FY 2017.



Snapshot at 8/31/17	Total
New Contract Cumulative Deposits to General Revenue*	\$31,058,267
New Order Deposits to General Revenue	\$14,451,354
Renewal Deposits to General Revenue	\$16,606,913
General Revenue Deposits Counted Toward \$15 Million Guarantee ¹	\$15,281,700

*Figures exclude refund data and are subject to minimal revision.

¹ – GR revenue from the sale of new plates and 5% of renewal plate revenue shall count toward the guarantee. Revenue above the \$15 million continues to flow into GR.

General Revenue deposits from the sale of vendor specialty plates are determined by plate type and plate term with the state receiving:

- 40% from all plates sales of one year
- 95% of all renewals sales
- 60% of all auction sales
- 60% from all plate sales with a term of greater than one year
- 10% of all ancillary products

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

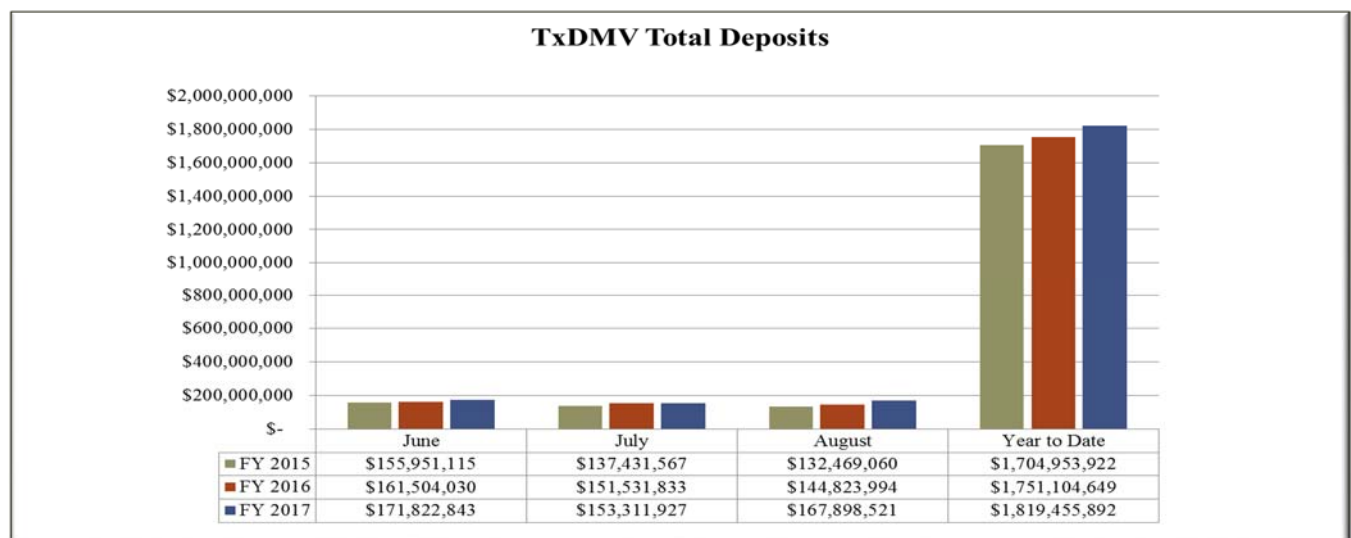
Overview All Revenues

<u>Revenues:</u>	FY 2017 YTD Projected Revenue	FY 2017 YTD Actual Revenue
Motor Vehicle Certificates of Title	\$ 79,959,000	\$ 84,232,132
Motor Vehicle Registration Fees	1,532,917,000	1,495,761,887
Motor Carrier - Oversize/Overweight	164,712,000	159,272,279
Commercial Transportation Fees	6,471,000	5,716,317
Business Dealer Licenses	7,670,000	8,013,945
Miscellaneous Revenue	6,966,400	6,988,886
TxDMV Fund One-time Transfer	23,000,000	23,000,000
Processing and Handling Fee	38,635,569	36,470,446
Total DMV Revenue	\$ 1,860,330,969	\$ 1,819,455,892

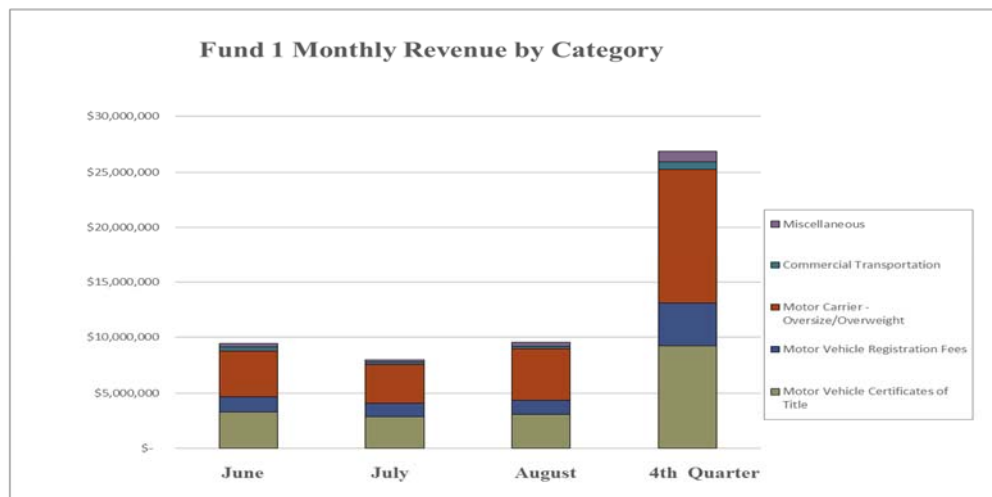
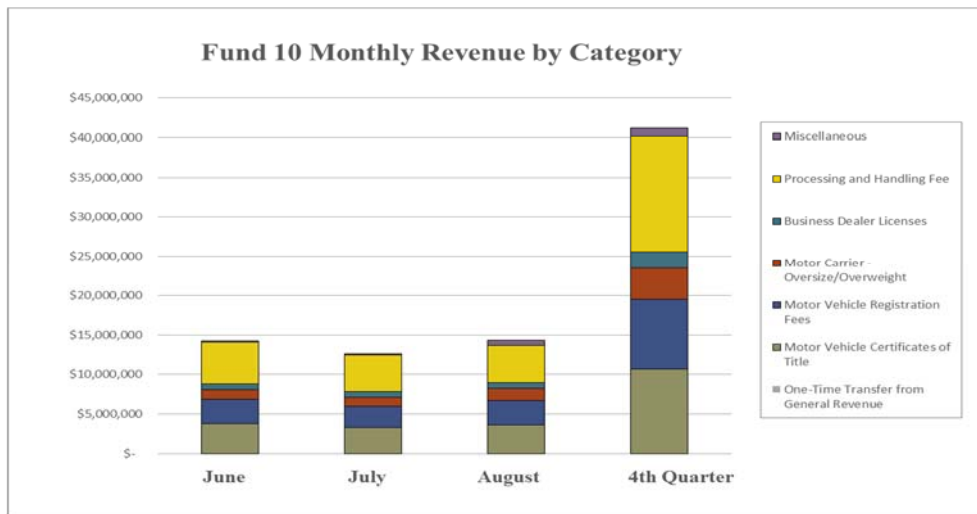
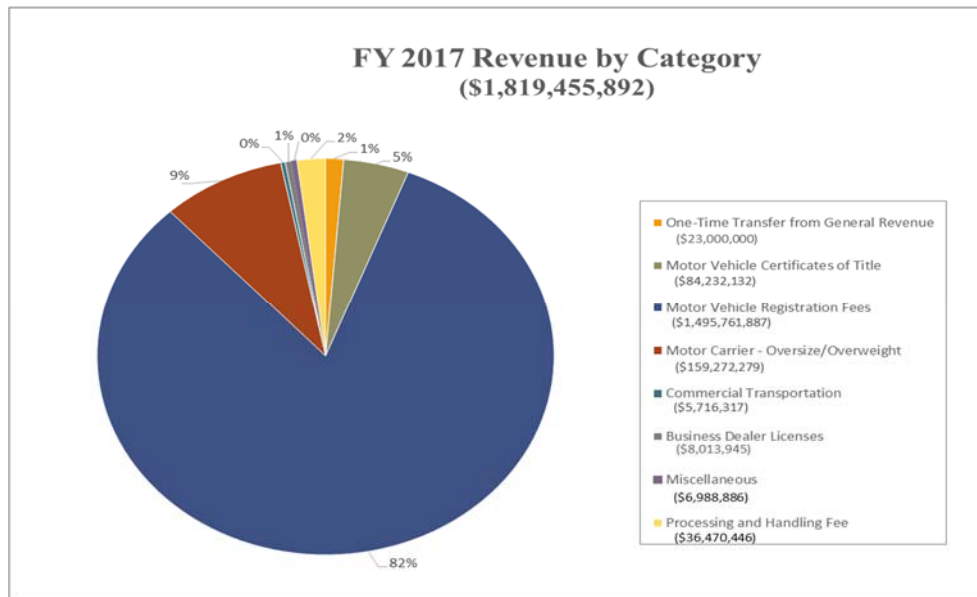
Overall, revenue is 2.2% under projection through August FY 2017 for all revenue collections. For the month of August revenue was 15.9% higher compared to August 2016, and total year-to-date revenues are 3.9% above FY 2016 collections.

Title revenue is 5.3% over projection, helped by stronger-than-projected overall auto sales. In the fourth quarter of FY 2017, the department recorded 1,541,685 vehicle sales, of which 452,932 (29.4%) were dealer-new sales and 1,088,753 (70.6%) were dealer-used or private-party sales. The overall sales of 1,541,685 in the fourth quarter of FY 2017 is 3.9% less than the same period in FY 2016. Overall registration revenue is 2.4% below projected levels. The state has experienced a slight decrease in the number of registration transactions compared to last year. This is partially the result of the implementation of Two Steps/One Sticker in FY 2016. Although TxDMV's registration forecast is more conservative than both the comptroller's biennial revenue estimate and the TxDOT cash forecast, registration revenue did not meet the FY 2017 projection. In the 12 months of FY 2017, registration deposits to the State Highway Fund finished the year 2.6% (about \$38.9 million) below staff projections. As of August, there were 24,239,210 (excluding exempt vehicles) registered vehicles in Texas.

Oversize/overweight revenue is down 3.3% YTD compared to projections, but has seen a revenue rise in the third and fourth quarters of FY 2017. Commercial transportation fees revenue is 11.7% below projections. Business dealer licenses revenue is 4.5% higher than projections after a slow start in FY 2017. The Motor Vehicle Division has worked through a backlog of credential applications and recently implemented eLicensing. TxDMV total deposits YTD through August for the past three fiscal years is shown below.



FY 2017 Financial Status Highlights for the Period Ending August 31, 2017



FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

August 2017 Budget Status

Expenditures:	2017 Adjusted Budget	1Q Sep - Nov	2Q Dec - Feb	3Q Mar - May	4Q Jun - Aug	YTD Expenditures	FY 2017 Available Budget	FY 2017 Encumbrances	FY 2017 Available Budget
Salaries and Wages	\$ 40,565,263	\$ 9,391,703	\$ 9,525,759	\$ 9,429,065	\$ 9,316,869	\$ 37,663,395	\$ 2,901,868	\$ -	\$ 2,901,868
Benefit Replacement Pay	113,282	10,266	63,400	14,752	8,900	97,319	15,963	-	15,963
Other Personnel Costs	2,057,308	293,343	394,704	372,598	870,484	1,931,129	126,179	-	126,179
Professional Fees and Services	43,296,903	2,530,505	5,524,176	9,208,814	3,546,921	20,810,416	22,486,486	5,280,472	17,206,014
Fuels & Lubricants	75,650	8,358	11,976	12,522	12,939	45,795	29,855	10,813	19,043
Consumable Supplies	1,569,404	268,597	348,632	656,584	198,355	1,472,169	97,235	15,718	81,517
Utilities	5,041,429	713,743	815,835	1,523,127	899,739	3,952,444	1,088,985	67,833	1,021,152
Travel In-State	416,351	76,095	52,977	85,138	93,048	307,257	109,094	-	109,094
Travel Out-of-State	71,830	9,336	2,300	8,237	27,236	47,109	24,722	-	24,722
Rent - Building	1,275,170	179,894	171,063	171,671	116,957	639,584	635,586	53,284	582,302
Rent - Machine and Other	334,880	25,754	81,458	72,897	59,003	239,112	95,769	39,472	56,297
Advertising & Promotion	139,931	1,323	5,631	17,958	32,258	57,170	82,761	34,976	47,785
Purchased Contract Services	36,023,811	5,580,386	8,343,429	8,609,897	8,191,667	30,725,379	5,298,432	2,531,270	2,767,163
Computer Equipment Software	7,186,446	145,893	914,288	1,829,967	3,476,299	6,366,446	820,000	550,591	269,409
Fees & Other Charges	1,433,815	251,327	259,263	467,105	164,450	1,142,145	291,670	229,405	62,265
Freight	831,714	13,098	235,582	160,797	159,772	569,248	262,465	224,626	37,839
Maintenance & Repair	9,035,091	753,363	1,003,304	1,797,624	1,241,170	4,795,460	4,239,631	1,902,883	2,336,748
Memberships & Training	351,937	91,523	42,979	58,539	48,787	241,828	110,109	16,443	93,666
Other Expenses	9,019,621	15,583	26,644	91,450	103,941	237,618	8,782,002	198,060	8,583,943
Postage	14,875,007	4,556,567	2,187,353	2,247,297	5,658,753	14,649,971	225,035	164,123	60,912
Reproduction & Printing	4,626,280	1,129,177	1,064,138	1,185,096	890,806	4,269,217	357,063	246,502	110,561
Services	1,201,962	127,394	284,561	184,991	248,881	845,827	356,136	171,153	184,982
Grants	14,313,387	-	1,241,538	3,074,909	2,389,897	6,706,345	7,607,042	7,607,042	-
Other Capital	1,887,937	5,519	-	315,295	22,232	343,046	1,544,891	540,797	1,004,094
	\$ 195,744,410	\$ 26,178,746	\$ 32,600,990	\$ 41,596,330	\$ 37,779,364	\$ 138,155,430	\$ 57,588,980	\$ 19,885,462	\$ 37,703,518

Total budget adjustment (UB from
FY2016) to original approved budget
of \$191.7 million ¹

\$ 4,003,624

Less UB of Capital 2017 to 2018	\$ (17,943,342)
Less UB to 2018 for Bull Creek Relocatic	\$ (1,046,000)
Less MyPlates	\$ (2,280,937)
Less Texas.gov Fee Budget	\$ (7,882,924)
Less Salary Lapse (Including \$1.7 million in savings due to State Directed Hiring Freeze Savings)	\$ (2,901,868)
Estimated Year End Lapse	\$ 5,648,447

Comparison to Prior Year	Adjusted Fiscal Year 2016	Adjusted Fiscal Year 2017	Percent Change
Approved Adjusted Budget	\$ 196,162,934	\$ 195,744,410	-0.21%
Year-to-Date Expenditures	\$ 127,657,728	\$ 138,155,430	8.22%
Available Budget	\$ 68,505,206	\$ 57,588,980	-15.93%
Encumbrances/Remaining Expenses	\$ 10,008,009	\$ 19,885,462	98.70%
Available Budget	\$ 58,497,197	\$ 37,703,518	-35.55%

Notes:

1. Unexpended balance (UB) amount adjusted to reflect actual costs in FY 2016 for Automation, County RTS, AMSIT, DCS, and Physical Security capital budgets.

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

Expenditures:

Year-to-date expenditures through August 31st, 2017 for all funds total \$138,155,430. The significant expenditure categories are detailed below:

Salaries and Other Personnel (\$39.7 million) – As of August 31st, 2017 there were 687 filled positions and 76 vacancies. Effective February 1, 2017, the Governor's Office implemented a mandatory hiring freeze to be in effect through August 31, 2017. The estimated salary lapse from the hiring freeze is approximately \$1.7 million, the total lapse with benefits will be \$2.3 million.

Purchased Contract Services (\$30.7 million) – This line item includes Huntsville license plate production (\$21.2 million); Special License Plate Fees - Rider 3, (\$4.6 million); registration renewal and specialty plate mailing (\$4.4 million); and capital projects (\$420K)

Professional Fees (\$20.8 million) – The majority of these expenses are Data Center Services (DCS) (\$7.2 million), Automation (\$10.9 million), AMSIT (\$675K), IT technology services (\$675K), Motor Carrier technology services (\$555K), and temporary personnel services in multiple divisions (\$540K)

Postage (\$14.6 million) – Postage permits for registration renewal mailings.

Reproduction & Printing (\$4.2 million) – Printing and imaging of titles (\$2.4 million), title paper, envelopes, and registration inserts (\$1.7 million).

Utilities (\$3.9 million) – Information Technology data circuit and telephone costs (\$3.4 million); and reimbursement to TxDOT for facility costs (\$466K)

Maintenance and Repair (\$4.7 million) – Annual software maintenance costs (\$1.3 million); RTS Refactoring (\$2.8 million); and County technology support (\$528K)

TxDMV Lapse/Carry-Forward to 2018:

As of August 31, 2017 there was a balance of \$57.6 million in available funds (budget less actual expenditures). Of that total approximately \$20 million consisted of outstanding FY 2017 obligations leaving a net balance of \$37.7 million. TxDMV will carry forward to fiscal 2018, \$18 million in capital funds for Automation and \$1,046,000 in operating funds appropriated for the Bull Creek Relocation. The remaining balance includes:

- \$2.3 million in estimated payments for the MyPlates vendor due to reduced revenue collections.
- \$7.9 million in set aside payments to Texas.gov for fees related to online processing of the P&H fee. TxDMV does not collect these amounts as revenue, Texas.gov retains \$2.00 fee from each online transaction and remits the states portion to the treasury, and therefore a payment is not processed.
- \$2.9 million in lapsed salaries resulting primarily from the state directed hiring freeze.
- The remaining \$5.6 million includes of \$1.6 million in unspent General Revenue capital budget (RSC Relocation, Agency Growth and Enhancement and AMSIT).

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

Capital Project Status

Technology Replacements and Upgrades - County Support

The FY 2017 revised budget of \$8.3 million reflects the transfer of \$1.1 million to transfer to the TxDMV Automation project for carryforward to 2018. Year to date expenditures include toner cartridges for county offices, network equipment maintenance, and equipment and services for the County Equipment Refresh Project (CERP). The CERP provides workstation and printer upgrades to the 508 County offices throughout the state. The deployment of the workstation and printer upgrades was completed in May 2017.

TxDMV Automation System

The TxDMV Automation capital project provides for the continued development of information technology assets to improve customer services and improve access to agency programs for customers and the public.

The majority of the Automation expenditures are associated with the Registration and Titling System (RTS) Refactoring Project, which is estimated to be \$16.2 million at year end. The Point of Sale (POS) component has been implemented in all 254 counties and the migration of RTS off the mainframe onto DCS-based servers was completed in November 2015. Efforts continue with the deployment of releases, maintenance, operations and knowledge transfer and legislative implementation that impacts RTS release schedules.

The LACE Replacement/eLicensing project was successfully launched in March 2017.

The Web Dealer Project continues with dealer implementation and enhancement testing. The modules implemented to date include New Vehicles, Used Vehicles, and Commercial Fleet. The Salvage module was implemented in July 2016. Adjustments have been made for the impact to Web Dealer from the implementation of the TxDMV Fund and the new Process and Handling (P&H) fee. The Centralized Payment module is in the business requirements development phase. Additional releases are scheduled for deployment later in calendar year 2017.

The second phase of Single Sticker was completed in April 2017. The Automation funding for this project was \$1.2 million. The majority of that cost was to upgrade the TxDMV International Registration Plan (IRP) system, which implemented an automated inspection process to replace the manual verification process for commercial fleet services.

The Automation budget was increased by \$5.8 million transferred to Automation from a combination of AMSIT, County RTS, RSC Relocation, and Physical Security capital budgets. The additional funds will carry forward to FY 2018 and be used for various FY 2018 Automation projects.

Growth and Enhancement – Agency Operations Support

This budget provides funds to acquire hardware/software to support agency operations. Expenditures and encumbrances to date include costs for miscellaneous computer equipment and laptops.

Commercial Vehicle Information Systems and Networks (CVISN) Grant

The Commercial Vehicle Information Systems and Networks (CVISN) federal grant focuses on safety enforcement on high-risk operators; integrating systems to improve the accuracy, integrity, and verifiability of credentials; improving efficiency through electronic screening and enabling online application and issuance of credentials. The Motor Carrier Division (MCD) works with three other state agencies – Texas Department of Transportation (TxDOT), Texas Department of Public Safety (DPS), and State Comptroller – to implement the grant, with expenditures planned for TxCVIEW maintenance and core augmentation, the ABC Warning Project, and travel. Expenditures of \$222,000 have occurred through August 2017 and \$213,000 is encumbered for the ABC Warning Project.

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

Data Center Services

The Data Center Services (DCS) program enables state agencies to access data center computing as a managed service. State agencies are billed for the amount of services consumed. Expenditures totaled \$7.3 million through the end of August. The year-to-date total reflects charges for services through the June 2017 billing period. The total DCS budget of \$8.7 million does not include payments to TxDOT for DCS charges, which will be paid from Information Technology (IT) operating funds in FY 2017.

Relocation of Regional Service Centers

This project provides funding in FY 2017 for the relocation of three Regional Service Centers from TxDOT facilities. On Monday, April 3, 2017, the Corpus Christi Regional Service Center began operations in its new location and Vehicles, Titling, and Registration (VTR) stakeholders reported operations went smoothly. The TxDMV Board approved the lease for the new San Antonio RSC at its January 6, 2017 meeting. The new address is 15150 Nacogdoches Road, Suite 100. The San Antonio RSC move was completed August 26, 2017. The Pharr Regional Service Center will remain at its current location on TxDOT property due to the inability to find viable properties within budget allowances and suitable to agency needs.

Relocation of Bull Creek Campus

Capital funding in the amount of \$800,000 for FY 2017 will be used to address costs related to the relocation of MCD staff from Bull Creek to the 5th Floor of Building 6 at Camp Hubbard. This move is anticipated to occur by January 2018.

Application Migration & Server Infrastructure Transformation (AMSIT)

The Application Migration and Server Infrastructure Transformation project will identify shared assets, applications, and servers to be relocated from their current position to satisfy the goal of establishing a standalone agency environment. Although this project is related to Automation, it is a separate capital project. Primary costs in FY 2016 were for allotted for project management and services provided by NTT Data. The FY 2017 adjusted budget is \$1.9 million, and expenditures total \$1,112,000 through the end of August 2017, primarily for project management, NTT data project services, and capital equipment. A total of \$4.5 million in available balance was transferred to Automation in August 2017 and will be used to fund FY 2018 Automation projects.

Physical Security

In June 2016, the TxDMV Board approved transfers from EPMO operating (\$122,040), and Growth and Enhancement, (\$175,000), to create the FY 2016 Physical Security Project budget. The project budget includes \$130k in unexpended balance (UB) funding from FY 2016. This amount financed project management costs and other miscellaneous implementation expenses. Expenses to date in FY 2017 are associated with project management, cabling costs, and minor facility costs. This project was closed in April 2017 and equipment was installed at fifteen Regional Service Centers. The last site remaining was the San Antonio Regional Service Center, which completed its move in August 2017. Physical security cameras and badges were installed at the new location as part of the Physical Security project and the installation was managed by IT personnel. Approximately \$70,000 was transferred to Automation in August 2017 and will be used to fund FY 2018 Automation projects.

FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

Statement of Capital Project Expenditures through August 31, 2017

Capital Projects	2017 Approved Adjusted Budget	1Q Sep - Nov	2Q Dec - Feb	3Q Mar - May	4Q Jun - Aug	FY 2017 YTD Expenditures	FY 2017 Available Budget	FY 2017 Encumbrances	FY 2017 Available Budget
Application Migration & Server Transformation (AMSIT)	1,925,719	37,010	76,181	865,573	133,442	1,112,206	813,513	621,355	192,158
Commerical Vehicle Information Systems & Network (CVISN)	435,000	-	-	221,951	-	221,951	213,049	-	213,049
Data Center Consolidations	8,793,772	1,486,448	1,866,500	1,963,832	1,956,922	7,273,702	1,520,070	1,520,069	1
Growth & Enhancements - Agency Operations Support	1,216,786	66,983	124,672	57,177	193,270	442,102	774,684	386,071	388,613
Technology Replacement & Upgrades - County Support	8,329,058	522,752	1,034,547	4,127,351	1,838,140	7,522,790	806,268	257,440	548,828
TXDMV Automation System Project	34,261,705	885,543	3,741,054	7,633,573	1,502,071	13,762,241	20,499,464	2,556,123	17,943,341
Regional Office Relocation	681,828	-	293	91,681	32,803	124,777	557,051	146,000	411,051
Bull Creek Relocation	800,000	-	-	-	-	-	800,000	447,495	352,505
Physical Security	299,005	48,987	120,384	104,290	954	274,615	24,390	14,672	9,718
Total	56,742,873	3,047,722	6,963,631	15,065,428	5,657,602	30,734,383	26,008,488	5,949,224	20,059,263

Statement of TxDMV Automation Project Expenditures through August 31, 2017

TxDMV Automation Project Appropriations	FY 2017
Original Estimated Unexpended Balance Carry-Forward from FY 2016	\$ 28,391,882
Transfers from AMSIT, County RTS, Physical Security, and RSC Relocation	\$ 5,869,823
Total Automation Appropriations	\$ 34,261,705

TxDMV Automation	2017 Approved Adjusted Budget	1Q Sep - Nov	2Q Dec - Feb	3Q Mar - May	4Q Jun - Aug	2017 YTD Expenditures	2017 YTD Encumbrances	Available Budget
813010 RTS Refactoring	\$ 16,171,826	\$ 327,249	\$ 2,395,052	\$ 2,407,828	\$ 1,162,597	\$ 6,292,726	\$ 2,326,648	\$ 7,552,452
813015 WebDealer E-Titles	\$ 1,380,817	\$ 117,949	\$ 241,345	\$ 304,457	\$ 244,075	\$ 907,826	\$ 229,427	\$ 243,564
813020 E-Licensing	\$ 6,380,272	\$ 440,345	\$ 738,347	\$ 4,829,710	\$ 3,811	\$ 6,012,213	\$ 48	\$ 368,011
815028 Single Sticker Phase II	\$ 572,857	\$ -	\$ 366,310	\$ 91,578	\$ 91,587	\$ 549,475	\$ -	\$ 23,382
84BDGT Unallocated	\$ 9,755,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,755,932
TxDMV Automation Total	\$ 34,261,705	\$ 885,543	\$ 3,741,054	\$ 7,633,573	\$ 1,502,070	\$ 13,762,240	\$ 2,556,123	\$ 17,943,342

DATE: October 19, 2017

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CFO
Agenda Item: 4.C
Subject: **Facilities Update**

RECOMMENDATION

For information purposes only.

PURPOSE AND EXECUTIVE SUMMARY

TxDMV Facilities Services presents updates regarding agency relocation projects, weather related updates and general facilities and maintenance activities:

- Bull Creek/Motor Carrier Division (Austin, Texas)
- San Antonio Regional Service Center (San Antonio, Texas)
- Camp Hubbard, Building 1 Parking Lot Update and Sewer Line Replacement

FINANCIAL IMPACT

- \$1.49 million was initially appropriated for the Motor Carrier Division (MCD) Relocation
- \$1.4 million was appropriate for the relocation of Regional Service Center Relocations

BACKGROUND AND DISCUSSION

Please see the attached agency routine *Facilities Update Report*.



FACILITIES UPDATE

OCTOBER 19, 2017

Agency Property Relocation Projects (PRP)

2016-2017 Agency Moves

★★★★★

The department received funding during the 84th Legislative Session to relocate staff from the Bull Creek Property (Motor Carrier Division) and selected Regional Service Centers (RSCs). Two RSCs were relocated in calendar year 2017. This included Corpus Christi (March 2017) and San Antonio Texas (August 2017).

2018-2019 Biennial Plans

★★★★★

The department received funding during the 2016-2017 biennium for the relocation of the Motor Carrier Division (MCD) to commercial property. However, during this same time frame, the department entered into discussions with TxDOT and the Office of the Governor to identify available space at Camp Hubbard. These dialogues resulted in plans to relocate MCD to Camp Hubbard, Building 6, 5th Floor. Since the projected move date is January 2018, the department received approval during the 85th Legislative Session to carry-forward unexpended balance appropriations into the FY 2018-FY 2019 biennium.

In addition, Senate Bill 1349, 85th Legislature, Regular Session, granted TxDMV authority to buy, improve, sell and lease, property. SB 1349 also gave TxDOT legal authority to donate two tracts of property (Tract 1 is Camp Hubbard Buildings 1 through 5 and Tract 2 is Camp Hubbard Buildings 6 through 10 and the associated parking on both tracts) to TxDMV.

Finally, the department was appropriated \$9.8M for the FY 2018-2019 to begin undertaking maintenance related expenses associated with the buildings occupied by TxDMV staff. As part of the appropriation three (3) additional FTEs were approved to handle facilities and maintenance needs related to the property. The department will be launching an initiative to move toward independently undertaking facilities maintenance functions at TxDMV Headquarters at Camp Hubbard.

❖ Department Property Relocation Projects (PRP)

- 2016-2017 Department Moves
>\$1.4 million
Appropriated for Regional Service Centers Relocation

❖ 2018-2019 Projects

- >Funding for the relocation of the Motor Carrier Division Relocation Project carried forward to 2018 - \$1.49 million.
- >Headquarters maintenance funding

❖ Property Updates

- Bull Creek
- San Antonio

❖ Camp Hubbard Projects

- CH Parking Lots
- Added CH-1 Disabled/ADA Parking
- CH-1 Sewage Line Improvements

>Bull Creek/MCD (Austin, Texas)**Current Status:**

- TxDOT has coordinated vendor and contractor efforts for asbestos mitigation and renovation of the building which will house MCD. Substantial construction completion is anticipated by late October. TxDMV conducted a walk-through with the Texas Correctional Industries (TCI) earlier this year (January 2017). In late May 2017, a draft space layout was received and a final plan (with requested changes) was processed and returned. In June 2017, TxDMV processed a purchase order to initiate the modular furniture manufacturing process. TxDMV staff also compiled needed information, technology infrastructure and equipment that will be processed as the project progresses. Modular installation, cabling and electrical work is scheduled to occur throughout the month of November 2017 and Facility Services will submit a purchase request in December 2017 for a projected move date of early January 2018 and final surplus removal from the Bull Creek location by or before February 2018.

>San Antonio RSC (San Antonio, Texas)**Final Status:**

- Move-in was scheduled to occur on Friday, August 18th, but due to issues on the landlord's end and an inability to obtain the required Certificate of Occupancy (CoO), the move was delayed by one week. The move occurred on Friday, August 25, 2017. Facilities Services and the RSC also implemented precautionary mitigation to ensure that there was no water damage to RSC assets as a result of Hurricane Harvey.
- The San Antonio's new address is 15150 Nacogdoches Road, Suite 100. Business operations commenced at the new location on Monday, August 28th.
- Facilities Services also successfully negotiated with the Texas Facilities Commission (TFC) and the landlord for an updated lease start date of September 1st. The initial lease extends through 2027 (10 years).
- There are still ongoing punch list items requiring attention now that the adverse weather conditions have better subsided and Facilities Services is working closely with TFC and the landlord to see them through to successful completion.

>Camp Hubbard Projects

A lot of project activity has been occurring at Camp Hubbard, especially at Building 1, for the past several months:

Current Status:

- TxDOT Parking Lot Renovation Project – During the June/July 2017 timeframe, TxDOT updated the parking lots at both Buildings 1 and 5 as part of their Camp Hubbard campus parking lot renovations. The renovations

have had a great impact on TxDMV's parking capacity. CH-1 previously had a total of 243 available spaces inclusive of open, fleet/trailer, reserved, disabled/ADA and visitor spaces. That was increased to 269 (26 additional spaces) after project conclusion. Building 5 also experienced improvements starting with 111 spaces and increasing by 24 more spaces to a total of 135 overall spaces.

- TxDMV Disabled/ADA Parking Improvements at Building 1 –Facilities Services worked closely with TxDOT at the end of the overall Parking Lot Improvement Project last month (September) to make further improvements at Building 1 to add disabled parking spaces in the employee designated parking area. Placards or International Symbols of Access (ISA) on license plates are required to use these spaces. The improvement also includes three (3) handicap accessible routes into the building.
- TxDOT Sewer Line Improvement Project – The fencing surrounding the corridor area between Building 1 and the Cafeteria-Building 2 provides safeguards for department staff and visitors while TxDOT contractors are working on a major project to replace and re-route old and decaying pipe lines that have adversely impacted Building 1. The most recent flooding incident occurred over a year ago and required temporary re-housing of an entire section of the Finance and Administrative Services (FAS) Division for almost four (4) months. TxDOT began an extensive study of the cause. The results of the study indicated that a majority of piping was originally built almost 60 years ago and needed to be upgraded. TxDOT began the bidding process in July 2017 and project activities began in August 2017. Contractors are awaiting tank, vault, pumps and control panel components expected to arrive the week of October 23, 2017. Project activities should re-start towards the end of October and TxDOT anticipates the project will be completed before Thanksgiving.

>

DATE: October 19, 2017
Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Sandra Menjivar-Suddeath, Director, Internal Audit
Agenda Item: 4.D.
Subject: **Internal Audit Division Status**

RECOMMENDATION

None.

PURPOSE AND EXECUTIVE SUMMARY

The status update provides information on current Internal Audit Division (IAD) activities. The October 2017 status update is made up of three parts: fiscal year (FY) 2018 Audit Plan Status, External Coordination Items, and Internal Audit Division hiring.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

At each board meeting, the IAD provides a status on current activities done.

FY 2018 Audit Plan Status

The IAD is currently working on five internal engagements:

- TxDMV Fund tables and Process & Handling Fees Audit
- Open Records Audit
- Fraud, Waste, and Abuse Risk Assessment Advisory Service
- FY 2018 Internal Audit Follow-Up
- FY 2017 Annual Internal Audit Report

Except for the FY 2017 Annual Internal Audit Report, the current engagements are in the planning or fieldwork phase and final results will be provided in a upcoming board meeting. The FY 2017 Annual Internal Audit Report (report) summarizes the activities done by the IAD in the previous fiscal year and the report will be provided to the Governor's Office, the Legislative Budget Board, the Sunset Advisory Committee, and the State Auditor's Office (SAO) on November 1, 2017, as required by the Texas Internal Auditing Act.

The report requirements, including form and content, are prescribed by the SAO. For FY 2017 (September 1, 2016 – August 31, 2017), the SAO required all reports to have the following information:

- *Compliance with Texas Government Code, Section 2102.015:* A summary on when the FY 2018 annual audit plan and the annual audit report for FY 2017 was posted on the TxDMV webpage and a summary of FY 2017 audit recommendations and current implementation status.
- *Internal Audit Plan for FY 2017:* A summary of the planned FY 2017 audits, including the report number, date issue, report title, and if the planned audits were completed. Any deviations from the audit plan were also included.



Texas Department of Motor Vehicles

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- *Consulting Service and Nonaudit Service Completed:* A summary of consulting (advisory services) and any nonaudit services performed in FY 2017 by the internal audit function.
- *External Quality Assurance Review (Peer Review):* A summary of the most recent Peer Review findings and conclusions.
- *Internal Audit Plan for FY 2018:* A copy of the approved FY 2018 Audit Plan.
- *External Audit Services Procured in FY 2017:* A summary of external audits that occurred in FY 2017.
- *Reporting Suspected Fraud and Abuse:* A summary of how the Department complies with the fraud reporting requirements in the General Appropriation Act.

External Coordination Items

In October 2017, the TxDMV provided the SAO with the SAO Fraud Hotline Coordination Letter for referrals received during the third quarter of FY 2017. In addition, the Texas Department of Public Safety, the Texas Comptroller of Public Accounts, and the State Office of Risk Management are auditing and reviewing the Department.

Internal Audit Hiring

The Internal Audit Division is currently hiring two internal auditors.



Internal Audit Division August Status Update

Status of Fiscal Year (FY) 2018 Internal Audit Plan

Project	Description	Status
TxDMV Fund tables and Process & Handling Fees Audit	An audit to determine if appropriate revenue is being deposited appropriately to the TxDMV Fund as well as whether appropriate amounts of revenue are being transferred to counties per agency rule.	Fieldwork Anticipated release date: January 2018
Open Records Audit	An audit to determine if open records request, also known as Public Information Requests (PIRs) are handled consistently and in accordance with state law. In addition, the audit is reviewing whether the PIRs cost are appropriate.	Fieldwork Anticipated release date: January 2018
Fraud, Waste, and Abuse Risk Assessment Advisory Service	An advisory service to identify and rank fraud, waste, and abuse risks for the department.	Planning Anticipated release date: August 2018
FY 2018 Internal Audit Follow-Up	This project verifies if outstanding audit recommendations have been fully implemented. Currently, the IAD is reviewing internal recommendations that had implementation due dates in the first quarter (September – December 2017) of the fiscal year.	Fieldwork Anticipated release date: August 2018
FY 2017 Annual Internal Audit Report	This required report summarizes the internal audit activities conducted in FY 2017. See next page for final report.	Completed

External Coordination Items

1. On October 4, the TxDMV provided the State Auditor's Office (SAO) with the SAO Fraud Hotline Coordination Letter for referrals received during the fourth quarter of FY 2017. The letter included the official agency response to five referrals.
2. On October 12, the Texas Department of Public Safety performed an audit to ensure compliance with the technical aspects of the FBI CJIS Division's policies and regulations.
3. On October 17, the IAD Director conducted a training session on combatting fraud to the Texas Association of County Auditors.
4. The Texas Comptroller of Public Accounts will conducting a routine post-payment audit in November 2017. The audit objective is to ensure that the Department's payroll, purchase, procurement and travel expenditures comply with state laws and regulations.
5. The State Office of Risk Management will be conducting a Risk Management Program Review of TxDMV in November 2017.

Internal Audit Hiring

The auditor II and III positions were posted in September 2017 and top candidates were interviewed during the first week of October. Positions anticipated to be filled by November 2017.

TxDMV Board Meeting - October 19, 2017



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Fiscal Year 2017 Annual Audit Report 18-01

Internal Audit Division
October 2017

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Fiscal Year 2017 Annual Internal Audit Report, 18-01

Executive Summary

BACKGROUND

On an annual basis, the Internal Audit Division (IAD) submits its internal audit report to statutorily required parties. The parties that receive a copy of this report include the Sunset Commission, State Auditor's Office, Legislative Budget Board, and the Governor's Office. In addition, the report is posted on the Texas Department of Motor Vehicles (TxDMV) website.

The report provides information on the assurance (audit) services, consulting services, and other activities that were conducted in fiscal year 2017 by the IAD.

The report is developed using the guidelines set forth by the State Auditor's Office.

RESULTS

In fiscal year (FY) 2017, the IAD finalized five audits and two advisory services. These audits and advisory services were either carry forward engagements from the IAD's FY 2016 audit plan or were identified as high-risk areas in the FY 2017 audit plan. The FY 2017 audit plan was revised toward the end of the fiscal year when an audit was removed from the plan and another audit was added. Specifically, the Texas Department of Motor Vehicles (TxDMV) Fund Tables audit was removed and the Payment Card Industry (PCI) Compliance was added to the plan. All audits on the FY 2017 revised plan were finished and no audits or advisory services were carried forward to the FY 2018 audit plan.

The FY 2018 audit plan, which was approved by the TxDMV Board on August 17, 2017, consists of several items including 12 engagements, other internal audit duties, and two contingency audits. These items listed in the audit plan were identified using a risk-based methodology and cover risk related to expenditure transfers, capital budget controls, other limitations or restrictions in the General Appropriation Act, contract management, and information technology risks.

As required in the guidelines set forth by the State Auditor's Office, this report includes information on the external reviews coordinated by the IAD as well as a brief description of actions taken by TxDMV to comply with the fraud reporting and investigation coordination requirements.

Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site

The Internal Auditing Act, Texas Government Code §2102.015 requires that within 30 days of approval, an entity should post its audit plan and internal audit annual report on its internet web site. The Texas Department of Motor Vehicles (TxDMV) Board approved the *Fiscal Year 2018 Internal Audit Plan* on August 17, 2017, and the TxDMV web master posted the plan to the web site on August 17, 2017. Similarly, the TxDMV Board approved the *Fiscal Year 2017 Annual Internal Audit Report* on October 19, 2017 and the TxDMV web master will post the report on the TxDMV website in October 2017. These reports may be found at <http://www.txdmv.gov/reports-and-data>.

Internal Audit Recommendation and Implementation Status

Government Code §2102.015 also requires an entity to post a summary of any concerns resulting from the audit plan or annual report and actions taken to address those issues. To address these requirements, the Internal Audit Division (IAD) summarized fiscal year 2017 audits results and the agency's progress in implementing any corrective action needed in the table below.

Audit Report Number and Name	Audit Summary	Implementation Status
16-03 An Audit on the Efficiency of the Texas International Registration Plan Compliance Audit Process	The IAD reviewed the International Registration Plan (IRP) Audit Compliance Section within the Motor Carrier Division (MCD). The IRP allows licensed commercial vehicles that engage in interstate operations to obtain registration credentials in one jurisdiction. The IRP Audit Compliance Section conducts audits to ensure proper payment is given to all states for commercial vehicles that are registered in Texas. The IAD identified areas of improvement related to reviewing audits, developing an annual audit plan, and creating an electronic process for conducting and storing audit documentation. The IAD issued six audit recommendations to address the identified issues.	The TxDMV is actively working on audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by December 2017.
16-04 An Audit of Texas Department of Motor Vehicles' Internal Controls Related to the Driver's Privacy Protection Act	The IAD found that TxDMV is compliant with the state Motor Vehicle Records Act (Act) and the Driver's Privacy Protection Act (DPPA). Although no findings were issued related to compliance with the Act or DPPA, the IAD identified opportunities for the TxDMV to strengthen processes that protect customers' personal information from inappropriate use. The IAD issued five audit recommendations to address the identified issues.	The TxDMV is actively working on audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by July 2018.

Audit Report Number and Name	Audit Summary	Implementation Status
16-05 An Audit of Oversize/Overweight Permitting	<p>The IAD found that MCD had processes for issuing Oversize/Overweight permits that were working as intended to provide timely and accurate route restriction updates to the motor carriers and the traveling public. Route restrictions were entered within hours of the restriction request being submitted. MCD successfully implemented multiple controls in its Permit Restriction Application process to ensure public safety. The IAD did not issue any recommendations in this report.</p>	Not Applicable.
17-02 Registration of Titling System (RTS) Refactoring and Single Sticker Post-Implementation Review	<p>The IAD found that the Cognos enterprise reporting application, which replaced the Registration and Titling System (RTS) legacy report tool, is pulling data accurately according to its design.</p> <p>However, users were skeptical of Cognos data reliability and completeness, leading them to spend additional time and effort verifying Cognos report output to RTS source data to ensure reports' accuracy. In addition, user training did not cover the differences in data processing between the RTS reporting tool and the Cognos reporting application. The training provided consisted of tutorials on the mechanics of the user interface for application navigation and generating reports. The IAD issued two audit recommendations to address the identified issues.</p>	<p>The TxDMV is addressing the audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by August 2018.</p>
17-05 Fiscal Year 2017 Internal Audit Follow-Up	<p>IAD verified the implementation status of 125 internal audit recommendations that had a completion date before January 1, 2017 or had no assigned completion date.</p> <p>IAD found that the TxDMV had fully implemented 106 (85%) recommendations and had partially implemented 15 (12%) recommendations. For the partially implemented recommendations, divisions provided updated responses (if needed) and new completion dates. In addition, the IAD determined that four (3%) recommendations were deemed no longer applicable because of changes to the program, division, or function.</p>	<p>The TxDMV is actively working on addressing the recommendations found to be partially implemented. The TxDMV anticipates implementing all recommendations by December 2018.</p>

Audit Report Number and Name	Audit Summary	Implementation Status
17-07 Payment Card Industry (PCI) Compliance with Credit Card Information Storage	<p>The TxDMV accepts customers' credit cards for some transactions. To be able to accept credit cards, the TxDMV attests to the Payment Card Industry (PCI) Security Standards Council that credit card information obtained is being safeguarded.</p> <p>The IAD issued seven audit recommendations to address issues identified in the audit.</p>	<p>The TxDMV is actively working on addressing the recommendations issued in this audit. The TxDMV anticipates that all audit recommendations will be implemented by January 2018.</p>

Internal Audit Plan for Fiscal Year 2017

The status of the fiscal year (FY) 2017 audit plan engagements are outlined below.

Report Title	Report Number	Release Date
An Audit of Oversize/Overweight Permitting	16-05	November 2016
Fiscal Year 2016 Annual Internal Audit Report	17-01	November 2016
Registration of Titling System (RTS) Refactoring and Single Sticker Post-Implementation Review	17-02	May 2017
Information Technology Services (ITS) Division - Application Services Section Organizational Review Advisory Service	17-03	May 2017
Fiscal Year 2017 Internal Audit Follow-Up	17-05	August 2017
Continuous Monitoring of Vehicle Registration and Title Transactions Advisory Service	17-06	August 2017 ¹
Payment Card Industry (PCI) Compliance with Credit Card Information Storage	17-07	August 2017 ²
Fiscal Year 2018 Internal Audit Plan	17-08	August 2017

Internal Audit Plan Deviation

The TxDMV Board approved changes to the *TxDMV Internal Audit Plan for Fiscal Year 2017* (audit plan). Specifically, the Board approved the removal of the TxDMV Fund tables and Process & Handling Fees audit and the addition of the Payment Card Industry (PCI) Compliance with Credit Card Information Storage audit to the audit plan on June 1, 2017.

¹ The report was released to TxDMV Management in August 2017; however, it was not presented to the TxDMV Board until October 2017.

² The report was released to TxDMV Management in August 2017; however, it was not presented to the TxDMV Board until October 2017.

Consulting Services and Nonaudit Services Completed

Consulting Services

The Internal Audit Division conducted two advisory services, or consulting services, during FY 2017. The advisory services related to assessing the organization of the Information Technology Services (ITS) Division – Application Services Section and facilitating the development of the Fraud Data Dashboard. Information on each advisory service are documented below.

Information Technology Services (ITS) Division – Application Services Section Organizational Review

In May 2017, the IAD issued its advisory service for the ITS Division named “Information Technology Services (ITS) Division – Application Services Section Organizational Review Advisory Service”. The objectives of the advisory service were the following:

- To determine whether planned IT resource time allocation aligned with actual time expended.
- To determine whether employee responsibilities align with employee skills.
- To determine whether time allocation within the system is sufficient.

The Internal Audit Division determined that an over allocation of ITS Division resources had occurred due to project capacity planning and limited cross-training. ITS Division resources, however, had sufficient skill set and knowledge for their assigned duties. The IAD made three recommendations to address the issues identified in the advisory service:

- Schedule cross-training and adjust resource allocation according to expanded resource skill sets.
- Develop a process for communicating when a project resource will be unavailable to finish project assignments or may be significantly delayed.
- Communicate resource allocation adjustment or reassignment to all parties timely, including hours and task progress.

The TxDMV is actively working on implementing the audit recommendations.

Continuous Monitoring of Vehicle Registration and Title Transactions Advisory Service

In August 2017, the IAD finalized its advisory service for the Vehicle Titles and Registration Division. The advisory service was named “Continuous Monitoring Capabilities – Confidential Advisory Service”. The objectives of the advisory service were the following:

- To identify high-risk fraudulent activities that may warrant monitoring.
- To identify reports that could be developed and used to detect potential fraudulent transactions.
- To identify the frequency of monitoring the reports.
- To identify potential thresholds for transactions that could indicate fraud risk.
- To identify data analytical tools.

The IAD identified several reports that could be used for monitoring high-risk fraudulent activities of title and registration transactions and identified baseline transaction thresholds for certain suspicious transaction activities. The IAD also researched data analytics tools and platforms that could conduct the necessary analysis for fraud detection and, potentially, fraud prevention. The IAD identified seven data analytics tools that met management requirements related to usability, cost, and supportability. No recommendations were made in the report as all information presented was for informational purposes.

Nonaudit Services

In addition to the consulting engagement conducted in FY 2017, the IAD is an advisor on the TxDMV Executive Steering Committees and Governance Committee for technology and capital projects. In the committees, IAD provides risk perspective and does not design, implement, or make code modifications to hardware and software systems.

External Quality Assurance Review (Peer Review)

IAD underwent an external quality assurance review (peer review) in March 2015 and plans to undergo another peer review in fiscal year 2018. Representatives of the State Agency Internal Audit Forum performed the peer review in accordance with its peer review policies and procedures effective February 2013. On April 1, 2015, the Internal Audit Division received a rating of “pass” out of three possible ratings: pass, pass with deficiencies, or fail. The report noted one opportunity for improvement; the opportunity and the Audit Director’s response is as follows:

Opportunity for Improvement:

In evaluating the impact of technology on the Agency’s future resource needs, consideration should be given to additional audit resources whose primary expertise and responsibility is auditing technology, including the complexities of contracts required for technology projects.

Director’s Response:

The Director agrees with the above opportunity for improvement. Current staff will take steps to increase their technology skills and knowledge through professional development. If an audit requires technical skills the audit team does not possess, the Division will request approval to hire a temporary contract IT auditor. Also, the Internal Audit Division will seek an auditor with information technology experience when it has a vacancy or if additional resources are assigned to the Division.

See the following page for the peer review opinion and certificate, excerpted from the *TxDMV Internal Audit Division External Quality Assurance Review – April 2015*.

TEXAS DEPARTMENT OF MOTOR VEHICLES
INTERNAL AUDIT DIVISION
EXTERNAL QUALITY ASSURANCE REVIEW - April 2015

OVERALL OPINION

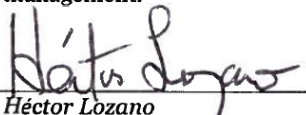
Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Texas Department of Motor Vehicles (TxDMV) Internal Audit Division receives a rating of "pass" and is in compliance with the Institute of Internal Auditors (IIA) *International Professional Practices Framework (effective January 1, 2013)* and Code of Ethics, the United States Government Accountability Office (GAO) *Government Auditing Standards (December 2011 Revision)*, and the Texas Internal Auditing Act (*Texas Government Code*, Chapter 2102). This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function.

We found that the Internal Audit Division is independent, objective, and able to render impartial and unbiased judgments on the audit work performed. The staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely.

The Internal Audit Division is well managed internally. In addition, the Division has effective relationships with the Board and is well respected and supported by management. Surveys and interviews conducted during the quality assurance review indicate that management considers Internal Audit a useful part of the overall agency operations and finds that the audit process and report recommendations add value and help improve the Agency's operations.

ACKNOWLEDGEMENTS

We appreciate the courtesy and cooperation extended to us by the Internal Audit Director, Internal Audit staff, the Chairman of the Board and Finance and Audit Committee Chairman, the Executive Director, and the senior managers who participated in the interview process. We would also like to thank each person who completed surveys for the quality assurance review. The feedback from the surveys and the interviews provided valuable information regarding the operations of the Internal Audit Division and its relationship with management.


Héctor Lozano
Senior Internal Auditor
Texas Department of Family and
Protective Services
SAIAF Peer Review Team Leader

4/1/15
Date


Luis Solis
Audit Manager
Texas Workforce Commission
SAIAF Peer Review Team Member

4/1/15
Date




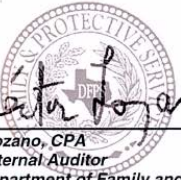
The Internal Audit Division of the Texas Department of Motor Vehicles

Receives a rating of

Pass

In compliance with the Institute of Internal Auditors' International Professional Practices Framework, Government Auditing Standards, and the Texas Internal Auditing Act

This opinion is based on a quality assessment review conducted by members of the Texas State Agency Internal Audit Forum during the period of February 2015 through March 2015. The review was based on the methodology developed by the Texas State Agency Internal Audit Forum



Hector Lozano, CPA
Senior Internal Auditor
Texas Department of Family and Protective Services

Luis Solis, CGAP, CRMA
Audit Manager
Texas Workforce Commission

Internal Audit Plan for Fiscal Year 2018

The TxDMV Board approved the *Fiscal Year 2018 Internal Audit Plan* on August 17, 2017 and the engagements are listed below with information on the hours allocated to each engagement, the engagement background information, and the preliminary objectives (if necessary).

Engagement Topic	Background and Preliminary Objective(s)
1. TxDMV Fund tables and Process & Handling Fee 800 hours	<p><u>Background:</u> In FY 2017, the TxDMV changed its method of finance from the General Revenue Fund (Fund 1) to the TxDMV Fund (Fund 10) for most of its operations. With the change, most of the TxDMV expenditures and revenues, including revenues produced from the Process & Handling Fees, are recorded in Fund 10. As of April 2017, \$93.2 million of revenue had been deposited to the TxDMV Fund since the beginning of FY2017.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine whether appropriate revenues, including motor vehicle registration fees, are deposited to the TxDMV fund appropriately • To determine whether appropriate amounts of revenue are transferred to counties per agency rule
2. Inventory 1000 hours	<p><u>Background:</u> Capitalized and controlled assets (e.g., printers, computers, cameras, vehicles) are located throughout the state, including at Tax Assessor-Collectors' offices, Full Service Deputies' locations, and TxDMV's Regional Service Centers. In FY2017, the TxDMV had over 8,300 capitalized and control assets that had an initial cost of \$11.9 million. In addition, the TxDMV upgraded assets located at Tax Assessor-Collectors' offices in FY2017.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if an adequate process exists to accurately and completely track assets • To determine if an adequate process exists to safeguard assets • To determine whether appropriate access controls exist to safeguard assets • To determine if the department is in compliance with statutory requirements
3. eLicensing 1000 hours	<p><u>Background:</u> eLicensing has changed how the TxDMV processes and handles motor vehicle licenses and complaints. eLicensing allows motor vehicle dealers, salvage dealers, and industry licensees to apply, renew, or amend their license online. In addition, it allows customers to submit complaints about motor vehicle issues online.</p>

Engagement Topic	Background and Preliminary Objective(s)
	<p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if eLicensing is achieving desired outcomes related to faster services to customers • To review the adequacy of access controls within eLicensing • To determine eLicensing's impact on the licensing process
<p>4. Open Records 500 hours</p>	<p><u>Background:</u> An estimated 20,000 open records requests, or Public Information Requests (PIRs), were received in FY2017. Although the PIRs are routed through the Office of General Counsel, each division is responsible for coordinating and providing the information for the PIRs. In addition, a new application, FOIAXpress, is used for handling PIRs.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if PIRs are handled consistently throughout the department • To determine whether costs for PIRs are appropriate • To determine if PIRs are handled in accordance with state laws
<p>5. Fraud, Waste, and Abuse Risk Assessment 300 hours <i>Advisory Service</i></p>	<p><u>Background:</u> The TxDMV has focused on identifying and managing fraud, waste, and abuse risks; however, a risk assessment has not been fully developed to determine which fraud, waste, and abuse risks are the highest risks for the department and how those risks should be mitigated. This advisory service will be a yearlong project to identify fraud, waste, and abuse risks for the department, to rank those risks, and to help the department develop mitigation responses to those risks.</p>
<p>6. Payment Card Industry (PCI) Compliance 350 hours</p>	<p><u>Background:</u> Customers' credit cards are accepted for some of the department's transactions. To be able to accept credit cards, the TxDMV has to attest to the Payment Card Industry (PCI) Security Standards Council that the credit card information obtained from transactions are being safeguarded and the department is meeting the twelve PCI requirements. The requirements range from installing and maintaining a firewall to maintaining an information security policy.</p> <p>In addition, the IAD conducted a preliminary PCI Compliance audit in FY2017.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine whether TxDMV is compliant with certain aspects of PCI • To determine the implementation status of previously issued PCI audit recommendations

Engagement Topic	Background and Preliminary Objective(s)
7. Travel and Training 500 hours	<p><u>Background:</u> In FY2017, the TxDMV budgeted \$375,000 for in-state and out-of-state travel and \$290,000 in training. In addition, the 85th Legislature showed concern on the appropriateness of travel and training done by state agencies.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if training requests have the appropriate approvals and justifications • To determine if travel requests have the appropriate approvals and justifications • To determine if a process exists to ensure travel and training requests are appropriate and meet the needs of the department • To evaluate how TxDMV's handling of board member travel compares with other state agencies • To determine if travel and training are in compliance with state law and guidance
8. Social Media 350 hours	<p><u>Background:</u> Social media (e.g., Twitter, Facebook, Instagram) is used by both public and private sector entities to connect with customers and provide more on-demand help/services. However, on-demand communication with customers carries risk to the department's brand if the messages do not align with the department's strategic goals and vision. The TxDMV uses Twitter and Facebook to communicate with customers. The TxDMV receives about sixty-four and posts six to twelve social media messages/comments a month on its primary accounts.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if the department's social media policies and processes have been sufficiently developed to protect the department's brand
9. Management or Board Request 300 hours	<p><u>Background:</u> Time has been allotted for a special request or a review of a new or emerging risk for the department. If no request is received, one of the audits from the contingent audit list will be conducted (see page 7).</p>
10. FY2018 Internal Audit Follow-Up 50 hours	<p><u>Background:</u> This project would verify if outstanding internal and external audit recommendations have been fully implemented. Quarterly reporting will be provided as well as an annual report.</p> <p><u>Preliminary Objective(s):</u></p> <ul style="list-style-type: none"> • To determine if internal and external recommendations have been fully implemented

Engagement Topic	Background and Preliminary Objective(s)
11. Fiscal Year 2019 Internal Audit Plan 100 hours	<u>Background:</u> The annual audit plan is prepared using risk assessment techniques to identify individual audits to be conducted during the year. The TxDMV Board must review and approve the annual audit plan as required by Government Code.
12. Fiscal Year 2017 Annual Internal Audit Report 30 hours	<u>Background:</u> A summary of internal audit activities, including the status of the FY2017 audit plan, non-audit services provided, and external audit services procured; and the FY2018 audit plan. Government Code requires this annual report be submitted before November 1 to the TxDMV Board, the Governor, the Legislative Budget Board, the State Auditor's Office, and the Sunset Advisory Commission.

In addition to conducting engagements, the IAD has other duties that it performs each fiscal year. The other duties include conducting quality control on issued audit and advisory service reports, preparing and facilitating the required Peer Review, working on Anti-Fraud, Waste, and Abuse Items, and providing ad hoc advisory services to the department. The table below summarizes the other Internal Audit Duties and the hours allocated to each item. In addition, the table provides information on the total budgeted hours for the IAD activities, including hours allocated to engagements and hours to other duties.

Other Internal Audit Duties	
1. Coordinating with external auditors and reviewers (30 hours)	
2. Working on Anti-Fraud, Waste, and Abuse Items (450 hours)	
3. Conducting an annual Quality Assurance and Improvement Program as required by auditing standards (50 hours)	
4. Coordinating the required Peer Review (180 hours)	
5. Advising the agency's Governance Team and Executive Steering Committees (200 hours)	
6. Providing ad hoc advisory services or consultations (250 hours)	
Total Budgeted Hours on Required Reports, Audits, and Advisory Service:	5,280
Total Budgeted Hours on Other Internal Audit Division Duties:	1,160
Total Budgeted Hours for Reports and Division Duties in FY 2018:	6,440

Contingency Audits

The TxDMV Board approved the following contingency audits that may be done during FY 2018. Hours and objectives have not been developed for these audits.

Topic	Background
1. Regional Service Centers	<u>Background:</u> The Regional Service Centers (RSCs) play an integral role in serving the TxDMV customers located throughout the state of Texas. Each RSC has a regional manager that manages the RSC and an assistant chief that oversees the RSC. This audit would review the monitoring done to ensure the RSCs are meeting the department's objectives and the customer needs.
2. Lemon Law Investigation and Resolution Process	<u>Background:</u> The lemon law resolution process was transferred from the State Office of Administrative Hearings (SOAH) to the department when HB 1692 (83 rd Texas Legislature, Reg. Session) passed. As of January 2014, the Office of Administrative Hearings, with help from the Enforcement Division, has been in charge of handling lemon law investigations and resolutions. This audit would review if expected outcomes have been achieved and if there are any improvements to the process to help customers receive resolution faster.

Methodology

The audit plan was developed using a risk-based methodology including input from several sources, including the TxDMV Board and management. The IAD also analyzed department information and reviewed internal audit and industry publications to identify and rank potential audit topics by risk. Projects' risk rankings were developed using the following factors:

- Revenue or expense impact
- Asset or liability impact
- Operation effectiveness and efficiency impact
- Law or regulation impact
- Brand or reputation impact
- Degree of change in the program, function, or process
- Degree of complexity
- Degree of centralization

The State Auditor's Office (SAO) guidelines for the *Internal Audit Plan for Fiscal Year 2018*, request that the IAD indicate which projects in the audit plan address expenditure transfers, capital budget controls, or any other limitation or restrictions in the General Appropriation Act, contract management, and information technology risks. The proposed audits that address these topics are the following:

- TxDMV Fund Tables and Process & Handling Fees, eLicensing, and PCI Compliance will address information technology risks.
- TxDMV Fund tables and Process & Handling Fees, Open Records, Inventory, and eLicensing will address expenditure transfers and capital budget controls.
- Inventory, eLicensing, and Open Records will address contract management.

External Audit Services Procured in Fiscal Year 2017

The IAD assisted in the following external audit reviews during fiscal year 2017.

Report Title	Provider's Name	Report Number and Released Date
A Report on State Agency Administration of Emergency and Administrative Leave	State Auditor's Office	17-702 November 2016
A Report on State Agency Reporting Requirements for Local Governments	State Auditor's Office	17-026 February 2017
An Audit Report on Complaint Processing at the Department of Motor Vehicles	State Auditor's Office	17-036 May 2017

Reporting Suspected Fraud and Abuse

Fraud Reporting Requirements

To comply with fraud reporting requirements in the General Appropriations Act (85th Legislature, Article IX, Section 7.09), the TxDMV has taken the following actions:

- Provides information on the home page of the TxDMV website (www.txdmv.gov) on how to report suspected fraud, waste, and abuse directly to the State Auditor's Office (SAO)
- Includes in the agency's Human Resources Manual information on how to report suspected fraud involving state funds to the SAO. Employees are directed by agency policy to report any suspected incidents of fraud to their manager, the Internal Audit Director, and the SAO.
- Provides a link on the Internal Audit Division's Intranet page to the SAO fraud hotline website

The Internal Audit Division also participates in the TxDMV Anti-Fraud, Waste, and Abuse Working Group. The working group is composed of several divisions that are involved in preventing or identifying fraud and is chaired by the Executive Director.

Investigation Coordination Requirements

The IAD coordinates compliance with Texas Government Code, Section 321.022 (Coordination of Investigations) by submitting a quarterly report to the State Auditor's Office on the disposition of allegations received.

The IAD also evaluates all instances of fraud, waste, or abuse reported to the IAD to determine appropriate action. If the Internal Audit Director has reasonable cause to believe that fraudulent or unlawful conduct has occurred in relation to the operation of the TxDMV, the Director will work with appropriate parties and notify the SAO.

DATE: October 19, 2017

Action Requested: BRIEFING ONLY

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Caroline Love
Agenda Item: 5
Subject: **85th Legislative Implementation**

PURPOSE AND EXECUTIVE SUMMARY

This briefing is part of a continued effort to provide the board with update on Texas Department of Motor Vehicles (TxDMV) implementation activities as they relate to legislation passed by the 85th Legislature, Regular Session.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

The briefing includes the status of implementation efforts. Key dates related to the legislative session and effective dates for bills enacted will be included. The Government and Strategic Communications Division will be providing regular updates throughout the 2018-2019 biennium on the status of implementation efforts.



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

85th Legislative Implementation

Agenda Item 5

October 19, 2017

85th Legislative Session Update

The 85th Texas State Legislative Session began on January 10, 2017 which started the 140 day process for elected officials to consider changes to state statutes. The legislature adjourned Sine Die on May 29, 2017 and the Governor's opportunity to sign legislation, allow legislation to become law without signature, or veto legislation ended on June 18, 2017.

As outlined in previous meetings, the Texas Department of Motor Vehicles (TxDMV) Board is charged with considering opportunities to improve the operations of the department and recommending statutory changes to the Texas Legislature under Texas Transportation Code, Section 1001.025. TxDMV's Government and Strategic Communications Division worked with all the department's divisions and offices to identify statutory changes the board could recommend. Those changes were also evaluated by stakeholders.

The TxDMV Board adopted a set of legislative recommendations in November 2016. These recommendations were then presented to the Office of the Governor, Lt. Governor, and Speaker; as well as the chairs of the Senate and House Transportation Committees for further consideration during the session. Several of those recommendations were passed by the legislature. This report includes an update on implementation efforts of those measures as well as efforts related to other legislation passing with an impact on department operations and activities.

A. Implementation of TxDMV Board Recommendations to the 85th Legislature

During the August 17 TxDMV Board meeting an update was provided regarding the passage of Board recommended legislation and implementation status. This item focuses on the status of continued implementation efforts including proposed amendments to, and the adoption of new, Administrative Rules.

I. Registration Code Changes: SB 2075 by Rodriguez (House Sponsor: Pickett)

- **Summary:** SB 2075 contains several clean up items, as well as further defining when a county tax assessor-collector office's transactions can be performed by a different county to allow for continuity of services for customers. This legislation allows for printed receipts from online vehicle registration renewal transactions to serve as proof of registration for 30 days (to allow the actual sticker time to be received through the mail). There are also changes resulting from an internal audit recommendation associated with county remittance of registration fees to the state to align the statute with current process and adjust time frames accordingly.
- **Implementation:** The TxDMV Board will consider the proposal of amendments to Chapter 217.54 of the Texas Administrative Code enabling the registration of fleet vehicles at their October 19 meeting.

II. Motor Carrier Registration & Enforcement Changes: HB 3254 by Phillips (Senate Sponsor: Nichols)

- **Summary:** The legislation includes many of the recommendations from the 84th Legislative Session to promote greater efficiency and safety of the motoring public in TxDMV operations as it relates to the motor carrier industry and regulation of the industry. The language covers enforcement of chameleon carriers (i.e., a carrier who changes names or operates under various aliases to continue operations without remedying previous penalties or sanctions, often related to safety), provisions related to renewals and re-application of registration for motor carriers; a requirement for household goods movers to file all tariffs (i.e., what the mover charges a consumer) with the TxDMV rather than just the current requirement of only tariffs for moves between municipalities; and other clarifications.
- **Implementation:** Efforts to implement HB 3254 remain underway within the department.

III. Title Act Changes: SB 2076 by Sen. Rodriguez (House Sponsor: Pickett)

- **Summary:** The legislation changes statute to allow the "Certified Copy of Original Title" (CCO) to serve as the only valid proof of ownership and other various clarifications to statute. This also includes new recommendations changing statute to reference and conform to the appropriate Code of Federal Regulations

regarding odometer disclosure statement requirements, establishes a process to provide for Vehicle Identification Number (VIN) inspections, and further cleans up references to trailer dimensions and definitions of salvage vehicles. In addition, language was added requiring TxDMV to partner with the Texas Department of Public Safety (TxDPS) on a study of elements related to the titling, registration and inspection of vehicles with any recommendations due to the legislature by December 2018.

- **Implementation:** At the October 19 meeting of the TxDMV Board, rules will be proposed in Chapter 217 of the Texas Administrative Code updating the changes to the titling process. Additionally, the board will consider the adoption of rules implementing the VIN inspection process through amendments to 217.141, 217.142, and 217.143 and the adoption of Chapter 217.144 establishing an Identification Number Inspection in the Texas Administration. TxDMV and TxDPS staff met in August to discuss the requirements of the study and began the process of developing the report outlined in the bill. Other implementation efforts remain ongoing.

IV. Lemon Law: HB 2070 by Smithee (Senate Sponsor: Watson)

- **Summary:** The legislation provides for statutory clarifications and simplifies how vehicles can qualify for Lemon Law status. The TxDMV Board will consider the proposal to amend Chapter 215.210 of Texas Administrative Code at the October 19 meeting. HB 2070 and the proposed amendments to Administrative Code will help Texas statutes reflect practices adopted in other states.
- **Implementation:** Efforts to implement HB 2070 remain underway.

V. Seized Disabled Parking Placard Process: HB 1790 by Pickett (Senate Sponsor: Rodriguez)

- **Summary:** The bill clarifies TxDMV's role when disabled parking placards are seized by law enforcement and eliminates outdated practices.
- **Implementation:** Staff has implemented the efforts associated with this legislation.

VI. Notification to Demolish Vehicle Process Changes: HB 3131 by Martinez (Senate Sponsor: Rodriguez)

- **Summary:** This legislation removes a redundant requirement that the department must send notice to an applicant who has been identified as the owner of a vehicle. This legislation was based upon feedback from the industry and stakeholders.
- **Implementation:** Staff continues to work on implementation and offer guidance to counties related to this legislation.

VII. TxDMV Own/Control Real Property: SB 1349 by Watson/HB 3689 by Pickett

- **Summary:** The department continued to work closely with the Office of the Governor and the Texas Department of Transportation (TxDOT) to identify a solution for housing TxDMV headquarters operations. The legislation allows TxDMV to accept property from TxDOT, and for TxDMV to maintain, improve and have control over such property. The transfer from TxDOT would apply only to the Camp Hubbard location in Austin, where TxDMV headquarters is currently housed.
- **Implementation:** This legislation is effective and TxDMV will continue to coordinate closely with TxDOT on the continued implementation of this legislation.

B. Implementation of Other 85th Legislative Items

Several other pieces of legislation passed by the 85th Legislature will have an impact on TxDMV operations. These include, but are not limited to:

- **HB 561** by Murphy allows for the use of small vehicles by delivery and logistics companies in residential communities to provide for more efficient package delivery services. This bill amends current law relating to the operation of certain vehicles used for package delivery and authorizes a \$25 license plate fee for such small vehicles. The TxDMV Board will consider the adoption of amendments to 217.45 and 217.182 to implement this legislation at the October 19 meeting.
- **HB 1247** by Pickett outlines the notification requirements applicable to a vehicle storage facility in possession of an impounded vehicle registered in another state. This bill requires a vehicle storage facility operator to send the notice to an address obtained from the applicable governmental or private entity that has access to the relevant vehicle information and identifies the circumstances under which the

operator may provide notice by publication. Guidance has been provided to counties on these new requirements and this legislation has been implemented.

- **SB 1062** by Perry allows for vehicle title transfer documentation to be processed either electronically or by paper. The legislation also references the appropriate federal regulations regarding odometer disclosure statements, which is also reflected in SB 2076 by Rodriguez. The effective date of this legislation is January 1, 2018 to allow for associated programming and implementation efforts.
- **HB 1959** by Thompson requires the department to conduct a study that identifies and assesses alternative procedures for commercial vehicle registration, licensing, and permitting. In addition it authorizes TxDMV to collaborate with another state agency or a research division of an institution of higher education in Texas to conduct the study. The study is due to the legislature by December 2021. If the study provides that a pilot program would be feasible, such a program could be conducted with the corresponding report due to the legislature by December 2022. TxDMV and TxDPS staff have met to discuss partnering on this study, and efforts are underway to begin the study process.
- **HB 2663** by Pickett allows for counties to issue a replacement vehicle registration sticker without a fee if it is determined by the county that the renewed sticker was not received by the customer via mail, either through an online or mail-in renewal transaction. Guidance was provided to counties on this item and has been implemented.
- **HB 4102** by Neave provides an opportunity for individuals to voluntarily contribute to a grant program at the time of vehicle registration to help fund the testing of evidence collected in relation to sexual assaults or other sex offenses and authorizes voluntary contributions by TxDPS. Language was added allowing for opportunities to voluntarily contribute to the Ending Homelessness Fund at the time of vehicle registration as well. Implementation efforts remain underway.
- **SB 1524** by Nichols provides for overweight shipment of sealed containers from production facilities proximate to the ports of entry. The legislation creates a permit authorizing the movement of a sealed intermodal shipping container moving in international transportation not more than thirty miles from an applicable port of

entry. The \$6,000 permit fee is distributed to the State Highway Fund and local entities to compensate for road damage, including 4% (\$240) of every permit being deposited to the TxDMV Fund to cover the costs of issuing the permit. Implementation efforts are underway as the department coordinates with the Texas Department of Transportation (TxDOT) on routing requirements.

- **SB 1001** by Larry Taylor allows for trailers up to 7,500 pounds gross vehicle weight rating to be exempt from state safety inspection requirements. This is an increase from the previous 4,500 pounds gross vehicle weight rating exemption and will require programming updates. Trailers qualifying for this exemption must still pay any fees associated with the state safety inspection and those fees are collected at the time of registration while verifying a passing state inspection will no longer be required. Implementation efforts remain underway.
- **SB 1383** by Perry creates a permit authorizing the movement of fluid milk by a truck-tractor and semitrailer combination that, in addition to other criteria, is not heavier than 90,000 pounds.
- **HB 2319** by Paddie creates a permit allowing the movement of sealed ocean cargo shipping containers on specific roadways in Northeast Texas. Implementation efforts remain underway, and the department continues to coordinate with the TxDOT on the route for these loads.
- **HB 3215** by Goldman allows a business that owns any number of vehicles to be auctioned off by a licensed auctioneer without that business being considered to be engaging in business as a dealer.
- **SB 1952** by Hughes allows out-of-state licensed dealers to buy, sell, or exchange at public auctions antique and special vehicles without having to be licensed in Texas.
- **SB 1052** by Hughes was amended late in the session to include HB 3163 by Button which changes the definition of “vehicle lessor” so that titling the vehicle in the lessor’s name is not required. This change makes the distinction between a “vehicle lessor” and a “vehicle lease facilitator” almost non-existent and the practical effects of the change are likely to be insignificant.

- **HB 91** by White requires all state agencies that review criminal history as part of the eligibility requirements for an occupational license to study those requirements and report to legislature by December 1, 2018 on any recommendations the agency has to keep, modify, or repeal the requirement. The department must perform this review and report on the licenses it issues to dealers under Occupations Code 2301 & 2302 and under Transportation Code 503. Lastly, though not related exclusively to dealers, any state agency that pursues a regulatory action against an entity, such as an administrative sanction or license revocation, is now liable for damages, attorney's fees, and costs if a court determines that the agency action was frivolous.
- **SB 869** by Huffman creates a new process for vehicle owners to designate a beneficiary to receive legal title to a vehicle upon the owner's death. The department is working with stakeholders who pushed for this change to design the process in such a way as to make implementation and understanding of this new process as easy as possible for both county tax assessor-collector staff and the public. Implementation efforts remain underway.
- **SB 1501** by Zaffirini made several changes to the law regarding how vehicle storage facilities notify vehicle owners and lienholders before the facility can foreclose on a storage lien.
- **HB 1793** by Pickett exempts commercial motor vehicles registered in Texas or under IRP that have a valid safety inspection in compliance with federal standards and not domiciled in the state from state safety inspection requirements. Vehicles qualifying for this exemption must still pay any fees associated with the state inspection and those fees are collected at the time of registration while verifying a state inspection at the time of registration will no longer be required.
- **HB 897** by Ashby as filed expanded an existing sales tax exemption for religious motor vehicles to cover trailers used for religious purposes. The bill amended late in the session to also exempt vehicles owned by open enrolment charter schools. Exempt registration was also granted to vehicles owned by charter schools.

C. Specialty and Military License Plates

In addition, eleven pieces of legislation passed by the 85th Legislature created forty-four new specialty license plates. Of these, seven bills relate to special military plates creating forty such new plates or additional options for existing plates. The remaining four are the new “Back the Blue”, Star of Texas Award recipient, Blessed are the Peacemakers, and justices of the peace specialty license plates. The majority of these plates were available by September 1, 2017.

The Government and Strategic Communications Division will continue to provide regular updates on legislative implementation efforts.

DATE: October 19, 2017

Action Requested: Briefing Only

To: Texas Department of Motor Vehicles Board
From: Judy Sandberg, Enterprise Project Management Office Director
Agenda Item: 6 Projects and Operations
Subject: Enterprise Projects Update

RECOMMENDATION

This is a briefing only and no decisions or actions are requested.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of this briefing is to provide an update on enterprise projects. The report includes:

- A new Portfolio Dashboard
- A list of FY18/19 Projects
- A list of Closed Projects.

FINANCIAL IMPACT

All open and closed projects are within budget.

BACKGROUND AND DISCUSSION

1. Application Migration Server Infrastructure Transformation (AMSIT) ended on time by 8/31/2017 and is closed.
2. webDealer is on target to end by 04/30/2018.
3. Refactored RTS is on target to end by 12/31/2018. The vendor contract ends 8/31/2018.

In addition to Refactored RTS and webDealer, the FY18/19 Projects Portfolio includes new projects which were listed as initiatives in TxDMV's Legislative Appropriations Request (LAR). The following new projects were initiated and are now in the planning stage:

1. webLien
2. Call Center Upgrade
3. Kiosk Pilot
4. E-Renewals
5. Fraud Data Dashboard
6. Enterprise Reporting
7. External Web Site Renovation
8. Mobile App.

TxDMV Board Meeting Enterprise Projects Update

October 19, 2017

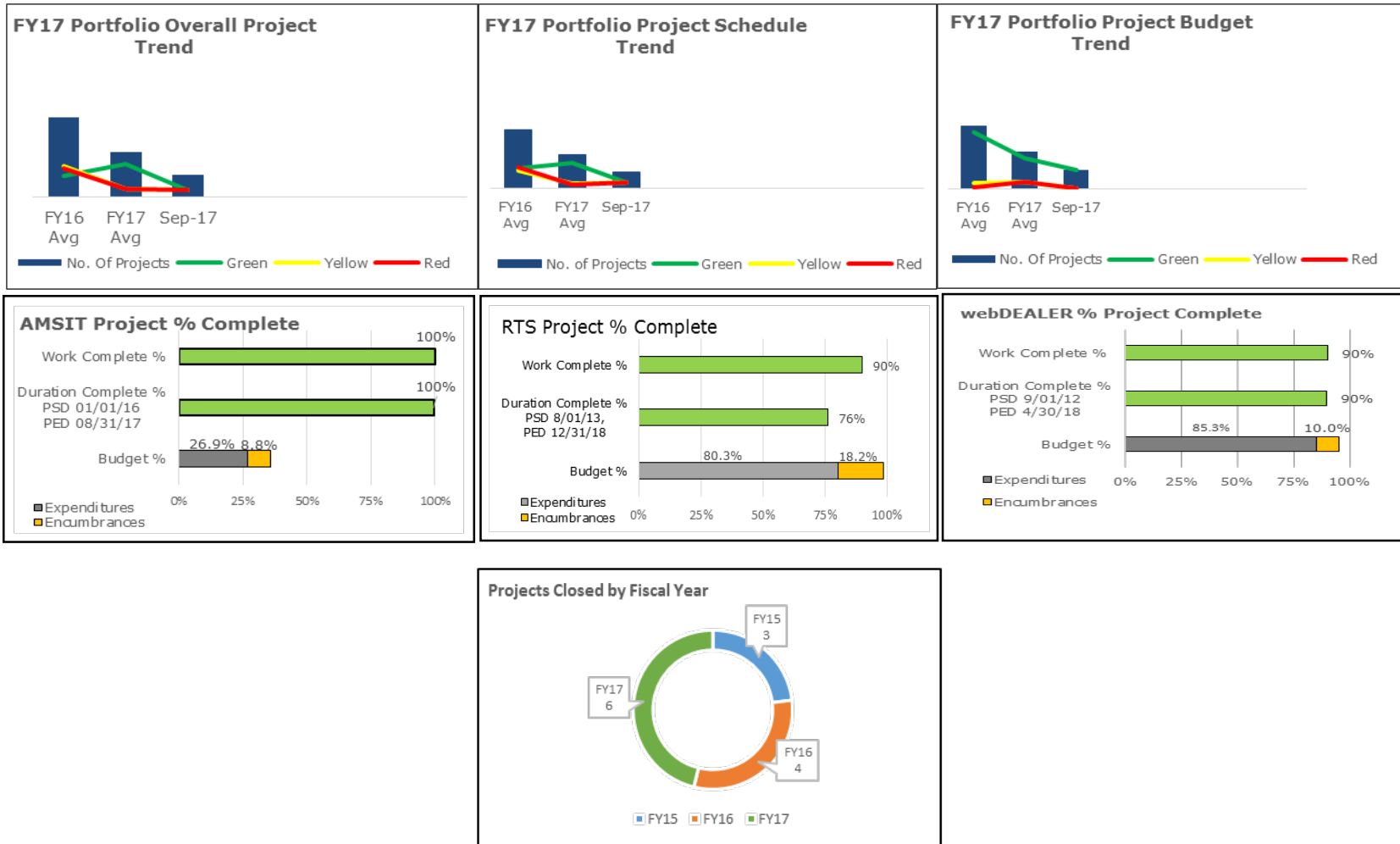


Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



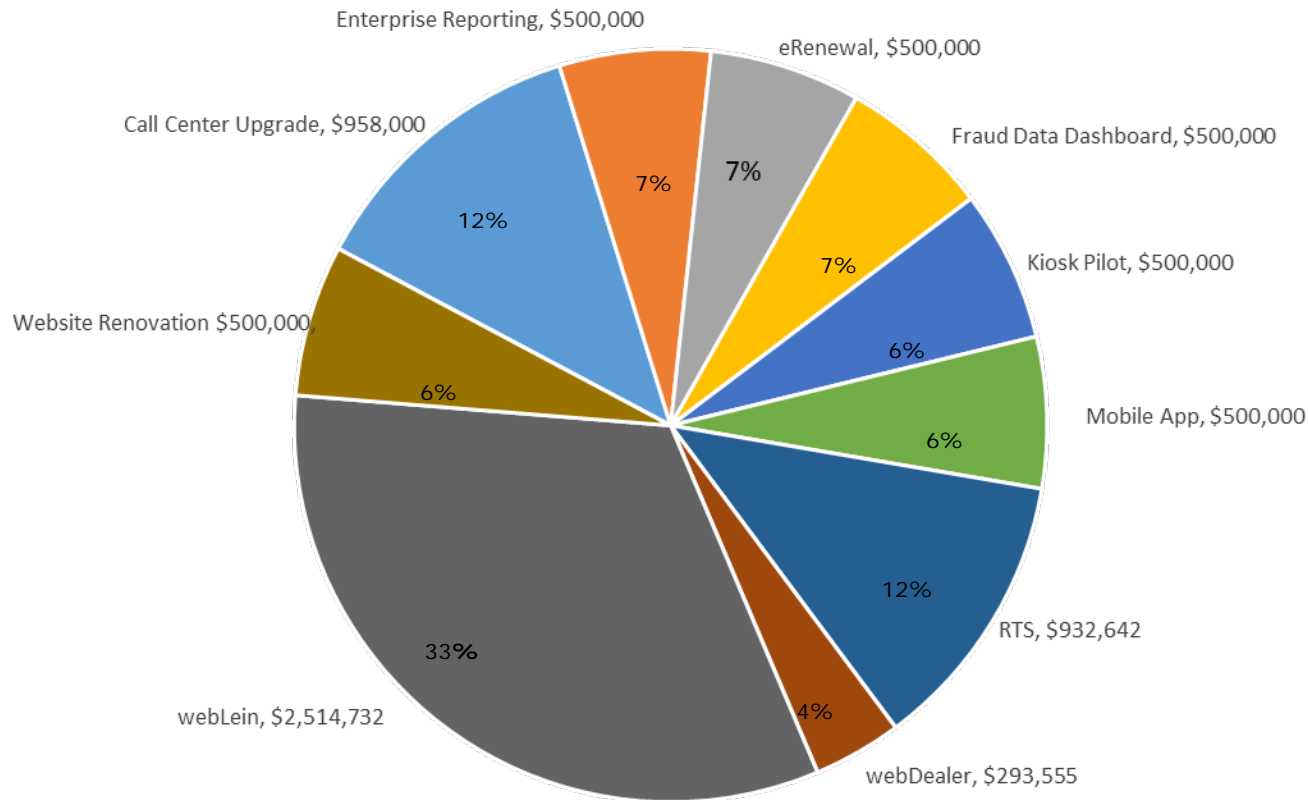
TxDMV Portfolio Dashboard





TxDMV Portfolio Dashboard

F18/19 Project Budgets = \$7,698,929





TxDMV FY18/19 Projects Portfolio

Project Name	External Cost	Purpose	Benefit to Public	Benefit to Agency
Priority Group 1				
RTS Refactoring Whitney Brewster, Executive Sponsor	\$900K	Refreshes RTS technology by modernizing the core RTS system and providing business intelligence reporting capabilities.	Improved data quality. Improved customer service through system improvements.	System modernization improves Agency's agility for implementing system improvements required by changes in statute, rules, and/or policy and by continuous quality improvement in Agency processes.
webDealer eTags CP eTitles Jeremiah Kuntz, Executive Sponsor	\$263K	Allows a vehicle title to be created, stored and transferred in electronic form, improving the accuracy of the titling process.	Reduce costs and time required for titling and registration services from motor vehicle sales.	Improve tracking and management of registration and titling from motor vehicle sales. Reduce operating costs.
webLIEN Jeremiah Kuntz, Executive Sponsor	\$2.5M	Provide lien holders with a self-service web-enabled alternative to the existing Electronic Lien and Title (ELT) application for the addition or removal of liens by adding a new application to the webDealer suite called webLien.	Indirect benefit from dealer to dealer lien changes.	Improve tracking and management of registration and titling from motor vehicle sales. Reduce operating costs.A3:E6



TxDMV FY18/19 Portfolio

Project Name	External Cost	Purpose	Benefit to Public	Benefit to Agency
Priority Group 2				
Kiosk Pilot Eric Obermier, Executive Sponsor	\$500K	Pilot a few self-service kiosks at remote locations that will provide TxDMV customers an option to purchase and to print vehicle registration renewal stickers.	Improve customer service delivery. Reduce customer wait times.	Increase efficiency/effectiveness of motor vehicle registration process.
Fraud Data Dashboard David Duncan, Executive Sponsor	\$500K	Mine existing RTS data to produce enhanced reports that will help identify trends which may indicate Fraud and/or the need for further investigation.	Build public trust and improve the quality of customer service.	Use automation to help identify trends for possible investigation. Increase efficiency and effectiveness by using automation to help identify trends for potential fraud.
Call Center Upgrade Ginny Booton, Executive Sponsor	\$900K	Upgrade existing telephony system to enhance customer service and provide quality monitoring and workforce management services.	Improve customer service delivery.	Increase call center efficiency and effectiveness.
e-Renewals	\$500K	Provide TxDMV Customers the option to receive renewal notices electronically.	Improve customer experience and convenience.	Reduce printing/mailling costs. Increase efficiency/effectiveness of motor vehicle registration process.



TxDMV FY18/19 Portfolio

Project Name	External Cost	Purpose	Benefit to Public	Benefit to Agency
Priority Group 3				
Enterprise Reporting Linda Flores, Executive Sponsor	\$500K	Develop a data roadmap (strategy) and a technology framework to improve the ability to mine, store and report on existing data and information.	Increase information that is published and readily available to the public.	Increase Agency efficiency and reports quality by using automation to mine data across multiple sources and reduce or eliminate manual data collection.
External WebSite Renovation Caroline Love, Executive Sponsor	\$500K	Improve the public website's appearance, functionality, and usability.	Provide a personal and engaging customer experience.	Increase efficiency/effectiveness of information delivery.
Mobil App - MCD Jimmy Archer, Executive Sponsor	\$300K	Develop a mobile app for the Texas International Registration Program (TxIRP) for Multi-Year Fleet Registration, Token Trailer and recently proposed TxIRP registration enhancement programs.	Improve safety notification and monitoring. Continuously improve customer usability of public web site.	Gradual elimination of paper filing of various registration transactions. Improve customer service through continuous process improvement.

Closed Projects

- ❑ AMSIT
- ❑ County Equipment Refresh
- ❑ eLICENSING
- ❑ Physical Security Project
- ❑ P&H
- ❑ Single Sticker I & II
- ❑ RTS Name Parsing
- ❑ CAPPs Finance and HR
- ❑ Consolidated Call Center
- ❑ Regional Offices Telecommunications
- ❑ FileNet
- ❑ Temp Permit
- ❑ Active Directory

DATE: October 19, 2017

Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Vehicle Titles and Registration Division
Agenda Item: 7
Subject: **Specialty Plate Design**

RECOMMENDATION

The Vehicle Titles and Registration Division seeks board approval or denial of two plate designs submitted for consideration. One design is from a nonprofit organization (non-vendor). The other is a design from the marketing vendor, My Plates. (This design may look familiar. My Plates made minor modifications to the Texas general issue license plate issued from 2000 to 2009.)

PURPOSE AND EXECUTIVE SUMMARY

Statutory authority for the board to approve non-vendor specialty plates is in Transportation Code, Section 504.801. Statutory authority for the board to approve vendor specialty license plates and invite the public's comment on proposed vendor plate designs is in Texas Transportation Code, Section(s) 504.851 (g) and (g-1) (1). The board's approval criteria is clarified in Administrative Code(s), §217.45, *Specialty License Plates, Symbols, Tabs, and Other Devices*, and §217.52, *Marketing of Specialty License Plates through a Private Vendor*.

The renewed vendor contract specifies (paragraph #11, *Inventory Management Controls*) that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval in order for the plate to be produced. (Equally, existing plates must maintain 200 registered in order to stay in the program.) My Plates' procedure is to first offer a plate to the public to register their interest. Following the board's contingent approval, My Plates then offers a plate online for prepaid orders. My Plates confirms when 200 prepaid orders are achieved. (Since the contract with My Plates was renewed in March 2014, the board has contingently approved 18 vendor plates. Of the 18, six did not achieve the required 200 commitments and were not produced.)

The TxDMV's procedure is to invite comments on all proposed plates ahead of the board's review. The department's intent is to determine if there are any unforeseen public concerns about a plate design. The department publishes a ten-day "like/dislike/comment-by-email" survey, called an eView, on its website. Although the survey counts the public's "likes" and "dislikes," it is unscientific and not used as an indicator of a plate's popularity. The vendor's OU plate, for example, received thousands of eView "dislikes" in 2010 (presumably because of college football rivalry) and has since sold over 1,500 plates.

Both plate designs were presented to the public in a September 2017 eView. The public's comments are summarized below.

Quail:

No negative comments were received; 593 people liked this design, and 93 did not.



Texas 2000:

Four negative comments were received; 387 people liked this design, and 173 did not.



Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 8 (New trailer size and rule language cleanup)
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §§217.3, 217.4, 217.82, and 217.84

RECOMMENDATION

Approve adoption of amendments for publication in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to implement portions of Senate Bill 2076, 85th Legislature, Regular Session, 2017 and to update punctuation throughout.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The amendments:

- update the maximum width and length for a travel trailer;
- clarify titling requirements for a trailer or semitrailer with a gross weight of 4,000 pounds or less;
- remove a clause related to manufactured homes that is incorrect and unnecessary;
- clarify where an applicant may apply for title;
- update requirements for an application for a nonrepairable or salvage vehicle title; and
- remove the hyphen from “non-repairable” throughout the rules for consistency with statute.

The proposal was published in the *Texas Register* on September 8, 2017. The comment period closed on October 9, 2017. No comments were received.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the *Texas Register*; and
- an effective date of November 19, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.3, 217.4, 217.82, AND 217.84 RELATING TO
VEHICLE TITLES AND REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter A, Motor Vehicle Titles, §217.3, Motor Vehicle Titles, and §217.4, Initial Application for Title; and Subchapter D, Non-repairable and Salvage Motor Vehicles, §217.82, Definitions, and §217.84, Application for Non-repairable or Salvage Vehicle Title.

The preamble and the amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter A, Motor Vehicle Titles, §217.3, Motor Vehicle Titles, and §217.4, Initial Application for Title; and Subchapter D, Non-repairable and Salvage Motor Vehicles, §217.82, Definitions, and §217.84, Application for Non-repairable or Salvage Vehicle Title. Sections 217.4, 217.82, and 217.84 are adopted without changes to the proposed text as published in the September 8, 2017, issue of the *Texas Register* (42 TexReg 4596). These rules will not be republished. Section 217.3 is adopted with changes to published text and will be republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §217.3 update the maximum width and length for a travel trailer as authorized by Senate Bill (SB) 2076, 85th Legislature, Regular Session, 2017, which was effective September 1, 2017. An amendment also clarifies that if a trailer or semitrailer having a gross weight of 4,000 pounds or less has been titled previously, it must be titled by any subsequent owner.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 Proposed amendments to §217.3(4)(C)(i) updated the maximum width
2 and length for manufactured homes, which are defined in
3 Occupations Code, §1201.003(12). This proposed amendment is
4 incorrect and in conflict with the statute. On further review,
5 clause (i) is unnecessary and inconsistent with the purpose of
6 the subparagraph. As such, this amendment will be adopted with
7 changes by deleting §217.3(4)(C)(i) and re-numbering the
8 succeeding clauses. This amendment makes no substantive
9 changes.

10
11 Amendments to §217.4 implement a portion of SB 2076 regarding
12 place of application for title when motor vehicle ownership is
13 transferred and the county tax assessor-collector's office of
14 the county in which the owner resides is closed or may be closed
15 for a protracted period of time as defined by the department.

16
17 Amendments to §217.82(13) define a nonrepairable motor vehicle
18 by reference to the statutory definition.

19
20 Amendments to §217.84(b)(2) implement a portion of SB 2076
21 regarding the description of a motor vehicle included in an
22 application for a nonrepairable or salvage vehicle title.

23 Amendments to §217.84(b) also delete the paragraph (7) language

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 because the information is no longer necessary in an application
2 for a nonrepairable or salvage vehicle title and renumber the
3 remaining paragraphs accordingly.

4
5 Other amendments update the references to "nonrepairable" motor
6 vehicles to be consistent with statute by deleting the
7 unnecessary hyphen.

8
9 COMMENTS

10 No comments on the proposed amendments were received.

11
12 STATUTORY AUTHORITY

13 The amendments are adopted under Transportation Code, §1002.001,
14 which provides the board of the Texas Department of Motor
15 Vehicles with the authority to adopt rules that are necessary
16 and appropriate to implement the powers and the duties of the
17 department under the Transportation Code; and more specifically,
18 Transportation Code, §501.0041, which provides the department
19 may adopt rules to administer Transportation Code, Chapter 501,
20 Certificate of Title Act.

21
22 CROSS REFERENCE TO STATUTE

23 Transportation Code, Chapters 501 and 502.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 SUBCHAPTER A. MOTOR VEHICLE TITLES

2 §217.3. Motor Vehicle Titles.

3 Unless otherwise exempted by law or this chapter, the owner of
4 any motor vehicle that is required to be registered in
5 accordance with Transportation Code, Chapter 502, shall apply
6 for a Texas title in accordance with Transportation Code,
7 Chapter 501.

8 (1) Motorcycles, motor-driven cycles, autocycles, and
9 mopeds.

10 (A) The title requirements of a motorcycle,
11 motor-driven cycle, autocycle, and moped are the same
12 requirements prescribed for any motor vehicle.

13 (B) A vehicle that meets the criteria for a moped
14 and has been certified as a moped by the Department of Public
15 Safety will be registered and titled as a moped. If the vehicle
16 does not appear on the list of certified mopeds published by
17 that agency, the vehicle will be treated as a motorcycle for
18 title and registration purposes.

19 (2) Farm vehicles.

20 (A) The term "motor vehicle" does not apply to
21 implements of husbandry, which may not be titled.

22 (B) Farm tractors owned by agencies exempt from
23 registration fees in accordance with Transportation Code,

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

§502.453, are required to be titled and registered with "Exempt" license plates issued in accordance with Transportation Code, §502.451.

(C) Farm tractors used as road tractors to mow rights of way or used to move commodities over the highway for hire are required to be registered and titled.

(D) Farm semitrailers with a gross weight of more than 4,000 pounds that are registered in accordance with Transportation Code, §502.146, may be issued a Texas title.

(3) Neighborhood electric vehicles. The title requirements of a neighborhood electric vehicle (NEV) are the same requirements prescribed for any motor vehicle.

(4) Trailers, semitrailers, and house trailers. Owners of trailers and semitrailers shall apply for and receive a Texas title for any stand alone (full) trailer, including homemade or shopmade full trailers, or any semitrailer having a gross weight in excess of 4,000 pounds. Owners of trailers and semitrailers having a gross weight of 4,000 pounds or less may apply for and receive a Texas title. If a trailer or semitrailer having a gross weight of 4,000 pounds or less has been titled previously, any subsequent owner shall apply for a Texas title for the trailer or semitrailer. House trailer-type vehicles must meet the criteria outlined in subparagraph (C) of this paragraph to

Texas Department of Motor Vehicles
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1 be titled.

2 (A) The rated carrying capacity will not be less
3 than one-third of its empty weight.

4 (B) Mobile office trailers, mobile oil field
5 laboratories, and mobile oil field bunkhouses are not designed
6 as dwellings, but are classified as commercial semitrailers and
7 must be registered and titled as commercial semitrailers if
8 operated on the public streets and highways.

9 (C) House trailer-type vehicles and camper
10 trailers must meet the following criteria in order to be titled.

11 [~~(i) A house trailer-type vehicle designed~~
12 ~~for living quarters and that is eight body feet or more in width~~
13 ~~and 40 feet or more in length (not including the hitch), is~~
14 ~~classified as a manufactured home or mobile home and is not~~
15 ~~eligible for a Texas title under Transportation Code, Chapter~~
16 ~~501.~~]

17 (i)~~[~~(ii)~~]~~ A house trailer-type vehicle that
18 is less than eight feet six inches in width or less than 45 ~~[40]~~
19 feet in length is classified as a travel trailer and shall be
20 registered and titled.

21 (ii)~~[~~(iii)~~]~~ A camper trailer shall be titled
22 as a house trailer and shall be registered with travel trailer
23 license plates.

Texas Department of Motor Vehicles
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1 (iii)~~(iv)~~ A recreational park model type
2 trailer that is primarily designed as temporary living quarters
3 for recreational, camping or seasonal use, is built on a single
4 chassis, and is 400 square feet or less when measured at the
5 largest horizontal projection when in the set up mode shall be
6 titled as a house trailer and may be issued travel trailer
7 license plates.

8 (5) Assembled vehicles.

9 (A) An assembled vehicle is a vehicle assembled
10 from the three basic component parts (motor, frame, and body),
11 except that a motorcycle must have a frame and motor, and a
12 trailer or travel trailer will have no motor, and that is:

13 (i) assembled from new or used materials and
14 parts by someone not regulated as a motor vehicle manufacturer;

15 (ii) altered or modified to the extent that
16 it no longer reflects the original manufacturer's configuration;
17 or

18 (iii) assembled from a kit even if a
19 Manufacturer's Certificate of Origin or Manufacturer's Statement
20 of Origin is provided.

21 (B) A newly assembled vehicle, for which a title
22 has never been issued in this jurisdiction or any other, may be
23 titled if:

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1 (i) it is assembled and completed with a
2 body, motor, and frame, except that a motorcycle must have a
3 frame and motor, and a trailer or travel trailer will have no
4 motor;

5 (ii) it is not created from different
6 vehicle classes, (as established by the Federal Highway
7 Administration, except as provided by subparagraph (C) of this
8 paragraph), that were never engineered or manufactured to be
9 combined with one another;

10 (iii) it has all safety components required
11 by federal law during the year of assembly, unless the vehicle
12 qualifies and is registered as a custom vehicle or street rod in
13 accordance with Transportation Code, §504.501;

14 (iv) it is not a vehicle described by
15 paragraph (6) of this section;

16 (v) for a vehicle assembled with a body,
17 motor, and frame, the applicant provides proof, on a form
18 prescribed by the department, of a safety inspection performed
19 by an Automotive Service Excellence (ASE) technician with valid
20 certification as a Certified Master Automobile and Light Truck
21 Technician, certifying that the vehicle:

22 (I) is structurally stable;

23 (II) meets the necessary conditions to

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1 be operated safely on the roadway; and

2 (III) is equipped and operational with
3 all equipment required by statute or rule as a condition of sale
4 during the year the vehicle was assembled unless it is being
5 inspected pursuant to Subchapter G of this chapter;

6 (vi) for a vehicle assembled with a body,
7 motor, and frame, the applicant submits a copy of the Certified
8 Master Automobile and Light Truck Technician's ASE
9 certification;

10 (vii) the applicant submits a Rebuilt
11 Vehicle Statement; and

12 (viii) the applicant submits the following
13 to establish the vehicle's vehicle identification number:

14 (I) an Application for Assigned or
15 Reassigned Number, and Notice of Assigned Number or Installation
16 of Reassigned Vehicle Identification Number, on forms prescribed
17 by the department; or

18 (II) acceptable proof, as established
19 by the department, of a vehicle identification number assigned
20 by the manufacturer of the component part by which the vehicle
21 will be identified.

22 (C) Component parts from the following vehicle
23 classes may be interchanged with one another or used in the

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1 creation of an assembled vehicle:

2 (i) 2-axle, 4-tire passenger cars;

3 (ii) 2-axle, 4 tire pickups, panels and
4 vans;

5 (iii) 6-tire dually pickups, of which the
6 rear tires are dual tires.

7 (D) The ASE inspection for a newly assembled
8 vehicle required under subparagraph (B) of this paragraph is in
9 addition to the inspection required by Transportation Code,
10 Chapter 548, except a vehicle that qualifies and is registered
11 as a custom vehicle or street rod in accordance with
12 Transportation Code, §504.501, is exempt from the inspection
13 required under Transportation Code, Chapter 548, for the
14 duration the vehicle is registered as such.

15 (E) An assembled vehicle which has previously
16 been titled and/or registered in this or any other jurisdiction
17 is subject to subparagraph (B)(i) - (iv) of this paragraph, but
18 is not subject to subparagraph (B)(v) - (viii); however, it is
19 subject to the inspection required by Transportation Code,
20 Chapter 548, except a vehicle that qualifies and is registered
21 as a custom vehicle or street rod in accordance with
22 Transportation Code, §504.501.

23 (F) An assembled vehicle will be titled using the

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1 year it was assembled as the model year and "ASSEMBLED" or
2 "ASVE" as the make of the vehicle unless the body of the vehicle
3 is established to the department's satisfaction to be an
4 original body from a particular year and make. An assembled
5 vehicle utilizing an original body may be titled by the year and
6 the make of the original body but must reflect a "RECONSTRUCTED"
7 remark. An assembled vehicle not utilizing an original body may
8 obtain a title with a "REPLICA" remark featuring the year and
9 make of the replica if the vehicle resembles a prior model year
10 vehicle. This subparagraph applies regardless of how the
11 vehicle's model year or make was previously identified in this
12 or any other jurisdiction.

13 (6) Not Eligible for Title. The following are not
14 eligible for a Texas title regardless of the vehicle's previous
15 title and/or registration in this or any other jurisdiction:

16 (A) vehicles that are missing or are stripped of
17 their motor, frame, or body, to the extent that it materially
18 alters the manufacturer's original design or makes the vehicle
19 unsafe for on-road operation as determined by the department;

20 (B) vehicles designed or determined by the
21 department to be a dune buggy;

22 (C) vehicles designed or determined by the
23 department to be for on-track racing, unless such vehicles meet

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1 Federal Motor Vehicle Safety Standards (FMVSS) for on-road use
2 and are reported to the National Highway Traffic Safety
3 Administration;

4 (D) vehicles designed or determined by the
5 department to be for off-road use only, unless specifically
6 defined as a "motor vehicle" in Transportation Code, Chapter
7 501; or

8 (E) vehicles assembled, built, constructed,
9 rebuilt, or reconstructed in any manner with:

10 (i) a body or frame from a vehicle which is
11 a "nonrepairable motor vehicle" as that term is defined in
12 Transportation Code, §501.091(9); or

13 (ii) a motor or engine from a vehicle which
14 is flood damaged, water damaged, or any other term which may
15 reasonably establish the vehicle from which the motor or engine
16 was obtained is a loss due to a water related event.

17

18 §217.4. Initial Application for Title.

19 (a) Time for application. A person must apply for the title
20 not later than the 30th day after the date of assignment,
21 except:

22 (1) in a seller-financed sale, the title must be
23 applied for not later than the 45th day after the date the motor

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1 vehicle is delivered to the purchaser;

2 (2) a member of the armed forces or a member of a
3 reserve component of the United States, a member of the Texas
4 National Guard or of the National Guard of another state serving
5 on active duty, must apply not later than the 60th day after the
6 date of assignment of ownership; or

7 (3) as otherwise provided by Transportation Code,
8 Chapter 501.

9 (b) Place of application. Except as otherwise provided by
10 Transportation Code, Chapters 501 and 502, and by §217.84(a) of
11 this title (relating to Application for Nonrepairable or Salvage
12 Vehicle Title), when [When] motor vehicle ownership is
13 transferred, a title application must be filed with:

14 (1) the county tax assessor-collector in the county in
15 which the applicant resides or in the county in which the motor
16 vehicle was purchased or encumbered, as selected by the
17 applicant; or[, except:]

18 (2) the county tax assessor-collector of a county who
19 is willing to accept the application if the county tax assessor-
20 collector's office of the county in which the owner resides is
21 closed for more than one week or if the department is notified
22 that the county tax assessor-collector's office may be closed
23 for more than one week.

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~~[(1) as provided by Transportation Code, Chapters 501 and 502 and by §217.84(a) of this title (relating to Application for Non-repairable or Salvage Vehicle Title);]~~

~~[(2) if a county has been declared a disaster area, the resident may apply at the closest unaffected county if the affected county tax assessor-collector estimates the county offices will be inoperable for a protracted period; or]~~

~~[(3) if the county tax assessor-collector office in the county in which the owner resides is closed for more than one week, the resident may apply to the county tax assessor-collector in a county that borders the closed county if the adjacent county agrees to accept the application.]~~

(c) Information to be included on application. An applicant for an initial title must file an application on a form prescribed by the department. The form will at a minimum require the:

(1) motor vehicle description including, but not limited to, the motor vehicle:

(A) year;

(B) make;

(C) identification number;

(D) body style; and

(E) empty weight;

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(2) license plate number, if the motor vehicle is subject to registration under Transportation Code, Chapter 502;

(3) odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements;

(4) previous owner's legal name and complete mailing address, if available;

(5) legal name as stated on the identification presented and complete address of the applicant;

(6) name and mailing address of any lienholder and the date of lien, if applicable;

(7) signature of the seller of the motor vehicle or the seller's authorized agent and the date the title application was signed; and

(8) signature of the applicant or the applicant's authorized agent and the date the title application was signed.

(d) Accompanying documentation. The title application must be supported by, at a minimum, the following documents:

(1) evidence of vehicle ownership, as described in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership);

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the

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1 purchaser, if applicable;

2 (3) proof of financial responsibility in the
3 applicant's name, as required by Transportation Code, §502.046,
4 unless otherwise exempted by law;

5 (4) an identification certificate if required by
6 Transportation Code, Chapter 548, and Transportation Code,
7 §501.030, and if the vehicle is being titled and registered, or
8 registered only;

9 (5) a release of any liens, provided that if any liens
10 are not released, they will be carried forward on the new title
11 application with the following limitations:

12 (A) A lien recorded on out-of-state evidence as
13 described in §217.5 cannot be carried forward to a Texas title
14 when there is a transfer of ownership, unless a release of lien
15 or authorization from the lienholder is attached; and

16 (B) A lien recorded on out-of-state evidence as
17 described in §217.5 is not required to be released when there is
18 no transfer of ownership from an out-of-state title and the same
19 lienholder is being recorded on the Texas application as is
20 recorded on the out-of-state title; and

21 (6) any documents required by §217.9 of this title
22 (relating to Bonded Titles).

23

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SUBCHAPTER D. NONREPAIRABLE [~~NON-REPAIRABLE~~] AND

SALVAGE MOTOR VEHICLES

§217.82. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Casual sale--The sale by a salvage vehicle dealer, insurance company, or salvage pool operator of not more than five nonrepairable [~~non-repairable~~] or salvage motor vehicles to the same person during a calendar year. The term does not include a sale to a salvage vehicle dealer or the sale of an export-only motor vehicle to a person who is not a resident of the United States.

(2) Certificate of title--A written instrument that may be issued solely by and under the authority of the department and that reflects the transferor, transferee, vehicle description, license plate and lien information, and rights of survivorship agreement as specified in Subchapter A of this chapter or as required by the department.

(3) Application for Title--A form prescribed by the director of the department's Vehicle Titles and Registration Division that reflects the information required by the department to create a motor vehicle title record.

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(4) Damage--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 gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

(5) Date of sale--The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

(6) Department--The Texas Department of Motor Vehicles.

(7) Export-only sale--The sale of a nonrepairable [~~non-repairable~~] or salvage motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

(8) Flood damage--A title remark that is initially indicated on a nonrepairable [~~non-repairable~~] or salvage vehicle title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title issuance.

(9) Insurance company--A person authorized to write automobile insurance in this state or an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

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1 (10) Manufacturer's certificate of origin--A form
2 prescribed by the department showing the original transfer of a
3 new motor vehicle from the manufacturer to the original
4 purchaser, whether importer, distributor, dealer, or owner, and
5 when presented with an application for title, showing, on
6 appropriate forms prescribed by the department, each subsequent
7 transfer between distributor and dealer, dealer and dealer, and
8 dealer and owner.

9 (11) Metal recycler--A person who:

10 (A) is predominately engaged in the business of
11 obtaining ferrous or nonferrous metal that has served its
12 original economic purpose to convert the metal, or sell the
13 metal for conversion, into raw material products consisting of
14 prepared grades and having an existing or potential economic
15 value;

16 (B) has a facility to convert ferrous or
17 nonferrous metal into raw material products consisting of
18 prepared grades and having an existing or potential economic
19 value, by a method other than the exclusive use of hand tools,
20 including the processing, sorting, cutting, classifying,
21 cleaning, baling, wrapping, shredding, shearing, or changing the
22 physical form or chemical content of the metal; and

23 (C) sells or purchases the ferrous or nonferrous

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1 metal solely for use as raw material in the production of new
2 products.

3 (12) Motor vehicle--A vehicle described by
4 Transportation Code, §501.002(17).

5 (13) Nonrepairable ~~[Non-repairable]~~ motor vehicle--A
6 motor vehicle as defined by Transportation Code, §501.091(9).~~[7~~
7 ~~regardless of the year model, that is wrecked, damaged, or~~
8 ~~burned to the extent that the only residual value of the motor~~
9 ~~vehicle is as a source of parts or scrap metal, or that comes~~
10 ~~into this state under a title or other ownership document that~~
11 ~~indicates that the motor vehicle is non-repairable, junked, or~~
12 ~~for parts or dismantling only.]~~

13 (14) Nonrepairable ~~[Non-repairable]~~ vehicle title--A
14 document that evidences ownership of a nonrepairable ~~[non-~~
15 ~~repairable]~~ motor vehicle.

16 (15) Out-of-state buyer--A person licensed in an
17 automotive business by another state or jurisdiction if the
18 department has listed the holders of such a license as permitted
19 purchasers of salvage motor vehicles or nonrepairable ~~[non-~~
20 ~~repairable]~~ motor vehicles based on substantially similar
21 licensing requirements and on whether salvage vehicle dealers
22 licensed in Texas are permitted to purchase salvage motor
23 vehicles or nonrepairable ~~[non-repairable]~~ motor vehicles in the

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1 other state or jurisdiction.

2 (16) Out-of-state ownership document--A negotiable
3 document issued by another jurisdiction that the department
4 considers sufficient to prove ownership of a nonrepairable [~~non-~~
5 ~~repairable~~] or salvage motor vehicle and to support issuance of a
6 comparable Texas certificate of title for the motor vehicle. The
7 term does not include a title issued by the department,
8 including a:

9 (A) regular certificate of title;

10 (B) nonrepairable [~~non-repairable~~] vehicle title;

11 (C) salvage vehicle title;

12 (D) salvage certificate;

13 (E) Certificate of Authority to Demolish a Motor
14 Vehicle; or

15 (F) any other ownership document issued by the
16 department.

17 (17) Person--An individual, partnership, corporation,
18 trust, association, or other private legal entity.

19 (18) Rebuilt salvage certificate of title--A regular
20 certificate of title evidencing ownership of a nonrepairable
21 [~~non-repairable~~] motor vehicle that was issued a nonrepairable
22 [~~non-repairable~~] vehicle title prior to September 1, 2003, or
23 salvage motor vehicle that has been rebuilt.

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1 (19) Salvage motor vehicle--A motor vehicle,
2 regardless of the year model:

3 (A) that is:

4 (i) damaged or is missing a major component
5 part to the extent that the cost of repairs exceeds the actual
6 cash value of the motor vehicle immediately before the damage;
7 or

8 (ii) damaged and comes into this state under
9 an out-of-state ownership document that states on its face
10 "accident damage," "flood damage," "inoperable," "rebuildable,"
11 "salvageable," or similar notation, and is not an out-of-state
12 ownership document with a "rebuilt," "prior salvage," or similar
13 notation, or a nonrepairable [~~non-repairable~~] motor vehicle; and

14 (B) does not include:

15 (i) a motor vehicle for which an insurance
16 company has paid a claim for repairing hail damage, or theft,
17 unless the motor vehicle was damaged during the theft and before
18 recovery to the extent that the cost of repair exceeds the
19 actual cash value of the motor vehicle immediately before the
20 damage;

21 (ii) the cost of materials or labor for
22 repainting the motor vehicle; or

23 (iii) sales tax on the total cost of

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1 repairs.

2 (20) Salvage vehicle dealer--A person engaged in this
3 state in the business of acquiring, selling, dismantling,
4 repairing, rebuilding, reconstructing, or otherwise dealing in
5 nonrepairable [~~non-repairable~~] motor vehicles or salvage motor
6 vehicles or used parts, including a person who is in the
7 business of a salvage vehicle dealer, regardless of whether the
8 person holds a license issued by the department to engage in the
9 business. The term does not include a person who casually
10 repairs, rebuilds, or reconstructs fewer than three salvage
11 motor vehicles in the same calendar year.

12 (21) Salvage vehicle title--A document issued by the
13 department that evidences ownership of a salvage motor vehicle.

14

15 §217.84. Application for Nonrepairable [~~Non-repairable~~] or
16 Salvage Vehicle Title.

17 (a) Place of application. The owner of a nonrepairable
18 [~~non-repairable~~] or salvage motor vehicle who is required to
19 obtain or voluntarily chooses to obtain a nonrepairable [~~non-~~
20 ~~repairable~~] or salvage vehicle title, as provided by §217.83 of
21 this title (relating to Requirement for Non-repairable or
22 Salvage Vehicle Title), shall apply for a nonrepairable [~~non-~~
23 ~~repairable~~] or salvage vehicle title by submitting an

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1 application, the required accompanying documentation, and the
2 statutory fee to the department.

3 (b) Information on application. An applicant for a
4 nonrepairable [~~non-repairable~~] or salvage vehicle title shall
5 submit an application on a form prescribed by the department. A
6 completed form, in addition to any other information required by
7 the department, must include:

8 (1) the name and current address of the owner;

9 (2) a description of the motor vehicle, including the
10 model year, make, body style, and vehicle identification number;
11 [~~motor vehicle's model year, make, model, identification number,~~
12 ~~body style, manufacturer's rated carrying capacity in tons for~~
13 ~~commercial vehicles, and empty weight;~~]

14 (3) a statement describing whether the motor vehicle
15 is a nonrepairable [~~non-repairable~~] or salvage motor vehicle;
16 and

17 (A) was the subject of a total loss claim paid by
18 an insurance company under Transportation Code, §501.1001 or
19 §501.1002;

20 (B) is a self-insured motor vehicle under
21 Transportation Code, §501.091;

22 (C) is an export-only motor vehicle under
23 Transportation Code, §501.099;

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(D) was sold, transferred, or released to the owner or former owner of the motor vehicle; or

(E) was sold, transferred, or released to a buyer at casual sale by a salvage vehicle dealer, insurance company, or salvage pool operator;

(4) whether the damage was caused exclusively by flood;

(5) a description of the damage to the motor vehicle;

(6) the odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements, if the motor vehicle is a salvage motor vehicle;

~~[(7) the name, address, and city and state of residence of the previous owner;]~~

(7)~~[(8)]~~ the name and mailing address of any lienholder and the date of lien, as provided by subsection (e) of this section; and

(8)~~[(9)]~~ the signature of the applicant or the applicant's authorized agent and the date the certificate of title application was signed.

(c) Accompanying documentation. A nonrepairable ~~[non-repairable]~~ or salvage vehicle title application must be supported, at a minimum, by:

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(1) evidence of ownership, as described by subsection (d)(1) or (3) of this section, if the applicant is an insurance company that is unable to locate one or more of the owners;

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if the motor vehicle is less than 10 model years old and the motor vehicle is a salvage motor vehicle; and

(3) a release of any liens.

(d) Evidence of nonrepairable [~~non-repairable~~] or salvage motor vehicle ownership.

(1) Evidence of nonrepairable [~~non-repairable~~] or salvage motor vehicle ownership properly assigned to the applicant must accompany the application for a nonrepairable [~~non-repairable~~] or salvage vehicle title, except as provided by paragraph (2) of this subsection. Evidence must include documentation sufficient to show ownership to the nonrepairable [~~non-repairable~~] or salvage motor vehicle, such as:

(A) a Texas Certificate of Title;

(B) a certified copy of a Texas Certificate of Title;

(C) a manufacturer's certificate of origin;

(D) a Texas Salvage Certificate;

(E) a nonrepairable [~~non-repairable~~] vehicle

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1 title;

2 (F) a salvage vehicle title;

3 (G) a comparable ownership document issued by
4 another jurisdiction, except that if the applicant is an
5 insurance company, evidence must be provided indicating that the
6 insurance company is:

7 (i) licensed to do business in Texas; or

8 (ii) not licensed to do business in Texas,
9 but has paid a loss claim for the motor vehicle in this state;
10 or

11 (H) a photocopy of the inventory receipt or a
12 title and registration verification evidencing surrender to the
13 department of the negotiable evidence of ownership for a motor
14 vehicle as provided by §217.86 of this title (relating to
15 Dismantling, Scrapping, or Destruction of Motor Vehicles), and
16 if the evidence of ownership surrendered was from another
17 jurisdiction, a photocopy of the front and back of the
18 surrendered evidence of ownership.

19 (2) An insurance company that acquires ownership or
20 possession of a nonrepairable [~~non-repairable~~] or salvage motor
21 vehicle through payment of a claim may apply for a nonrepairable
22 [~~non-repairable~~] or salvage vehicle title to be issued in the
23 insurance company's name without obtaining an ownership document

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1 or if it received an ownership document without the proper
2 assignment of the owner if the company is unable to obtain a
3 title from the owner, in accordance with paragraph (1) of this
4 subsection, and the application is not made earlier than the
5 30th day after the date of payment of the claim. The application
6 must also include:

7 (A) a statement that the insurance company has
8 provided at least two written notices to the owner and any
9 lienholder attempting to obtain the title or proper assignment
10 of title for the motor vehicle;

11 (B) a copy of a document:

12 (i) indicating that payment has been made,
13 including an electronic check, canceled check, or screen print
14 from the insurance company's database that identifies the type
15 of payment method; and

16 (ii) reflecting the vehicle identification
17 number, vehicle owner names, name of the person to whom payment
18 was made if different from vehicle owners, payment amount, and
19 date payment was issued; and

20 (C) any unassigned or improperly assigned title
21 in the insurance company's possession.

22 (3) An insurance company that acquires, through
23 payment of a claim, ownership or possession of a salvage motor

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1 vehicle or nonrepairable [~~non-repairable~~] motor vehicle covered
2 by an out-of-state ownership document may obtain a salvage
3 vehicle title or nonrepairable [~~non-repairable~~] vehicle title in
4 accordance with paragraph (1) or (2) of this subsection if:

5 (A) the motor vehicle was damaged, stolen, or
6 recovered in this state; or

7 (B) the motor vehicle owner from whom the company
8 acquired ownership resides in this state.

9 (4) A salvage pool operator may apply for title in the
10 name of the salvage pool operator by providing to the
11 department:

12 (A) documentation from the insurance company
13 that:

14 (i) the salvage pool operator, on request of
15 an insurance company, was asked to take possession of the motor
16 vehicle subject to an insurance claim and the insurance company
17 subsequently denied coverage or did not take ownership of the
18 vehicle; and

19 (ii) the name and address of the owner of
20 the motor vehicle and the lienholder, if any; and

21 (B) proof that the salvage pool operator, before
22 the 31st day after receiving the information from the insurance
23 company, sent a notice to the owner and any lienholder informing

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1 them that:

2 (i) the motor vehicle must be removed from
3 the location specified in the notice not later than the 30th day
4 after the date the notice is mailed; and

5 (ii) if the motor vehicle is not removed
6 within the time specified in the notice, the salvage pool
7 operator will sell the motor vehicle and retain from the
8 proceeds any costs actually incurred by the operator in
9 obtaining, handling, and disposing of the motor vehicle, except
10 for charges:

11 (I) that have been or are subject to
12 being reimbursed by a third party; and

13 (II) for storage or impoundment of the
14 motor vehicle.

15 (5) Proof of notice under this subsection consists of:

16 (A) the validated receipts for registered or
17 certified mail and return receipt or an electronic certified
18 mail receipt, including signature receipt; and

19 (B) any unopened certified letters returned by
20 the post office as unclaimed, undeliverable, or with no
21 forwarding address.

22 (e) Recordation of lien on nonrepairable [~~non-repairable~~]
23 and salvage vehicle titles. If the motor vehicle is a salvage

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1 motor vehicle, a new lien or a currently recorded lien may be
2 recorded on the salvage vehicle title. If the motor vehicle is a
3 nonrepairable [~~non-repairable~~] motor vehicle, only a currently
4 recorded lien may be recorded on the nonrepairable [~~non-~~
5 ~~repairable~~] vehicle title.

6 (f) Issuance. Upon receipt of a completed nonrepairable
7 [~~non-repairable~~] or salvage vehicle title application,
8 accompanied by the statutory application fee and the required
9 documentation, the department will, before the sixth business
10 day after the date of receipt, issue a nonrepairable [~~non-~~
11 ~~repairable~~] or salvage vehicle title, as appropriate.

12 (1) If the condition of salvage is caused exclusively
13 by flood, a "Flood Damage" notation will be reflected on the
14 face of the document and will be carried forward upon subsequent
15 title issuance.

16 (2) If a lien is recorded on a nonrepairable [~~non-~~
17 ~~repairable~~] or salvage vehicle title, the vehicle title will be
18 mailed to the lienholder. For proof of ownership purposes, the
19 owner will be mailed a receipt or printout of the newly
20 established motor vehicle record, indicating a lien has been
21 recorded.

22 (3) A nonrepairable [~~non-repairable~~] vehicle title
23 will state on its face that the motor vehicle may:

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- 1 (A) not be repaired, rebuilt, or reconstructed;
- 2 (B) not be issued a regular certificate of title
- 3 or registered in this state;
- 4 (C) not be operated on a public highway; and
- 5 (D) may only be used as a source for used parts
- 6 or scrap metal.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 9 (Package delivery license plate)
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.45 and §217.182

RECOMMENDATION

Approve adoption of amendments for publication in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of these amendments is to implement House Bill 561, 85th Legislature, Regular Session, 2017, which added Transportation Code, §551.452, License Plates for Package Delivery Vehicles, to require the department to issue a license plate for a vehicle operated by a motor carrier for the purpose of picking up and delivering mail, parcels, and packages.

FINANCIAL IMPACT

There will be minimal fiscal implications related to the amendments. The fee for a package delivery license plate will be \$25 plus a \$4.75 processing and handling fee. The department determined that the fee for a package delivery plate should be \$25, based on the expected demand and cost of producing the plate. There will be minimal adverse economic effects on small businesses or micro-businesses to the extent they purchase any package delivery license plates.

BACKGROUND AND DISCUSSION

The amendments add:

- **§217.45(c)(3)(B)** - "package delivery vehicle" to the list of vehicles that are issued one plate.
- **§217.45(k)** - new subsection, package delivery, to establish the procedure and requirements to issue a "Package Delivery" license plate. The amendments include a department fee of \$25 for each plate issued.
- **§217.182(6)** - new paragraph (6) to include issuance of a "package delivery vehicle" plate to the list of transactions defined as a registration transaction for purposes of the processing and handling fee.

The proposal was published in the *Texas Register* on September 8, 2017. The comment period closed on October 9, 2017. No comments were received.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the *Texas Register*; and
- an effective date of November 19, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.45 AND 217.182 RELATING TO
VEHICLE TITLES AND REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices; and Subchapter I, Fees, §217.182, Registration Transaction.

The preamble and the amendments are attached to this resolution as Exhibits A-B and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices; and Subchapter I, Fees, §217.182, Registration Transaction, without changes in the proposed text as published in the September 8, 2017, issue of the *Texas Register* (42 TexReg 4603). The rules will not be republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §217.45 and §217.182 implement House Bill 561, 85th Legislature, Regular Session, 2017, which added Transportation Code, §551.452, License Plates for Package Delivery Vehicles, authorizing the department to issue a license plate for a vehicle operated by a motor carrier for the purpose of picking up and delivering mail, parcels, and packages.

The amendments add "Package Delivery" to §217.45(c)(3)(B) to the list of vehicles that are issued one plate.

The amendments add §217.45(k), package delivery vehicle, to establish the procedure and requirements to issue a "Package

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Delivery" license plate. The amendments include a department fee of \$25 for each plate issued.

The amendments add §217.182(6) to include issuance of a package delivery plate to the list of transactions defined as a registration transaction for purposes of the processing and handling fee.

COMMENTS

No comments on the proposed amendments were received.

STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §504.0011, which authorizes the board to adopt rules to implement and administer Transportation Code, Chapter 504; and Transportation Code, §551.452(b), which requires the department by rule to establish a procedure to issue license plates to be used only for operation in accordance with Transportation Code, Chapter 551, Subchapter G, Package

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1 Delivery Vehicles. The amendment to §217.182 is authorized by
2 Transportation Code, §502.1911, which directs the department to
3 collect a fee to cover the expenses of collecting registration
4 fees for issuance of a license plate.

5

6 CROSS REFERENCE TO STATUTE

7 Transportation Code, Chapters 502, 551, and 663, and §643.001.

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1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.45. Specialty License Plates, Symbols, Tabs, and Other
3 Devices.

4 (a) Purpose and Scope. Transportation Code, Chapters 504
5 and 551 charge the department with providing specialty license
6 plates, symbols, tabs, and other devices. For the department to
7 perform these duties efficiently and effectively, this section
8 prescribes the policies and procedures for the application,
9 issuance, and renewal of specialty license plates, symbols,
10 tabs, and other devices, through the county tax assessor-
11 collectors, and establishes application fees, expiration dates,
12 and registration periods for certain specialty license plates.
13 This section does not apply to military license plates except as
14 provided by §217.43 of this title (relating to Military
15 Specialty License Plates).

16 (b) Initial application for specialty license plates,
17 symbols, tabs, or other devices.

18 (1) Application Process.

19 (A) Procedure. An owner of a vehicle registered as
20 specified in this subchapter who wishes to apply for a specialty
21 license plate, symbol, tab, or other device must do so on a form
22 prescribed by the director.

23 (B) Form requirements. The application form shall at a

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1 minimum require the name and complete address of the applicant.

2 (2) Fees and Documentation.

3 (A) The application must be accompanied by the
4 prescribed registration fee, unless exempted by statute.

5 (B) The application must be accompanied by the
6 statutorily prescribed specialty license plate fee. If a
7 registration period is greater than 12 months, the expiration
8 date of a specialty license plate, symbol, tab, or other device
9 will be aligned with the registration period and the specialty
10 plate fee will be adjusted to yield the appropriate fee. If the
11 statutory annual fee for a specialty license plate is \$5 or
12 less, it will not be prorated.

13 (C) Specialty license plate fees will not be refunded
14 after an application is submitted and the department has
15 approved issuance of the license plate.

16 (D) The application must be accompanied by prescribed
17 local fees or other fees that are collected in conjunction with
18 registering a vehicle, with the exception of vehicles bearing
19 license plates that are exempt by statute from these fees.

20 (E) The application must include evidence of
21 eligibility for any specialty license plates. The evidence of
22 eligibility may include, but is not limited to:

23 (i) an official document issued by a governmental

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1 entity; or

2 (ii) a letter issued by a governmental entity on that
3 agency's letterhead.

4 (F) Initial applications for license plates for display
5 on Exhibition Vehicles must include a photograph of the
6 completed vehicle.

7 (3) Place of application. Applications for specialty
8 license plates may be made directly to the county tax assessor-
9 collector, except that applications for the following license
10 plates must be made directly to the department:

11 (A) County Judge;

12 (B) Federal Administrative Law Judge;

13 (C) State Judge;

14 (D) State Official;

15 (E) U.S. Congress--House;

16 (F) U.S. Congress--Senate; and

17 (G) U.S. Judge.

18 (4) Gift plates.

19 (A) A person may purchase general distribution
20 specialty license plates as a gift for another person if the
21 purchaser submits an application for the specialty license
22 plates that provides:

23 (i) the name and address of the person who will

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1 receive the plates; and

2 (ii) the vehicle identification number of the vehicle
3 on which the plates will be displayed.

4 (B) To be valid for use on a motor vehicle, the
5 recipient of the plates must file an application with the county
6 tax assessor-collector and pay the statutorily required
7 registration fees in the amount as provided by Transportation
8 Code, Chapter 502 and this subchapter.

9 (c) Initial issuance of specialty license plates, symbols,
10 tabs, or other devices.

11 (1) Issuance. On receipt of a completed initial
12 application for registration, accompanied by the prescribed
13 documentation and fees, the department will issue specialty
14 license plates, symbols, tabs, or other devices to be displayed
15 on the vehicle for which the license plates, symbols, tabs, or
16 other devices were issued for the current registration period.
17 If the vehicle for which the specialty license plates, symbols,
18 tabs, or other devices are issued is currently registered, the
19 owner must surrender the license plates currently displayed on
20 the vehicle, along with the corresponding license receipt,
21 before the specialty license plates may be issued.

22 (2) Classic Motor Vehicles, Classic Travel Trailers,
23 Custom Vehicles, Street Rods, and Exhibition Vehicles.

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1 (A) License plates. Texas license plates that were
2 issued the same year as the model year of a Classic Motor
3 Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may
4 be displayed on that vehicle under Transportation Code, §504.501
5 and §504.502, unless:

6 (i) the license plate's original use was restricted
7 by statute to another vehicle type;

8 (ii) the license plate is a qualifying plate type
9 that originally required the owner to meet one or more
10 eligibility requirements; or

11 (iii) the alpha numeric pattern is already in use on
12 another vehicle.

13 (B) Validation stickers and tabs. The department will
14 issue validation stickers and tabs for display on license plates
15 that are displayed as provided by subparagraph (A) of this
16 paragraph.

17 (3) Number of plates issued.

18 (A) Two plates. Unless otherwise listed in subparagraph
19 (B) of this paragraph, two specialty license plates, each
20 bearing the same license plate number, will be issued per
21 vehicle.

22 (B) One plate. One license plate will be issued per
23 vehicle for all motorcycles and for the following specialty

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1 license plates:

2 (i) Antique Vehicle (includes Antique Auto, Antique
3 Truck, Antique Motorcycle, and Antique Bus);

4 (ii) Classic Travel Trailer;

5 (iii) Rental Trailer;

6 (iv) Travel Trailer;

7 (v) Cotton Vehicle;

8 (vi) Disaster Relief;

9 (vii) Forestry Vehicle;

10 (viii) Golf Cart;

11 (ix) Log Loader; ~~and~~

12 (x) Military Vehicle; and~~[-]~~

13 (xi) Package Delivery Vehicle.

14 (C) Registration number. The identification number
15 assigned by the military may be approved as the registration
16 number instead of displaying Military Vehicle license plates on
17 a former military vehicle.

18 (4) Assignment of plates.

19 (A) Title holder. Unless otherwise exempted by law or
20 this section, the vehicle on which specialty license plates,
21 symbols, tabs, or other devices is to be displayed shall be
22 titled in the name of the person to whom the specialty license
23 plates, symbols, tabs, or other devices is assigned, or a title

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1 application shall be filed in that person's name at the time the
2 specialty license plates, symbols, tabs, or other devices are
3 issued.

4 (B) Non-owner vehicle. If the vehicle is titled in a
5 name other than that of the applicant, the applicant must
6 provide evidence of having the legal right of possession and
7 control of the vehicle.

8 (C) Leased vehicle. In the case of a leased vehicle,
9 the applicant must provide a copy of the lease agreement
10 verifying that the applicant currently leases the vehicle.

11 (5) Classification of neighborhood electric vehicles. The
12 registration classification of a neighborhood electric vehicle,
13 as defined by §217.3(3) of this title (relating to Motor Vehicle
14 Titles) will be determined by whether it is designed as a 4-
15 wheeled truck or a 4-wheeled passenger vehicle.

16 (6) Number of vehicles. An owner may obtain specialty
17 license plates, symbols, tabs, or other devices for an unlimited
18 number of vehicles, unless the statute limits the number of
19 vehicles for which the specialty license plate may be issued.

20 (7) Personalized plate numbers.

21 (A) Issuance. The department will issue a personalized
22 license plate number subject to the exceptions set forth in this
23 paragraph.

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1 (B) Character limit. A personalized license plate
2 number may contain no more than six alpha or numeric characters
3 or a combination of characters. Depending upon the specialty
4 license plate design and vehicle class, the number of characters
5 may vary. Spaces, hyphens, periods, hearts, stars, the
6 International Symbol of Access, or silhouettes of the state of
7 Texas may be used in conjunction with the license plate number.

8 (C) Personalized plates not approved. A personalized
9 license plate number will not be approved by the executive
10 director if the alpha-numeric pattern:

11 (i) conflicts with the department's current or
12 proposed regular license plate numbering system;

13 (ii) would violate §217.27 of this title (relating to
14 Vehicle Registration Insignia), as determined by the executive
15 director; or

16 (iii) is currently issued to another owner.

17 (D) Classifications of vehicles eligible for
18 personalized plates. Unless otherwise listed in subparagraph (E)
19 of this paragraph, personalized plates are available for all
20 classifications of vehicles.

21 (E) Categories of plates for which personalized plates
22 are not available. Personalized license plate numbers are not
23 available for display on the following specialty license plates:

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- (i) Amateur Radio (other than the official call letters of the vehicle owner);
- (ii) Antique Motorcycle;
- (iii) Antique Vehicle (includes Antique Auto, Antique Truck, and Antique Bus);
- (iv) Apportioned;
- (v) Cotton Vehicle;
- (vi) Disaster Relief;
- (vii) Farm Trailer (except Go Texan II);
- (viii) Farm Truck (except Go Texan II);
- (ix) Farm Truck Tractor (except Go Texan II);
- (x) Fertilizer;
- (xi) Forestry Vehicle;
- (xii) Log Loader;
- (xiii) Machinery;
- (xiv) Permit;
- (xv) Rental Trailer;
- (xvi) Soil Conservation; and
- (xvii) Texas Guard.

(F) Fee. Unless specified by statute, a personalized license plate fee of \$40 will be charged in addition to any prescribed specialty license plate fee.

(G) Priority. Once a personalized license plate number

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1 has been assigned to an applicant, the owner shall have priority
2 to that number for succeeding years if a timely renewal
3 application is submitted to the county tax assessor-collector
4 each year in accordance with subsection (d) of this section.

5 (d) Specialty license plate renewal.

6 (1) Renewal deadline. If a personalized license plate is
7 not renewed within 60 days after its expiration date, a
8 subsequent renewal application will be treated as an application
9 for new personalized license plates.

10 (2) Length of validation. With the following exceptions,
11 all specialty license plates, symbols, tabs, or other devices
12 shall be valid for 12 months from the month of issuance or for a
13 prorated period of at least 12 months coinciding with the
14 expiration of registration.

15 (A) Five-year period. Antique Vehicle (includes Antique
16 Auto, Antique Truck, and Antique Bus) and Antique Motorcycle
17 license plates, Antique tabs, and registration numbers are
18 issued for a five-year period.

19 (B) Seven-year period. Foreign Organization license
20 plates and registration numbers are issued for a seven-year
21 period.

22 (C) March expiration dates. The registration for Cotton
23 Vehicle and Disaster Relief license plates expires each March

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1 31.

2 (D) June expiration dates. The registration for the
3 Honorary Consul license plate expires each June 30.

4 (E) September expiration dates. The registration for
5 the Log Loader license plate expires each September 30.

6 (F) December expiration dates. The registration for the
7 following license plates expires each December 31:

8 (i) County Judge;

9 (ii) Federal Administrative Law Judge;

10 (iii) State Judge;

11 (iv) State Official;

12 (v) U.S. Congress--House;

13 (vi) U.S. Congress--Senate; and

14 (vii) U.S. Judge.

15 (G) Except as otherwise provided in this paragraph, if
16 a vehicle's registration period is other than 12 months, the
17 expiration date of the specialty license plate, symbol, tab, or
18 other device will be set to align it with the expiration of
19 registration.

20 (3) Renewal.

21 (A) Renewal notice. Approximately 60 days before the
22 expiration date of a specialty license plate, symbol, tab, or
23 other device, the department will send each owner a renewal

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1 notice that includes the amount of the specialty plate fee and
2 the registration fee.

3 (B) Return of notice. The owner must return the fee and
4 any prescribed documentation to the tax assessor-collector of
5 the county in which the owner resides, except that the owner of
6 a vehicle with one of the following license plates must return
7 the documentation and specialty license plate fee, if
8 applicable, directly to the department and submit the
9 registration fee to the county tax assessor-collector:

- 10 (i) County Judge;
11 (ii) Federal Administrative Law Judge;
12 (iii) State Judge;
13 (iv) State Official;
14 (v) U.S. Congress--House;
15 (vi) U.S. Congress--Senate; and
16 (vii) U.S. Judge.

17 (C) Expired plate numbers. The department will retain a
18 specialty license plate number for 60 days after the expiration
19 date of the plates if the plates are not renewed on or before
20 their expiration date. After 60 days the number may be reissued
21 to a new applicant. All specialty license plate renewals
22 received after the expiration of the 60 days will be treated as
23 new applications.

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1 (D) Issuance of validation insignia. On receipt of a
2 completed license plate renewal application and prescribed
3 documentation, the department will issue registration validation
4 insignia as specified in §217.27 unless this section or other
5 law requires the issuance of new license plates to the owner.

6 (E) Lost or destroyed renewal notices. If a renewal
7 notice is lost, destroyed, or not received by the vehicle owner,
8 the specialty license plates, symbol, tab, or other device may
9 be renewed if the owner provides acceptable personal
10 identification along with the appropriate fees and
11 documentation. Failure to receive the notice does not relieve
12 the owner of the responsibility to renew the vehicle's
13 registration.

14 (e) Transfer of specialty license plates.

15 (1) Transfer between vehicles.

16 (A) Transferable between vehicles. The owner of a
17 vehicle with specialty license plates, symbols, tabs, or other
18 devices may transfer the specialty plates between vehicles by
19 filing an application through the county tax assessor-collector
20 if the vehicle to which the plates are transferred:

21 (i) is titled or leased in the owner's name; and

22 (ii) meets the vehicle classification requirements
23 for that particular specialty license plate, symbol, tab, or

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1 other device.

2 (B) Non-transferable between vehicles. The following
3 specialty license plates, symbols, tabs, or other devices are
4 non-transferable between vehicles:

5 (i) Antique Vehicle license plates (includes Antique
6 Auto, Antique Truck, and Antique Bus), Antique Motorcycle
7 license plates, and Antique tabs;

8 (ii) Classic Auto, Classic Truck, Classic Motorcycle,
9 Classic Travel Trailer, Street Rod, and Custom Vehicle license
10 plates;

11 (iii) Forestry Vehicle license plates; and

12 (iv) Log Loader license plates.

13 (C) New specialty license plates. If the department
14 creates a new specialty license plate under Transportation Code,
15 §504.801, the department will specify at the time of creation
16 whether the license plate may be transferred between vehicles.

17 (2) Transfer between owners.

18 (A) Non-transferable between owners. Specialty license
19 plates, symbols, tabs, or other devices issued under
20 Transportation Code, Chapter 504, Subchapters C, E, and F are
21 not transferable from one person to another except as
22 specifically permitted by statute.

23 (B) New specialty license plates. If the department

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creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between owners.

(3) Simultaneous transfer between owners and vehicles. Specialty license plates, symbols, tabs, or other devices are transferable between owners and vehicles simultaneously only if the owners and vehicles meet all the requirements in both paragraphs (1) and (2) of this subsection.

(f) Replacement.

(1) Application. When specialty license plates, symbols, tabs, or other devices are lost, stolen, or mutilated, the owner shall apply directly to the county tax assessor-collector for the issuance of replacements, except that Log Loader license plates must be reapplied for and accompanied by the prescribed fees and documentation.

(2) Temporary registration insignia. If the specialty license plate, symbol, tab, or other device is lost, destroyed, or mutilated to such an extent that it is unusable, and if issuance of a replacement license plate would require that it be remanufactured, the owner must pay the statutory replacement fee, and the department will issue a temporary tag for interim use. The owner's new specialty license plate number will be shown on the temporary tag unless it is a personalized license

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1 plate, in which case the same personalized license plate number
2 will be shown.

3 (3) Stolen specialty license plates.

4 (A) The department or county tax assessor-collector
5 will not approve the issuance of replacement license plates with
6 the same personalized license plate number if the department's
7 records indicate either the vehicle displaying the personalized
8 license plates or the license plates are reported as stolen to
9 law enforcement. The owner will be directed to contact the
10 department for another personalized plate choice.

11 (B) The owner may select a different personalized
12 number to be issued at no charge with the same expiration as the
13 stolen specialty plate. On recovery of the stolen vehicle or
14 license plates, the department will issue, at the owner's or
15 applicant's request, replacement license plates, bearing the
16 same personalized number as those that were stolen.

17 (g) License plates created after January 1, 1999. In
18 accordance with Transportation Code, §504.702, the department
19 will begin to issue specialty license plates authorized by a law
20 enacted after January 1, 1999, only if the sponsoring entity for
21 that license plate submits the following items before the fifth
22 anniversary of the effective date of the law.

23 (1) The sponsoring entity must submit a written

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1 application. The application must be on a form approved by the
2 director and include, at a minimum:

3 (A) the name of the license plate;

4 (B) the name and address of the sponsoring entity;

5 (C) the name and telephone number of a person
6 authorized to act for the sponsoring entity; and

7 (D) the deposit.

8 (2) A sponsoring entity is not an agent of the department
9 and does not act for the department in any matter, and the
10 department does not assume any responsibility for fees or
11 applications collected by a sponsoring entity.

12 (h) Assignment procedures for state, federal, and county
13 officials.

14 (1) State Officials. State Official license plates
15 contain the distinguishing prefix "SO." Members of the state
16 legislature may be issued up to three sets of State Official
17 specialty license plates with the distinguishing prefix "SO," or
18 up to three sets of State Official specialty license plates that
19 depict the state capitol, and do not display the distinguishing
20 prefix "SO." An application by a member of the state
21 legislature, for a State Official specialty license plate, must
22 specify the same specialty license plate design for each
23 applicable vehicle. State Official license plates are assigned

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1 in the following order:

2 (A) Governor;

3 (B) Lieutenant Governor;

4 (C) Speaker of the House;

5 (D) Attorney General;

6 (E) Comptroller;

7 (F) Land Commissioner;

8 (G) Agriculture Commissioner;

9 (H) Secretary of State;

10 (I) Railroad Commission Presiding Officer followed by

11 the remaining members based on their seniority;

12 (J) Supreme Court Chief Justice followed by the

13 remaining justices based on their seniority;

14 (K) Criminal Court of Appeals Presiding Judge followed

15 by the remaining judges based on their seniority;

16 (L) Members of the State Legislature, with Senators

17 assigned in order of district number followed by Representatives

18 assigned in order of district number, except that in the event

19 of redistricting, license plates will be reassigned; and

20 (M) Board of Education Presiding Officer followed by

21 the remaining members assigned in district number order, except

22 that in the event of redistricting, license plates will be

23 reassigned.

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(2) Members of the U.S. Congress.

(A) U.S. Senate license plates contain the prefix
"Senate" and are assigned by seniority; and

(B) U.S. House license plates contain the prefix
"House" and are assigned in order of district number, except
that in the event of redistricting, license plates will be
reassigned.

(3) Federal Judge.

(A) Federal Judge license plates contain the prefix
"USA" and are assigned on a seniority basis within each court in
the following order:

(i) Judges of the Fifth Circuit Court of Appeals;

(ii) Judges of the United States District Courts;

(iii) United States Bankruptcy Judges; and

(iv) United States Magistrates.

(B) Federal Administrative Law Judge plates contain the
prefix "US" and are assigned in the order in which applications
are received.

(C) A federal judge who retired on or before August 31,
2003, and who held license plates expiring in March 2004 may
continue to receive federal judge plates. A federal judge who
retired after August 31, 2003, is not eligible for U.S. Judge
license plates.

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(4) State Judge.

(A) State Judge license plates contain the prefix "TX" and are assigned sequentially in the following order:

(i) Appellate District Courts;

(ii) Presiding Judges of Administrative Regions;

(iii) Judicial District Courts;

(iv) Criminal District Courts; and

(v) Family District Courts and County Statutory Courts.

(B) A particular alpha-numeric combination will always be assigned to a judge of the same court to which it was originally assigned.

(C) A state judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive state judge plates. A state judge who retired after August 31, 2003, is not eligible for State Judge license plates.

(5) County Judge license plates contain the prefix "CJ" and are assigned by county number.

(6) In the event of redistricting or other plate reallocation, the department may allow a state official to retain that official's plate number if the official has had the number for five or more consecutive years.

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1 (i) Development of new specialty license plates.

2 (1) Procedure. The following procedure governs the
3 process of authorizing new specialty license plates under
4 Transportation Code, §504.801, whether the new license plate
5 originated as a result of an application or as a department
6 initiative.

7 (2) Applications for the creation of new specialty
8 license plates. An applicant for the creation of a new specialty
9 license plate, other than a vendor specialty plate under §217.52
10 of this title (relating to Marketing of Specialty License Plates
11 through a Private Vendor), must submit a written application on
12 a form approved by the executive director. The application must
13 include:

14 (A) the applicant's name, address, telephone number,
15 and other identifying information as directed on the form;

16 (B) certification on Internal Revenue Service
17 letterhead stating that the applicant is a not-for-profit
18 entity;

19 (C) a draft design of the specialty license plate;

20 (D) projected sales of the plate, including an
21 explanation of how the projected figure was established;

22 (E) a marketing plan for the plate, including a
23 description of the target market;

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1 (F) a licensing agreement from the appropriate third
2 party for any intellectual property design or design element;

3 (G) a letter from the executive director of the
4 sponsoring state agency stating that the agency agrees to
5 receive and distribute revenue from the sale of the specialty
6 license plate and that the use of the funds will not violate a
7 statute or constitutional provision; and

8 (H) other information necessary for the board to reach
9 a decision regarding approval of the requested specialty plate.

10 (3) Review process. The board:

11 (A) will not consider incomplete applications;

12 (B) may request additional information from an
13 applicant if necessary for a decision; and

14 (C) will consider specialty license plate applications
15 that are restricted by law to certain individuals or groups of
16 individuals (qualifying plates) using the same procedures as
17 applications submitted for plates that are available to everyone
18 (non-qualifying plates).

19 (4) Request for additional information. If the board
20 determines that additional information is needed, the applicant
21 must return the requested information not later than the
22 requested due date. If the additional information is not
23 received by that date, the board will return the application as

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 incomplete unless the board:

2 (A) determines that the additional requested
3 information is not critical for consideration and approval of
4 the application; and

5 (B) approves the application, pending receipt of the
6 additional information by a specified due date.

7 (5) Board decision. The board's decision will be based
8 on:

9 (A) compliance with Transportation Code, §504.801;

10 (B) the proposed license plate design, including:

11 (i) whether the design appears to meet the legibility
12 and reflectivity standards established by the department;

13 (ii) whether the design meets the standards
14 established by the department for uniqueness;

15 (iii) other information provided during the
16 application process;

17 (iv) the criteria designated in §217.27 as applied to
18 the design; and

19 (v) whether a design is similar enough to an existing
20 plate design that it may compete with the existing plate sales;
21 and

22 (C) the applicant's ability to comply with
23 Transportation Code, §504.702 relating to the required deposit

Texas Department of Motor Vehicles
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1 or application that must be provided before the manufacture of a
2 new specialty license plate.

3 (6) Public comment on proposed design. All proposed plate
4 designs will be considered by the board as an agenda item at a
5 regularly or specially called open meeting. Notice of
6 consideration of proposed plate designs will be posted in
7 accordance with Office of the Secretary of State meeting notice
8 requirements. Notice of each license plate design will be posted
9 on the department's Internet website to receive public comment
10 at least 25 days in advance of the meeting at which it will be
11 considered. The department will notify all other specialty plate
12 organizations and the sponsoring agencies who administer
13 specialty license plates issued in accordance with
14 Transportation Code, Chapter 504, Subchapter G, of the posting.
15 A comment on the proposed design can be submitted in writing
16 through the mechanism provided on the department's Internet
17 website for submission of comments. Written comments are welcome
18 and must be received by the department at least 10 days in
19 advance of the meeting. Public comment will be received at the
20 board's meeting.

21 (7) Final approval.

22 (A) Approval. The board will approve or disapprove the
23 specialty license plate application based on all of the

Texas Department of Motor Vehicles
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1 information provided pursuant to this subchapter at an open
2 meeting.

3 (B) Application not approved. If the application is not
4 approved under subparagraph (A) of this paragraph, the applicant
5 may submit a new application and supporting documentation for
6 the design to be considered again by the board if:

7 (i) the applicant has additional, required
8 documentation; or

9 (ii) the design has been altered to an acceptable
10 degree.

11 (8) Issuance of specialty plates.

12 (A) If the specialty license plate is approved, the
13 applicant must comply with Transportation Code, §504.702 before
14 any further processing of the license plate.

15 (B) Approval of the plate does not guarantee that the
16 submitted draft plate design will be used. The board has final
17 approval authority of all specialty license plate designs and
18 may adjust or reconfigure the submitted draft design to comply
19 with the format or license plate specifications.

20 (C) If the board, in consultation with the applicant,
21 adjusts or reconfigures the design, the adjusted or reconfigured
22 design will not be posted on the department's website for
23 additional comments.

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Chapter 217, Vehicle Titles and Registration

1 (9) Redesign of specialty license plate.

2 (A) Upon receipt of a written request from the
3 applicant, the department will allow redesign of a specialty
4 license plate.

5 (B) A request for a redesign must meet all application
6 requirements and proceed through the approval process of a new
7 specialty plate as required by this subsection.

8 (C) An approved license plate redesign does not require
9 the deposit required by Transportation Code, §504.702, but the
10 applicant must pay a redesign cost to cover administrative
11 expenses.

12 (j) Golf carts.

13 (1) A county tax assessor-collector may issue golf cart
14 license plates as long as the requirements under Transportation
15 Code, §551.403 or §551.404 are met.

16 (2) A county tax assessor-collector may only issue golf
17 cart license plates to residents or property owners of the
18 issuing county.

19 (3) A golf cart license plate may not be used as a
20 registration insignia, and a golf cart may not be registered for
21 operation on a public highway.

22 (4) The license plate fee for a golf cart license plate
23 is \$10.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 (k) Package delivery vehicle.

2 (1) A county tax assessor-collector may issue package
3 delivery license plates as long as the requirements under
4 Transportation Code, §§551.453, 551.454, and 551.455 are met.

5 (2) The license plate fee for a package delivery license
6 plate is \$25.

7

8 §217.182. Registration Transaction.

9 As used in this subchapter, a registration transaction is a
10 registration or registration renewal under Transportation Code,
11 Chapter 502, or a transaction to issue the following:

12 (1) a registration, registration renewal, or permit
13 issued under Transportation Code, Chapter 502, Subchapter C
14 (Special Registrations);

15 (2) a license plate issued under Transportation Code,
16 §502.146;

17 (3) a temporary additional weight permit under
18 Transportation Code, §502.434;

19 (4) a license plate or license plate sticker under
20 Transportation Code, §§504.501, 504.502, 504.506, or 504.507;
21 [~~or~~]

22 (5) a golf cart plate under Transportation Code,
23 §551.402; or[-]

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

- 1 (6) a package delivery vehicle plate under Transportation
- 2 Code, §551.452.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 10 (VIN inspections)
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration
Amendments, §§217.141-217.143
New, §217.144, Identification Number Inspection

RECOMMENDATION

Approve adoption of amendments and new section for publication in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments and new section is to broaden the purpose and the scope of the subchapter and to implement SB 2076, 85th Legislature, Regular Session, 2017, which added Transportation Code, §501.0321, Identification Number Inspection.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments and new section.

BACKGROUND AND DISCUSSION

The amendments and new section include:

- **217.141, Purpose and Scope** – broadens the purpose and scope of the subchapter to include the confirmation of the identity of any motor vehicle and clarify the department approved training programs which if successfully completed qualify a person to conduct identification number inspections.
- **217.142, Definitions** – adds the definition for "altered from the manufacturer's original design;" clarifies the definitions for "custom vehicle" and "street rod;" and renumbers the definitions.
- **217.143, Inspection Requirements** – amends the section name to "Custom Vehicle and Street Rod Inspection Requirements" to clarify the types of vehicles this section pertains to; and clarifies language pertaining to when a specific piece of equipment may be required on a custom vehicle or street rod.
- **217.144, Identification Number Inspection** – implements SB 2076 by adding this new section to identify the approved training programs which if successfully completed qualify a person to conduct identification number inspections.

The proposal was published by permission of the Chair in the *Texas Register* for public comment on July 21, 2017 to allow the department to adopt rules as close as possible to the September 1, 2017 effective date of the new statutory language. The comment period closed on August 21, 2017. The department received the attached comments from W. (Bill) Smith, Chief, Special Investigations Unit, Tax Assessor-Collector and Voter Registrar Office, Harris County; Doug Clements, Commander, South Plains Auto Theft Task Force; Stan Davis; Fred Lohmann, National Insurance Crime Bureau (NICB); Ricardo Porras, Jr., Auto Theft Task Force, Program Director/Unit Commander, El Paso Police Department; Scott Ellis, DPS-CID (Legacy MVTs); and Ismael Gomez Auto Theft Unit, Reserve Investigator, San Patricio County Sheriff's Office. [Copies of the case law referenced in Mr. Lohmann's comments are available upon request.]

The commenters expressed concerns that the proposed new §217.144 allows inexperienced non-law enforcement employees and/or department personnel to perform VIN inspections. The department agrees with the commenters that only properly

trained individuals should be authorized to conduct VIN inspections. However, no changes have been made to the rule since the rule does not expand who is authorized to conduct VIN inspections. SB 2076, as enacted by the legislature, sets forth the persons who may perform the VIN inspections. The department will engage stakeholders on this issue in the near future and may return to the board for further rulemaking.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the *Texas Register*; and
- an effective date of November 19, 2017.

From: Smith, Bill (Tax Office)

To: Wilson, Bryan; Chris.vetrano@austintexas.gov; bskinner@beaumonttexas.gov; elbert@cob.us; lt110@burnetcountytexas.org; JamesLe@cctexas.com; bryan.roden@dpd.ci.dallas.tx.us; SHELIA.CARTER-BASS@dallascounty.org; rcardona@eaglepasstx.us; 1800@elpasotexas.gov; Ruben.Barrow@co.galveston.tx.us; Wagner, James (HCSO); thomas.hardin@houstonpolice.org; Mrodrigue1@ci.laredo.tx.us; dclements@co.lubbock.tx.us; Stan.davis@mansfield-tx.gov; john.sanchez@mctx.org; sstone@paristexas.gov; cmurray@ci.pasadena.tx.us; ben.landrum@amarillo.gov; Michelle Snyder (adminattf@burnetcountytexas.org); paul.heitzman@sanantonio.gov; krichbourg@smith-county.com; BPSudan@tarrantcounty.com; Richard.Hale@traviscountytexas.gov; jparsons@victoriabx.org

Cc: Flohmann; rdumond@nicb.org; ipacheco@nicb.org; jmittchell@nicb.org; bjohns@wilco.org; herman.adair@co.hays.tx.us; wynn.reynolds@dps.texas.gov; pharris@nicb.org; Richards, David; Pete Olivares [REDACTED]; "Robert Burby"; Mickey Tolbert (Mickey.Tolbert@dallascounty.org); Michelle Snyder (adminattf@burnetcountytexas.org); Sheriff Dennis Wilson; Sheriff Louderback (a.louderback@co.jackson.tx.us); "ray.hunt@hpou.org"; mitch@tmpa.org; Dominguez, Mary; Gonzales, Dominic; Menoskey, Mary; Price, Daniel; "Dodson"; "dsps302@hotmail.com"; Lehmann, Milton (HCSO); Wagner, James (HCSO); Brewer, John (HCDA); "christopher.zermeno@houstonpolice.org"

Subject: RE: 170710 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076

Date: Tuesday, July 11, 2017 9:33:29 AM

Attachments: image004.png
image001.png

Thanks for the opportunity to review and respond to the proposed rule pertaining to VIN Inspections and the execution of 68-A forms.

Personally, and as another interested person, and as having worked auto theft for over 30 years, **I feel this is a bad and improper rule being proposed.**

The inspection of vehicle's true identities should remain as a **duty of only certified, commissioned, motor vehicle theft investigators assigned to auto theft units and/or task forces** that have completed the DPS Auto Theft training, part 1 and 2, the ABTPA Auto Theft Training with DPS suggested courses for Part 1 and 2, and NICB Auto Theft Advanced Training for Auto Theft Investigators assigned to Auto Theft Units and/or Auto Theft Task Forces. It took a long time to narrow the requirements of those that are qualified to perform the complete task of properly identifying vehicles which may involve more than a simple visual inspection that previously had been done because some, even though they were certified officers, were not assigned to auto theft units or task forces and lacked the in-depth knowledge and expertise to properly identify altered vehicles. Simply attending a couple of training classes for training credits/hours does not qualify the attendees for the task of properly identifying vehicles, as officers from Patrol divisions, Constables, Fire Marshalls etc., while they are commissioned, certified peace officers, and do the jobs assigned to them well, they do not work full time in auto theft and would find it hard to keep abreast of new trends in altering, stolen vehicles and the identification of such and don't have the equipment in many cases to properly identify the true identities of vehicles. Having these officers and even Department of Motor Vehicles Field Investigators, as non-law enforcement personnel, to be assigned the task of identifying the true identities of motor vehicles would be unfair to them, to their Agencies, as the liability for the misidentification of motor vehicles would fall directly upon, and for the citizens that would be provided the false belief that their vehicle had been correctly identified only to learn later when a full time auto theft investigator identifies the vehicle as being altered, stolen, then seized, after an inspection was done by person not qualified to perform an inspection properly, which very well may occur, if this proposed rule is allowed to pass, and the inspections aren't limited to full time, certified, commissioned officers assigned to auto theft units and/or task forces.

It should also be noted and requested that great care be exercised that there are no actions taken by this proposed that would have unqualified persons have access to any confidential information which would jeopardize any case law currently in effect to protect the

information used by full time, certified, commissioned auto theft investigators.

Thank you for allowing me the opportunity to respond to your call for input and to express my personal opinion to what I consider a very important matter for all those professional auto theft investigators working auto theft day in and day out.

Respectfully submitted,

W. (Bill) Smith

Chief, Special Investigations Unit

Office of Ann Harris Bennett

Tax-Assessor Collector & Voter Registrar

Phone: 713-274-8313

Email: william.smith@tax.hctx.net



From: Doug Clements
To: Wilson, Bryan
Subject: RE: 170710 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076
Date: Tuesday, July 11, 2017 11:52:57 AM
Attachments: image001.png

Ref to the proposed rule change

I have the same reservations that Bill Smith mentioned. These inspections should only be performed by certified, commissioned, motor vehicle theft investigators assigned to Auto Theft Units or Auto Theft Task Forces. Also 217.144 (3) provides the training program as an Auto Theft Course provided by NICB, but does not mention intermediate or advanced or parts 1 and 2. This could be interpreted to include the small 3 day course taught with a focus on patrol officers which does not provide adequate training.

This could open the door for agencies to send an officer to any of the listed schools and begin performing 68A inspections. Officers not assigned to one of the Auto Theft Units or Task Forces do not have the necessary resources or expertise to perform these inspections properly. This rule change would revert us back to the 90's when any commissioned officer could perform VIN inspections. I personally have recovered stolen/alterd vehicles where unqualified officers had completed these inspections causing TXDOT to issue Certificates of Title. One vehicle in particular had been operating a number of years under a bad title while coming into contact with Law Enforcement on a regular bases. The vehicle passed Law Enforcement scrutiny because it had a title.

If this rule goes into effect without limiting these inspections to Professional Auto Theft Investigators, it will not be long until the criminals figure out where to take their altered or cloned vehicles where they will pass inspection. The original victim and the innocent purchaser will both continue to be victims and these types of auto theft operations will increase.

Thanks for your consideration in these issues.

Doug Clements
Commander, South Plains Auto Theft Task Force

From: Smith, Bill (Tax Office)

To: Wilson, Bryan; Chris.vetrano@austintexas.gov; bskinner@beaumonttexas.gov; elbert@cob.us; lt110@burnetcountytexas.org; JamesLe@cctexas.com; bryan.roden@dpd.ci.dallas.tx.us; SHELIA.CARTER-BASS@dallascounty.org; rcardona@eaglepasstx.us; 1800@elpasotexas.gov; Ruben.Barrow@co.galveston.tx.us; Wagner, James (HCSO); thomas.hardin@houstonpolice.org; Mrodrigue1@ci.laredo.tx.us; dclements@co.lubbock.tx.us; Stan.davis@mansfield-tx.gov; john.sanchez@mctx.org; sstone@paristexas.gov; cmurray@ci.pasadena.tx.us; ben.landrum@amarillo.gov; paul.heitzman@sanantonio.gov; krichbourg@smith-county.com; BPSudan@tarrantcounty.com; Richard.Hale@traviscountytexas.gov; jparsons@victoriabx.org

Cc: Flohmann; rdumond@nicb.org; ipacheco@nicb.org; jmitchell@nicb.org; bjohns@wilco.org; herman.adair@co.hays.tx.us; wynn.reynolds@dps.texas.gov; pharris@nicb.org; Richards, David; Pete Olivares [REDACTED]; "Robert Burby"; Mickey Tolbert (Mickey.Tolbert@dallascounty.org); Michelle Snyder (adminattf@burnetcountytexas.org); Sheriff Dennis Wilson; Sheriff Louderback (a.louderback@co.jackson.tx.us); "ray.hunt@hpou.org"; mitch@tampa.org; Dominguez, Mary; Gonzales, Dominic; Menoskey, Mary; "christopher.zermeno@houstonpolice.org"; Price, Daniel; Brewer, John (HCDA); Wagner, James (HCSO); Lehmann, Milton (HCSO)

Subject: RE: 170710 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076

Date: Tuesday, July 11, 2017 1:21:53 PM

Attachments: image004.png
image001.png

In order to clarify my previous opposition to the current wording on the proposed rule of "person", it would seem more definitive to define the "person" as a law enforcement officer or an employee of NICB under 501.0321, (c) (1), and (c) (4) of the new, amended statute. Again, I still feel I must state that my personal opinion remains that, I disagree with (c) (2) and (c) (3) because they would allow a non-law enforcement officer conduct the inspections.

\$217.144. Identification Number Inspection.

In addition to any other requirement specified by Transportation Code, §501.0321, a person is qualified to perform an inspection under §501.032, Transportation Code, if that person has completed one of the following training programs:

(1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Automobile Burglary and Theft Prevention Authority;

(2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or (3) Auto Theft Course provided by the National Insurance Crime Bureau.

Sec. 501.0321. IDENTIFICATION NUMBER INSPECTION. (a) An inspection required under Section 501.032 must verify, as applicable, the identity of:

(1) a motor vehicle;

(2) a trailer or semitrailer;

(3) a frame, body, or motor of a motor vehicle; or

(4) an item of equipment not required to be titled but that may be registered under Chapter 502 or issued licensed plates under Chapter 504.

(b) An inspection under this section may not rely solely on the public identification number to verify the identity.

(c) An inspection under this section may be performed only by a person who has successfully completed an appropriate training program as determined by department rule and is:

(1) an auto theft investigator who is a law enforcement officer of this state or a political subdivision of this state;

(2) a person working under the direct supervision of a person described by Subdivision (1);

(3) an employee of the department authorized by the department to perform an inspection under this section; or

(4) an employee of the National Insurance Crime Bureau authorized by the department to perform an inspection under this section.

Thank you for the opportunity to try to clarify my personal position on this issue.

W. (Bill) Smith

Chief, Special Investigations Unit Office
of Ann Harris Bennett
Tax-Assessor Collector & Voter Registrar
Phone: 713-274-8313
Email: william.smith@tax.hctx.net



From: [Stan Davis](#)
To: [Wilson, Bryan](#)
Subject: RE: 170710 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076
Date: Wednesday, July 12, 2017 11:25:57 AM
Attachments: [image001.png](#)

I have concern that civilians or even some law enforcement personnel who have completed the prescribed training courses will not have sufficient experience to conduct 68A inspections. The training only provides a very limited amount of training to conduct these inspections. Often these inspections require a great deal of experience to properly identify a vehicle. My opinion is to refrain from allowing civilians without prior LE experience in auto theft investigations to conduct 68A inspections.

From: FLOhmann@nicb.org
To: AHaskins@nicb.org; jthompson@thompsoncoe.com; jfitzgerald@nicb.org
Cc: Wilson, Bryan
Subject: FW: 170710 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076
Date: Thursday, July 13, 2017 2:35:40 PM
Attachments: image004.png
image001.png
SVIN Case Law (2).zip
Importance: High

All,

I agree with Bill Smith. If DMV were to allow for employees of the department to conduct the inspections, they would be doing so without the most important tool necessary to accurately perform the inspection, NICB's SVIN.

SVIN access is authorized for NICB and law enforcement personnel as described in C1,C2, C4. DMV investigators are not law enforcement personnel. We must also protect existing case law that NICB and law enforcement utilize during prosecutions that allow us to not disclose SVIN locations to the public.

Also note that NICB's 3 day Basic Auto Theft Course is now an acceptable level of training to conduct the inspections. I use the 3 day school as the "minimum" level of acceptable auto theft training for SVIN access.

I believe that C4 is adequate to protect NICB from another individual subscribing to enhanced VIN Search and claiming he is a "Member of the NICB" which is how the rule was previously worded. This you will recall prevented the Tarrant County DA from prosecuting the individual for the more than 100+ unauthorized 68A inspections he conducted on altered government documents.

Lastly, we will need to ensure that our recommendations once decided are relayed to DMV in an expedited fashion.

Will Jay be doing this or shall I do so once we are firm on the recommendations?

Fred

From: Smith, Bill (Tax Office)
To: Zz - Resource - GCO_Rules; Duncan, David
Subject: Respectfully Submitted Comments In Regard to 68-A Inspection Related to VIN assignments and Reassignments and Authorization to Perform Them
Date: Wednesday, July 26, 2017 11:58:24 AM
Attachments: image003.png

As per your request to submit this comment to the TxDMV posting of the rules as required under SB2076 to preserve the status quo by authorizing only auto theft task force law enforcement officers, DPS, and NICB agents on 68-A inspections related to VIN assignment and reassignment on authorization to perform VIN inspections, I am stating for the record the following:

I personally want to request that the current process of inspecting and verifying the true VIN of vehicles and vehicle parts remains authorized only for auto theft investigators task force members, DPS, and NICB agents to perform a confidential VIN inspection and complete a 68-A; and ISO and S-VIN are available only to auto theft task force law enforcement officers, DPS, and NICB agents that meet the education requirements provided through the three trainings (NICB, DPS, and ABTPA) listed in the proposed rule since under **SB2076, Sec.501.0321 (b)** states "An inspection under this section may not rely solely on the public identification number to verify the identity." This indicates that the intent of an inspection is to accurately and correctly verify the true identification of a vehicle and/or vehicle parts, therefore that inspection should only be performed by auto theft investigators task force members, DPS, and NICB agents as current policy and procedures dictate and should be kept as they are now.

Thank you again for the opportunity to present my comments and input to the TxDMV Board.

Respectfully submitted,

W. (Bill) Smith

Chief, Special Investigations Unit
Office of Ann Harris Bennett
Tax-Assessor Collector & Voter Registrar
Phone: 713-274-8313
Email: william.smith@tax.hctx.net



From: Porras Jr., Ricardo <1800@elpasotexas.gov>
Sent: Tuesday, August 01, 2017 4:01 PM
To: Zz - Resource - GCO_Rules
Cc: Porras Jr., Ricardo
Subject: FW: 170710 OGC DRAFT2 217 VIN Inspect Rule-
Proposed and SB 2076 - Recommended Instructions
and Comment Guidance REVISED

Greetings,

I completely agree with Chief Smith's assessment and recommendation of ONLY allowing auto theft task force law enforcement officers, DPS, and NICB agents that meet the education requirements provided through NICB, DPS, and ABTPA trainings to complete a confidential VIN inspection (68-A form).

Lt. Ricardo "Rick" Porras, Jr.
Auto Theft Task Force
Program
Director/Unit
Commander El
Paso Police
Department
(915) 212-4400 Office
(915) 892-4339 Cell
1800@elpasotexas.gov

From: Ellis, Scott [<mailto:Scott.Ellis@dps.texas.gov>]
Sent: Tuesday, August 08, 2017 7:16 PM
To: Duncan, David <David.Duncan@txdmv.gov>
Subject: 68-A's

§217.144. Identification Number Inspection.

In addition to any other requirement specified by Transportation Code,

§501.0321, a person is qualified to perform an inspection

under §501.032, Transportation Code, if that person has

completed **one** of the following training programs:

(1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Automobile Burglary and Theft Prevention Authority;

(2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or

(3) Auto Theft Course provided by the National Insurance Crime Bureau.

DPS does not offer/teach Part 1 and 2 classes and there are very few legacy Auto Theft Investigators left with the Department. DPS has now started basic CID auto theft class but the new agents are not receiving the training that was once provided. These new agents should not be completing 68-A forms.

I have attended and assisted with teaching classes sponsored by NICB. These classes are very basic and officers attending do not receive the training that would qualify them as auto theft investigators. NICB allows uniform officers to attend who are not assigned to auto theft

units. NICB also allow civilian insurance investigators and venders to attend these classes.

Only Auto Theft Investigators that have previously attended DPS Part 1 & 2, or the new classes taught by the ATBTPA should be allowed to complete the 68-A.

SA Scott Ellis DPS-CID (Legacy MVTS)

Conroe, Texas 281-960-9350

From: ismael gomez [REDACTED]
Sent: Friday, August 11, 2017 1:26 PM
To: Duncan, David <David.Duncan@txdmv.gov>
Subject: Proposed changes

See attachments: If this is the wrong email address , please forward to the right person.

--

ISMAEL GOMEZ
DPS Legacy Auto Theft investigator
Reserve Investigator for
San Patricio County SO
Auto Theft Unit Sinton, TX

PROPOSED CHANGES

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Page 1 of 1

1 **§217.144. Identification Number Inspection.**

2 In addition to any other requirement specified by Transportation Code,

3 **§501.0321, a person is qualified to perform an inspection under**

4 **§501.032, Transportation Code,** if that person has completed **ONE** of the

5 following training programs:

6 **(1) Intermediate or Advanced Motor Vehicle Burglary and Theft**

7 **Investigator Training provided by the Texas Automobile Burglary and**

8 **Theft Prevention Authority;**

9 **(2) Auto Theft School (Parts 1 and 2) provided by the Texas**

10 **Department of Public Safety; or**

11 **(3) Auto Theft Course provided by the National Insurance**

12 **Crime Bureau.**

**RESPONSE To the Texas Department of Motor Vehicles
Chapter 217.144 Changes**

The problems with this section:

1. Investigators need to attend at least **ABTPA Part 1 Auto theft Schools** which addresses **VIN Inspections** along with other auto theft courses. It would be even better if investigators could attend ABTPA Part II however for 68A inspections ABTPA Part I is sufficient. Remember this schools is **ONLY** for Auto Theft Investigators whether it's Task Force or a Law Enforcement Agency that has an auto theft unit.
2. Texas Dep. Of Public Safety has **STOPPED** conducting Auto Theft Schools Part 1 and Part II and if they do, it only for **DPS personnel ONLY**: No outside agencies:::
3. **NICB** provides 3 days school **for ANY LAW ENFORCEMENT** personnel, whether they are in the patrol division, or investigation division (CID), or for some auto theft investigators that take this school as a refresher course. This is a **GENERAL** school for **ANY** commissioned personnel or insurance investigators/ or adjusters that like to attend. This school does **NOT** address specific auto theft courses as **DPS Part 1 and Part II** did or ABTPA courses that are now being offered in lieu of DPS Auto Theft Schools. **According to section 217.44** of this code, any commissioned personnel that attends **ONE** of these courses, will be able to conduct the 68A inspections **which I STRONGLY DISAGREE. The only course that should be considered for 68A INSPECTIONS for right now is the ABTPA Part I and Part II.**

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.141-217.143 AND NEW §217.144
RELATING TO INSPECTIONS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter G, Inspections, §217.141, Purpose and Scope, §217.142, Definitions, and §217.143, Inspection Requirements; and new §217.144, Identification Number Inspection.

The preamble and the amendments and new section are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter G, Inspections, §217.141, Purpose and Scope; §217.142, Definitions; and §217.143, Inspection Requirements. The department also adopts new §217.144, Identification Number Inspection. Sections 217.142 and 217.443 are adopted without changes to the proposed text as published in the July 21, 2017, issue of the *Texas Register* (42 TexReg 3633). These rules will not be republished. Section 217.141 is adopted with changes to clarify the purpose and scope; and §217.144 is adopted with changes to correct the citation to Transportation Code, §501.0321, which defines the educational requirements for a person to perform inspections under §501.032. These rules will be republished.

EXPLANATION OF ADOPTED AMENDMENTS AND NEW SECTION

Amendments to §217.141 broaden the purpose and scope of the subchapter, clarifying that it prescribes not only the policies and procedures related to inspection of street rods and custom vehicles, but also to accurately confirm the identity of any motor vehicle; and clarify the department approved training programs which if successfully completed qualify a person to

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 conduct identification number inspections.

2

3 Amendments to §217.142 add a definition for "altered from the
4 manufacturer's original design," and clarify the definitions of
5 "custom vehicle" and "street rod" by referring to the statutory
6 definitions in Transportation Code, §504.501. The amendments
7 also result in a renumbering of the definitions.

8

9 Amendments to §217.143 change the section name to "Custom
10 Vehicle and Street Rod Inspection Requirements" to clarify that
11 this section pertains only to the inspection requirements for
12 those types of vehicles. The amendments also clarify language
13 pertaining to when a specific piece of equipment may be required
14 on a custom vehicle or street rod.

15

16 New §217.144, Identification Number Inspection, implements a
17 portion of Senate Bill 2076, 85th Legislature, Regular Session,
18 2017, which added Transportation Code, §501.0321, Identification
19 Number Inspection. Section 501.0321(c) specifies that an
20 inspection under the section may be performed only by a person
21 who has successfully completed an appropriate training program
22 as determined by department rule and who is one of the listed
23 categories of persons authorized to conduct such inspections.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 The purpose of this new section is to ensure properly trained
2 auto theft investigators currently authorized to conduct
3 identification number inspections are able to continue doing so
4 and identify the training available to individuals authorized to
5 conduct identification number inspections in Senate Bill 2076.
6 Section 217.144 specifies that a person is qualified to perform
7 an identification number inspection if the person has completed
8 (1) Intermediate or Advanced Motor Vehicle Burglary and Theft
9 Investigator Training provided by the Texas Auto Burglary and
10 Theft Prevention Authority; (2) Auto Theft School (Parts 1 and
11 2) provided by the Texas Department of Public Safety; or (3) the
12 Auto Theft Course provided by the National Insurance Crime
13 Bureau.

14
15 SB 2076 also created an alternative identification number
16 inspection to be established by department rule. The department
17 intends to work with stakeholders to establish this process and
18 identify transactions subject to this inspection type prior to
19 proposing a new rule.

20
21 COMMENTS

22 The department received comments from W. (Bill) Smith, Chief,
23 Special Investigations Unit, Tax Assessor-Collector and Voter

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 Registrar Office, Harris County; Doug Clements, Commander, South
2 Plains Auto Theft Task Force; Stan Davis; Fred Lohmann, National
3 Insurance Crime Bureau (NICB); Ricardo Porras, Jr., Auto Theft
4 Task Force, Program Director/Unit Commander, El Paso Police
5 Department; Scott Ellis, DPS-CID (Legacy MVTs); and Ismael
6 Gomez, Auto Theft Unit, Reserve Investigator, San Patricio
7 County Sheriff's Office.

8
9 COMMENTS: Several commenters expressed concerns that the
10 department's proposed rule §217.144 allows inexperienced non-law
11 enforcement employees and/or department personnel to perform VIN
12 inspections pursuant to §501.032, Transportation Code. The
13 commenters believe that only experienced auto theft investigator
14 taskforce members, Texas Department of Public Safety (DPS), and
15 NICB agents are qualified to conduct the VIN inspections, and
16 therefore, the department by rule should not expand the types of
17 persons who may conduct VIN inspections.

18
19 RESPONSE: The department agrees with the commenters that only
20 properly trained individuals should be authorized to conduct VIN
21 inspections. However, no changes have been made to the rule
22 since the rule does not expand who is authorized to conduct VIN
23 inspections. In enacting SB 2076, 85th Texas Legislature,

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 Regular Session, the Texas Legislature amended Chapter 501,
2 Transportation Code, by adding new §501.0321(c)(1-4) which sets
3 forth the persons who the Legislature believes, if qualified,
4 may perform the VIN inspections pursuant to §501.032,
5 Transportation Code.

6
7 In subsection §501.0321(c), the Legislature provided that an
8 inspection under this section may be performed only by a person
9 who has successfully completed an appropriate training program
10 as determined by department rule. Those persons who
11 successfully complete one of the appropriate training programs
12 would be considered as qualified to conduct VIN inspections in
13 Texas.

14
15 Thus, in furtherance of §501.0321(c), the department's sole
16 purpose in proposing new rule §217.144 is to establish the
17 appropriate training programs contemplated by statute. The new
18 statute, not the department's proposed new rule, sets forth
19 those persons who, if qualified, may conduct VIN inspections.

20
21 It is not the department's intent to erode the integrity of
22 current VIN inspection processes, and the language of the
23 proposed rule will not affect that existing system. Currently,

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 the department does not have commissioned auto theft
2 investigators, nor are there plans to provide training for
3 department employees to conduct VIN inspections at this time.
4 The department appreciates the concerns expressed by its law
5 enforcement stakeholders. The department will continue to work
6 with all stakeholders before expanding training to ensure that
7 those persons contemplated under the statute are appropriately
8 trained and that proper safeguards are in place to maintain the
9 integrity of VIN inspections in Texas.

10
11 STATUTORY AUTHORITY

12 The amendments and new section are adopted under Transportation
13 Code, §1002.001, which provides the board of the Texas
14 Department of Motor Vehicles with the authority to adopt rules
15 that are necessary and appropriate to implement the powers and
16 the duties of the department; and more specifically,
17 Transportation Code, §501.0321.

18
19 CROSS REFERENCE TO STATUTE

20 Transportation Code, §§501.030, 501.032, 501.0322, and 501.033.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

SUBCHAPTER G. INSPECTIONS

§217.141. Purpose and Scope.

This subchapter prescribes the policies and procedures necessary
~~[It is the policy of the Texas Department of Motor Vehicles]~~ to
protect the public by requiring inspection of street rods and
custom vehicles, accurately identify the identity of a motor
vehicle, and provides department approved training programs
which if successfully completed qualify a person to conduct
vehicle identification number inspections.

§217.142. Definitions.

The following words and terms, when used in this subchapter,
shall have the following meanings, unless the context clearly
indicates otherwise.

(1) "Altered from the manufacturer's original design"
as that term is used in §504.501(f), Transportation Code, is
defined as the removal, addition, or substitution of at least
one major component part, except that an engine, frame, and body
or cab must be replaced if removed.

(2)[(1)] "Custom vehicle" has the meaning assigned by
§504.501(f)(1), Transportation Code. ~~[means a motor vehicle, or~~
~~a reproduction thereof, that is:]~~

~~[(A) at least 25 years old and of a model year~~

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

~~after 1948 or a model year after 1948 that resembles a vehicle
25 years or older; and]~~

~~[(B) materially altered or modified by the
removal, addition or substitution of at least one major
component part.]~~

(3)~~(2)~~ "Major component part" has the meaning
assigned by §501.091, Transportation Code.

(4)~~(3)~~ "Street rod" has the meaning assigned by
§504.501(f)(2), Transportation Code.~~[means a motor vehicle:]~~

~~[(A) manufactured before 1949, or after 1948 to
resemble a vehicle manufactured before 1949; and]~~

~~[(B) that has been materially altered or modified
by the removal, addition or substitution of at least one major
component part.]~~

§217.143. Custom Vehicle and Street Rod Inspection Requirements.

(a) On initial registration, including registration at the
time of title transfer, of a custom vehicle or street rod, the
applicant must provide proof, on a form provided by the
department, of a safety inspection performed by an Automotive
Service Excellence (ASE) technician with valid certification as
a Certified Master Automobile and Light Truck Technician.

(b) The inspection must certify that the vehicle:

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 (1) is structurally stable;

2 (2) meets the necessary conditions to be operated
3 safely on the roadway; and

4 (3) is equipped and operational with all equipment
5 required by statute as a condition of sale during the year the
6 vehicle was manufactured or resembles.

7 (c) A custom vehicle or street rod is not required to be
8 equipped with a specific piece of equipment unless the specific
9 piece of equipment was required by statute as a condition of
10 sale during the year listed as the replica model year.~~[on the~~
11 ~~certificate of title.]~~

12

13 §217.144. Identification Number Inspection.

14 In addition to any other requirement specified by Transportation
15 Code, §501.0321, a person is qualified to perform an inspection
16 under §501.0321, Transportation Code, if that person has
17 completed one of the following training programs:

18 (1) Intermediate or Advanced Motor Vehicle Burglary
19 and Theft Investigator Training provided by the Texas Automobile
20 Burglary and Theft Prevention Authority;

21 (2) Auto Theft School (Parts 1 and 2) provided by the
22 Texas Department of Public Safety; or

23 (3) Auto Theft Course provided by the National

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

- 1 Insurance Crime Bureau.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Corrie Thompson, Interim Director, Enforcement Division
Agenda Item: 11 (Relating to claims filed with household goods carriers)
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 218, Motor Carriers, Amendments, §218.61, Claims

RECOMMENDATION

Approve adoption of amendments for publication in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of these amendments is to increase the protection for consumers, and to modify the language for consistency and clarity.

An amendment eliminates the exception to the requirement for a household goods carrier to issue an acknowledgment letter to its consumer who files a claim, if the claim has not been resolved within 20 days after the household goods carrier or its agent receives the claim. The current exception allows a household goods carrier to initiate communication with the claimant regarding the claim in lieu of sending the acknowledgment letter. Some household goods carriers are “initiating communication” by leaving a voice mail that says they called about the claim, without mentioning the information that must be included in an acknowledgment letter. The acknowledgment letter contains important information to educate the consumer about the consumer’s rights, the department’s toll-free consumer helpline, the claims process, and deadlines regarding the claims process.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposal was published in the *Texas Register* for public comment on June 23, 2017. The comment period closed on July 24, 2017. The department received one comment from the Southwest Movers Association, stating that any amendments to §218.61 should have input from the Household Goods Rules Advisory Committee before moving forward.

Transportation Code, §643.155 states the Household Goods Rules Advisory Committee shall examine the rules adopted by the department under Transportation Code, §643.153(a) and (b) to make recommendations on modernizing and streamlining the rules. The proposed amendments to §218.61 primarily deal with the issue of consumer protection. Also, the department spoke to the executive director of the Southwest Movers Association about the amendments to §218.61, which the association was able to discuss at a recent meeting held by the association.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the *Texas Register*; and
- an effective date of November 19, 2017.



RECEIVED

JUL 14 2017

TxDMV
OFFICE OF GENERAL COUNSEL

June 29, 2017

Mr. David Duncan, General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731

RE: Proposed 43 TAC §218.61

Dear Mr. Duncan:

The Southwest Movers Association has concerns regarding the proposed changes to 43 TAC §218.61 regarding claims that were recently published in the Texas Register. Therefore, we request this proposal be withdrawn from consideration in order to give the Household Goods Advisory Committee an opportunity to discuss any possible changes to this rule.

The Rules Advisory Committee met less than a year ago and revised TAC §218.61. We feel any revisions now to those recent changes should have input from the Rules Committee before moving forward.

Southwest Movers Association and I stand ready to assist you in anything you may need.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Esparza", written over a horizontal line.

John D. Esparza
Executive Director
Southwest Movers Association

Cc: Bill Harbeson

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 218.61, CLAIMS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 218, Motor Carriers, Subchapter E, Consumer Protection, §218.61, Claims.

The preamble and the amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rule is adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Corrie Thompson, Interim Director
Enforcement Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 218, Motor Carriers, Subchapter E, Consumer Protection, §218.61, Claims, without changes to the proposed text as published in the June 23, 2017, issue of the *Texas Register* (42 TexReg 3262). The rule will not be republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §218.61 increase the protection for consumers and modify the language for consistency and clarity.

An amendment eliminates one of the two exceptions to the requirement for a household goods carrier to issue an acknowledgment letter to its consumer who files a claim. The acknowledgment letter includes important information to educate the consumer about the consumer's rights, the department's toll-free consumer helpline, the claims process, and deadlines regarding the claims process. The current exceptions to the requirement for the household goods carrier to issue the acknowledgment letter within 20 days after receipt of a claim are: 1) the claim has been resolved; and 2) the household goods carrier has initiated communication with the claimant regarding

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 the claim. An amendment eliminates the exception for initiating
2 communication. What constitutes "initiating communication" is
3 often difficult to define and does not ensure that the consumer
4 receives necessary information to protect the consumer's rights.
5 For example, if the household goods carrier "initiates
6 communication" by leaving a voice mail that says it called about
7 the claim, this action provides no protection for the consumer
8 and should not excuse providing the acknowledgment letter to the
9 consumer.

10
11 COMMENT

12 The department received one comment from the Southwest Movers
13 Association, stating that any amendments to §218.61 should have
14 input from the Household Goods Rules Advisory Committee before
15 moving forward.

16
17 RESPONSE TO COMMENT

18 Transportation Code, §643.155 states the Household Goods Rules
19 Advisory Committee shall examine the rules adopted by the
20 department under Transportation Code, §643.153(a) and (b) to
21 make recommendations on modernizing and streamlining the rules.
22 The proposed amendments to §218.61 primarily deal with the issue
23 of consumer protection. Also, the department spoke to the

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 executive director of the Southwest Movers Association about the
2 amendments to §218.61, which the association was able to discuss
3 at a recent meeting held by the association.

4
5 STATUTORY AUTHORITY

6 The amendments are adopted under Transportation Code, §1002.001,
7 which provides the board of the Texas Department of Motor
8 Vehicles with the authority to adopt rules that are necessary
9 and appropriate to implement the powers and the duties of the
10 department under the Transportation Code; Transportation Code,
11 §643.003, which authorizes the department to adopt rules to
12 administer Transportation Code, Chapter 643; and more
13 specifically, Transportation Code, §643.153(a), which requires
14 the department to adopt rules to protect a consumer using the
15 service of a motor carrier who is transporting household goods
16 for compensation.

17
18 CROSS REFERENCE TO STATUTE

19 Transportation Code, Chapter 643.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 SUBCHAPTER E. CONSUMER PROTECTION

2 §218.61. Claims.

3 (a) Filing of claims. A household goods carrier must act on
4 all claims filed by a shipper on shipments of household goods
5 according to this section.

6 (1) A claim must be filed in writing or by electronic
7 format with the household goods carrier or the household goods
8 carrier's agent whose name appears on the moving services
9 contract. A claim is considered filed on the date the claim is
10 received by the household goods carrier or its agent. A shipper
11 must file a claim either in writing or by electronic format
12 within 90 days:

13 (A) of delivery of the shipment to the final
14 destination; or

15 (B) after a reasonable time for delivery has
16 elapsed in the case of failure to make delivery.

17 (2) The claim must include enough facts to identify
18 the shipment. The claim must also describe the type of claim and
19 request a specific type of remedy.

20 (3) Shipping documents may be used as evidence to
21 support a claim, but cannot be substituted for a written claim.

22 (4) A claim submitted by someone other than the owner
23 of the household goods must be accompanied by a written

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 explanation of the claimant's interest in the claim.

2 (b) Acknowledgment and disposition of filed claims.

3 (1) A household goods carrier shall send an
4 acknowledgment of the claim either in writing or by electronic
5 format to the claimant within 20 days (excluding Sundays and
6 nationally recognized holidays) after receipt of the claim by
7 the carrier or its [~~his~~] agent.

8 (A) The claim acknowledgment shall include the
9 statement, "Household goods carriers have 90 days from receipt
10 of a claim to pay, decline to pay, or make a firm settlement
11 offer, in writing, to a claimant. Questions or complaints
12 concerning the household goods carrier's claims handling should
13 be directed to the Texas Department of Motor Vehicles (TxDMV),
14 Enforcement Division, via the toll-free consumer helpline as
15 listed on the department's website. Additionally, a claimant has
16 the right to request mediation from TxDMV within 30 days
17 (excluding Sundays and nationally recognized holidays) after any
18 portion of the claim is denied by the carrier, the carrier makes
19 a firm settlement offer that is not acceptable to the claimant,
20 or 90 days has elapsed since the carrier received the claim and
21 the claim has not been resolved."

22 (B) The household goods carrier is not required
23 to issue the acknowledgment letter prescribed in this subsection

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 if the claim has been resolved [~~or the household goods carrier~~
2 ~~has initiated communication regarding the claim with the~~
3 ~~claimant~~] within 20 days (excluding Sundays and nationally
4 recognized holidays) after receipt of the claim. However, the
5 household goods carrier has the burden of proof regarding the
6 resolution of the claim [~~resolution or communication with the~~
7 ~~claimant is the responsibility of the household goods carrier~~].

8 (2) After a thorough investigation of the facts, the
9 household goods carrier shall pay, decline to pay, or make a
10 firm settlement offer in writing to the claimant within 90 days
11 after receipt of the claim by the household goods carrier or its
12 household goods agent. The settlement offer or denial shall
13 state, "A claimant has the right to seek mediation through the
14 Texas Department of Motor Vehicles (TxDMV) within 30 days
15 (excluding Sundays and nationally recognized holidays) after any
16 portion of the claim is denied by the carrier, the carrier makes
17 a firm settlement offer that is not acceptable to the claimant,
18 or 90 days has elapsed since the carrier received the claim and
19 the claim has not been resolved."

20 (3) A household goods carrier must provide a copy of
21 the shipping documents to the shipper's insurance company upon
22 request. The carrier may assess a reasonable fee for this
23 service.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (c) Documenting loss or damage to household goods.

2 (1) Inspection. If a loss or damage claim is filed and
3 the household goods carrier wishes to inspect the items, the
4 carrier must complete any inspection as soon as possible, but no
5 later than 30 calendar days, after receipt of the claim.

6 (2) Payment of shipping charges. Payment of shipping
7 charges and payment of claims shall be handled separately, and
8 one shall not be used to offset the other unless otherwise
9 agreed upon by both the household goods carrier and claimant.

10 (d) Claim records. A household goods carrier shall maintain
11 a record of every claim filed. Claim records shall be retained
12 for two years as required by §218.32 of this title (relating to
13 Motor Carrier Records). At a minimum, the following information
14 on each claim shall be maintained in a systematic, orderly and
15 easily retrievable manner:

16 (1) claim number (if assigned), date received, and
17 amount of money or the requested remedy;

18 (2) number (if assigned) and date of the moving
19 services contract;

20 (3) name of the claimant;

21 (4) date the carrier issued its claim acknowledgment
22 letter;

23 (5) date and total amount paid on the claim or date

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

- 1 and reasons for disallowing the claim; and
- 2 (6) dates, time, and results of any mediation
- 3 coordinated by the department.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board Linda M.
From: Flores, CPA, Chief Financial Officer
Agenda Item: [12 \(Relating to charges for public information\)](#)
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 209, Finance
New, §209.24, Charges for Public Information

RECOMMENDATION

Approval to publish the proposed new section in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the new section is to adopt the attorney general's rules relating to charges for public information.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed new section.

BACKGROUND AND DISCUSSION

The department is required to use rules adopted by the attorney general in determining the charges for providing copies of public information.

If the proposed new section approved by the board, staff anticipates publication of the proposed new section in the *Texas Register* on or about November 10, 2017. Comments on the proposed new section will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED NEW
43 TAC SECTION 209.24, CHARGES FOR PUBLIC INFORMATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to add Chapter 209, Finance, Subchapter B, Payment of Fees for Department Goods and Services, new §209.24, Charges for Public Information.

The preamble and the proposed new section are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached proposed rule is authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: _____

Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 209, Finance

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes new Chapter 209, Finance, Subchapter B, Payment of Fees for Department Goods and Services, §209.24, Charges for Public Information.

EXPLANATION OF PROPOSED NEW SECTION

Government Code, §552.262 requires each governmental body to use the rules adopted by the attorney general in determining the charges for providing copies of public information. Proposed new §209.24 adopts the rules of the attorney general relating to charges for public information.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the new section as proposed is in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed new section.

Ms. Flores has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed new section.

Texas Department of Motor Vehicles
Chapter 209, Finance

1

2 PUBLIC BENEFIT AND COST

3 Ms. Flores has also determined that for each year of the first
4 five years the new section is in effect, the public benefit
5 anticipated as a result of enforcing or administering the new
6 section will be transparency of department compliance with
7 statutes and rules relating to charges for public information.
8 There are no anticipated economic costs for persons required to
9 comply with the new section as proposed. There will be no
10 adverse economic effect on small businesses, micro-businesses,
11 or rural communities.

12

13 TAKINGS IMPACT ASSESSMENT

14 The department has determined that this proposal affects no
15 private real property interests and that this proposal does not
16 restrict or limit an owner's right to property that would
17 otherwise exist in the absence of government action, and so does
18 not constitute a taking or require a takings impact assessment
19 under Government Code, §2007.043.

20

21 SUBMITTAL OF COMMENTS

22 Written comments on the proposed new section may be submitted to
23 David D. Duncan, General Counsel, Texas Department of Motor

Texas Department of Motor Vehicles
Chapter 209, Finance

1 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
2 to *rules@txdmv.gov*. The deadline for receipt of comments is
3 5:00 p.m. on December 11, 2017.

4

5 STATUTORY AUTHORITY

6 The new section is proposed under Transportation Code,
7 §1002.001, which provides the board of the Texas Department of
8 Motor Vehicles with the authority to adopt rules that are
9 necessary and appropriate to implement the powers and the duties
10 of the department.

11

12 CROSS REFERENCE TO STATUTE

13 Government Code, Chapter 552.

Texas Department of Motor Vehicles
Chapter 209, Finance

- 1 SUBCHAPTER B. PAYMENT OF FEES FOR DEPARTMENT GOODS AND SERVICES
- 2 §209.24. Charges for Public Information.
- 3 In accordance with Government Code, §552.262, the Texas
- 4 Department of Motor Vehicles adopts the rules of the Office of
- 5 the Attorney General relating to the Cost of Copies of Public
- 6 Information at 1 TAC, §§70.1-70.12.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: **13 (Relating to the Historically Underutilized Business Program)**
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program Amendments, §210.22, Program

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to correct a citation to the Comptroller of Public Accounts' (Comptroller) historically underutilized businesses (HUB) rules.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

The department is required to adopt the Comptroller's rules related to administering Government Code, Chapter 2161, Historically Underutilized Businesses, Subchapters B and C, as the department's own rules.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTION 210.22, RELATING TO THE
HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program, §210.22, Program.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 210, Contract Management

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program, §210.22, Program.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments to §210.22 are proposed to correct a citation to the Comptroller of Public Accounts' historically underutilized businesses (HUB) rules.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

Ms. Flores has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST

Ms. Flores has also determined that for each year of the first

Texas Department of Motor Vehicles
Chapter 210, Contract Management

1 five years the amendments are in effect, the public benefit
2 anticipated as a result of enforcing or administering the
3 amendments will be accuracy of the department's rule. There are
4 no anticipated economic costs for persons required to comply
5 with the amendments as proposed. There will be no adverse
6 economic effect on small businesses, micro-businesses, or rural
7 communities.

8
9 TAKINGS IMPACT ASSESSMENT

10 The department has determined that this proposal affects no
11 private real property interests and that this proposal does not
12 restrict or limit an owner's right to property that would
13 otherwise exist in the absence of government action, and so does
14 not constitute a taking or require a takings impact assessment
15 under Government Code, §2007.043.

16
17 SUBMITTAL OF COMMENTS

18 Written comments on the proposed amendments may be submitted to
19 David D. Duncan, General Counsel, Texas Department of Motor
20 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
21 to rules@txdmv.gov. The deadline for receipt of comments is
22 5:00 p.m. on December 11, 2017.

Texas Department of Motor Vehicles
Chapter 210, Contract Management

1 STATUTORY AUTHORITY

2 The amendments are proposed under Transportation Code,
3 §1002.001, which provides the board of the Texas Department of
4 Motor Vehicles with the authority to adopt rules that are
5 necessary and appropriate to implement the powers and the duties
6 of the department; and more specifically, Government Code,
7 §2161.003, which provides that a state agency shall adopt the
8 commission's rules under §2161.002, Commission Administration;
9 Comptroller Assistance, as the agency's own rules.

10

11 CROSS REFERENCE TO STATUTE

12 Government Code, Chapter 2161.

Texas Department of Motor Vehicles
Chapter 210, Contract Management

- 1 SUBCHAPTER B. HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM
- 2 §210.22. Program.
- 3 The board of the Texas Department of Motor Vehicles adopts the
- 4 rules of the Comptroller of Public Accounts relating to the
- 5 Historically Underutilized Business (HUB) Program at 34 TAC,
- 6 Part 1, Chapter 20, Subchapter D, Division 1 [B].

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Corrie Thompson, Interim Director, Enforcement Division
Agenda Item: 14 (Compliance with order granting relief for warranty performance)
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 215, Motor Vehicle Distribution Amendments, §215.210, Compliance with Order Granting Relief

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to make §215.210 consistent with Occupations Code, §2301.610 and to replace the acronym "OEM" with "original equipment manufacturer" because "OEM" is not defined in Chapter 215.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTION 215.210, COMPLIANCE WITH ORDER GRANTING RELIEF

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 215, Motor Vehicle Distribution, Subchapter G, Warranty Performance Obligations, §215.210, Compliance with Order Granting Relief.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Corrie Thompson, Interim Director
Enforcement Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 215, Motor Vehicle Distribution, Subchapter G, Warranty Performance Obligations, §215.210, Compliance with Order Granting Relief.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §215.210 to make it consistent with Occupations Code, §2301.610 and to replace the acronym "OEM" with "original equipment manufacturer" because "OEM" is not defined in Chapter 215.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

Corrie Thompson, Interim Director of the Enforcement Division, has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1

2 PUBLIC BENEFIT AND COST

3 Ms. Thompson has also determined that for each year of the first
4 five years the amendments are in effect, the public benefit
5 anticipated as a result of enforcing or administering the
6 amendments will be a rule that is consistent with the statute.
7 There are no anticipated economic costs for persons required to
8 comply with the proposed amendments. There will be no adverse
9 economic effect on small businesses, micro-businesses, or rural
10 communities.

11

12 TAKINGS IMPACT ASSESSMENT

13 The department has determined that this proposal affects no
14 private real property interests and that this proposal does not
15 restrict or limit an owner's right to property that would
16 otherwise exist in the absence of government action, and so does
17 not constitute a taking or require a takings impact assessment
18 under Government Code, §2007.043.

19

20 SUBMITTAL OF COMMENTS

21 Written comments on the proposed amendments may be submitted to
22 David D. Duncan, General Counsel, Texas Department of Motor
23 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 to *rules@txdmv.gov*. The deadline for receipt of comments is
2 5:00 p.m. on December 11, 2017.

3
4 STATUTORY AUTHORITY

5 The amendments are proposed under Transportation Code,
6 §1002.001, which provides the board of the Texas Department of
7 Motor Vehicles (board) with the authority to adopt rules that
8 are necessary and appropriate to implement the powers and the
9 duties of the department under the Transportation Code and
10 Occupation Code; and more specifically, Occupations Code,
11 §2301.602(b), which requires the board to adopt rules for the
12 enforcement and implementation of Subchapter M, Warranties:
13 Rights of Vehicle Owners.

14
15 CROSS REFERENCE TO STATUTE

16 Occupations Code, §2301.610.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

SUBCHAPTER G. WARRANTY PERFORMANCE OBLIGATIONS

§215.210. Compliance with Order Granting Relief.

(a) Compliance with an order issued by the final order authority will be monitored by the department.

(b) A complainant is not bound by a final decision and order.

(c) If a complainant does not accept the final decision, the proceeding before the final order authority will be deemed concluded and the complaint file closed.

(d) If the complainant accepts the final decision, then the manufacturer, converter, or distributor, and the dealer to the extent of the dealer's responsibility, if any, shall immediately take such action as is necessary to implement the final decision and order.

(e) If a manufacturer, converter, or distributor replaces or repurchases a motor vehicle pursuant to an order issued by the final order authority, [~~reacquires a vehicle to settle a complaint filed under Occupations Code, §2301.204 or §§2301.601—2301.613, or brings a motor vehicle into the State of Texas that has been reacquired to resolve a warranty claim in another jurisdiction,~~] then the manufacturer, converter, or distributor shall, prior to the resale of such motor vehicle, retitle the vehicle in Texas and shall:

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

(1) issue a disclosure statement on a form provided by or approved by the department; and

(2) affix a department-approved disclosure label in a conspicuous location in or on the motor vehicle.

(f) The disclosure statement and disclosure label required under subsection (e) of this section shall accompany the motor vehicle through the first retail purchase. No person or entity holding a license or GDN issued by the department under Occupations Code, Chapter 2301 or Transportation Code, Chapter 503 shall remove or cause the removal of the disclosure label until delivery of the motor vehicle to the first retail purchaser.

(g) A manufacturer, converter, or distributor shall provide to the department the name, address, and telephone number of the transferee to whom the manufacturer, distributor, or converter transfers the motor vehicle on the disclosure statement within 60 days of each transfer. The selling dealer shall return the completed disclosure statement to the department within 60 days of the retail sale of a reacquired motor vehicle.

(h) The manufacturer, converter, or distributor must repair the defect or condition in the motor vehicle that resulted in the vehicle being reacquired and issue a basic warranty excluding non-original equipment manufacturer ~~[non-OEM]~~ items or

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 accessories, for a minimum of 12 months or 12,000 miles,
2 whichever comes first. The warranty shall be provided to the
3 first retail purchaser of the motor vehicle.

4 (i) In the event this section conflicts with the terms
5 contained in a cease and desist order, the terms of the cease
6 and desist order shall prevail.

7 (j) The failure of any manufacturer, converter,
8 distributor, or dealer to comply with a final order issued by
9 the final order authority within the time period prescribed in
10 the order may subject the manufacturer, converter, distributor,
11 or dealer to formal action by the department, including the
12 assessment of civil penalties or other sanctions prescribed by
13 Occupations Code, Chapter 2301, for the failure to comply with
14 an order issued by the final order authority.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 15 (Amending registration expiration dates)
Subject: Proposal of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration
Amendments, §§217.43, 217.45, and 217.46

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to:

- Stagger various license plate expiration dates to coincide with programming changes to the department's Registration and Title System (RTS);
- Add "Fertilizer" to the list of specialty plates for which the vehicle is issued one plate;
- Add "Golf Cart" and "Package Delivery" to the categories of plates for which personalized plates are not available and that are non-transferable between vehicles; and
- Make minor language clean-up and grammatical corrections.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

The amendments include:

- **§217.43** - removes the March 31 expiration date for Congressional Medal of Honor license plates and make the registration period for all military specialty license plates valid for 12 months from the month of issuance.
- **§217.45** - adds "Fertilizer" to the list of vehicles that are issued one plate; includes "Golf Cart" and "Package Delivery" to the categories of plates for which personalized plates are not available and that cannot be transferred; removes the March expiration date for Cotton Vehicle and Disaster Relief Plates, the June expiration date for Honorary Consul license plates, and the September expiration date for Log Loader license plates; makes the length of validation for these license plates 12 months from the month of issuance; and removes requirement that State Official license plates for members of the Railroad Commission be assigned first to the presiding officer followed by the remaining members based on their seniority.
- **§217.46** - removes the March expiration for City Bus license plates, combination license plates unless the vehicle with a combination license plate is part of a fleet under §217.54, and Motor Bus license plates; adds a hyphen to truck-tractor for consistency with statute and corrects a typographical error.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about December 8, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on January 8, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTIONS 217.43, 217.45, AND 217.46, RELATING TO
MOTOR VEHICLE REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.43, Military Specialty License Plates, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.46, Commercial Vehicle Registration.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.43, Military Specialty License Plates, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.46, Commercial Vehicle Registration.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to stagger license plate expiration dates to coincide with programming changes to the department's Registration and Title System (RTS).

Proposed amendments to §217.43 delete the March 31 expiration date for Congressional Medal of Honor license plates and make the registration period for all military specialty license plates valid for 12 months from the month of issuance.

Proposed amendments to §217.45 add "Fertilizer" to the list of specialty license plates for which the vehicle is issued one plate. "Golf Cart" and "Package Delivery" are added to the categories of plates for which personalized plates are not available and that are non-transferable between vehicles. Also,

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 amendments delete the March expiration date for Cotton Vehicle
2 and Disaster Relief Plates, the June expiration date for
3 Honorary Consul license plates, and the September expiration
4 date for Log Loader license plates and renumber the subsections
5 accordingly. With these amendments, the length of validation
6 for these license plates will be 12 months from the month of
7 issuance. A proposed amendment also deletes the requirement
8 that State Official license plates for members of the Railroad
9 Commission are assigned first to the presiding officer followed
10 by the remaining members based on their seniority.

11
12 Proposed amendments to §217.46 delete the March expiration for
13 City Bus license plates, combination license plates unless the
14 vehicle with a combination license plate is part of a fleet
15 under §217.54, and Motor Bus license plates. Also, proposed
16 amendments hyphenate truck-tractor to be consistent with
17 statute. An amendment also corrects a grammatical error in the
18 rule.

19
20 FISCAL NOTE

21 Linda M. Flores, Chief Financial Officer, has determined that
22 for each of the first five years the amendments as proposed are
23 in effect, there will be no fiscal implications for state or

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Chapter 217, Vehicle Titles and Registration

1 local governments as a result of enforcing or administering the
2 proposed amendments.

3
4 Jeremiah Kuntz, Director of the Title and Registration Division,
5 has determined that there will be no impact on local economies
6 or overall employment as a result of enforcing or administering
7 the proposed amendments.

8
9 PUBLIC BENEFIT AND COST

10 Mr. Kuntz has also determined that for each year of the first
11 five years the amendments are in effect, the public benefit
12 anticipated as a result of enforcing or administering the
13 amendments will be convenience for specialty license plate
14 owners regarding plate expiration dates and consistency with
15 statute. There are no anticipated economic costs for persons
16 required to comply with the proposed amendments. There will be
17 no adverse economic effect on small businesses, micro-
18 businesses, or rural communities.

19
20 TAKINGS IMPACT ASSESSMENT

21 The department has determined that this proposal affects no
22 private real property interests and that this proposal does not
23 restrict or limit an owner's right to property that would

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Chapter 217, Vehicle Titles and Registration

otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on January 8, 2017.

STATUTORY AUTHORITY

The amendments are proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §504.0011, which authorizes the board to adopt rules to implement and administer Transportation Code, Chapter 504, and Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502, Registration of Vehicles.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

- 1
- 2 CROSS REFERENCE TO STATUTE
- 3 Transportation Code, Chapters 502 and 504.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.43. Military Specialty License Plates.

3 (a) Purpose and Scope. Transportation Code, Chapter 504
4 authorizes the department to issue military specialty license
5 plates. This section prescribes the policies and procedures for
6 the application, issuance, and renewal of military specialty
7 license plates.

8 (b) Classification and fees. The department will issue
9 specialty plates for the military and charge fees as authorized
10 by Transportation Code, §504.202 and Chapter 504, Subchapter D.

11 (c) Application. Applications for military specialty
12 license plates must be made to the department and include
13 evidence of eligibility. The evidence of eligibility may
14 include, but is not limited to:

15 (1) an official document issued by a governmental entity;

16 (2) a letter issued by a governmental entity on that
17 agency's letterhead;

18 (3) discharge papers;

19 (4) a death certificate; or

20 (5) an identification card issued by any branch of the
21 military under the jurisdiction of the United States Department
22 of Defense or the United States Department of Homeland Security
23 indicating that the member is retired.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

(d) Period. Military specialty license plates shall be valid for 12 months from the month of issuance or for a prorated period of at least 12 months coinciding with the expiration of registration and ~~[The registration for Congressional Medal of Honor license plates expires each March 31. All other specialty plates for the military]~~ may be replaced in accordance with §217.32 of this title (relating to Replacement of License Plates, Symbols, Tabs, and Other Devices).

(e) Assignment and Transfer. Military plates may not be assigned and may only be transferred to another vehicle owned by the same vehicle owner.

(f) Applicability. Section 217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices) applies to military plates, symbols, tabs, or other devices as to:

(1) what is considered one set of plates per vehicle as determined by vehicle type;

(2) issuance of validation tabs and insignia;

(3) stolen or replaced plates;

(4) payment of other applicable fees;

(5) personalization, except that Congressional Medal of Honor plates may not be personalized;

(6) renewal, except that the owner of a vehicle with

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 Congressional Medal of Honor license plates must return the
2 documentation and specialty license plate fee, if any, directly
3 to the department;

4 (7) refunds; and

5 (8) expiration.

6
7 §217.45. Specialty License Plates, Symbols, Tabs, and Other
8 Devices.

9 (a) Purpose and Scope. Transportation Code, Chapters 504
10 and 551 charge the department with providing specialty license
11 plates, symbols, tabs, and other devices. For the department to
12 perform these duties efficiently and effectively, this section
13 prescribes the policies and procedures for the application,
14 issuance, and renewal of specialty license plates, symbols,
15 tabs, and other devices, through the county tax assessor-
16 collectors, and establishes application fees, expiration dates,
17 and registration periods for certain specialty license plates.
18 This section does not apply to military license plates except as
19 provided by §217.43 of this title (relating to Military
20 Specialty License Plates).

21 (b) Initial application for specialty license plates,
22 symbols, tabs, or other devices.

23 (1) Application Process.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 (A) Procedure. An owner of a vehicle registered as
2 specified in this subchapter who wishes to apply for a specialty
3 license plate, symbol, tab, or other device must do so on a form
4 prescribed by the director.

5 (B) Form requirements. The application form shall at a
6 minimum require the name and complete address of the applicant.

7 (2) Fees and Documentation.

8 (A) The application must be accompanied by the
9 prescribed registration fee, unless exempted by statute.

10 (B) The application must be accompanied by the
11 statutorily prescribed specialty license plate fee. If a
12 registration period is greater than 12 months, the expiration
13 date of a specialty license plate, symbol, tab, or other device
14 will be aligned with the registration period and the specialty
15 plate fee will be adjusted to yield the appropriate fee. If the
16 statutory annual fee for a specialty license plate is \$5 or
17 less, it will not be prorated.

18 (C) Specialty license plate fees will not be refunded
19 after an application is submitted and the department has
20 approved issuance of the license plate.

21 (D) The application must be accompanied by prescribed
22 local fees or other fees that are collected in conjunction with
23 registering a vehicle, with the exception of vehicles bearing

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 license plates that are exempt by statute from these fees.

2 (E) The application must include evidence of
3 eligibility for any specialty license plates. The evidence of
4 eligibility may include, but is not limited to:

5 (i) an official document issued by a governmental
6 entity; or

7 (ii) a letter issued by a governmental entity on that
8 agency's letterhead.

9 (F) Initial applications for license plates for display
10 on Exhibition Vehicles must include a photograph of the
11 completed vehicle.

12 (3) Place of application. Applications for specialty
13 license plates may be made directly to the county tax assessor-
14 collector, except that applications for the following license
15 plates must be made directly to the department:

16 (A) County Judge;

17 (B) Federal Administrative Law Judge;

18 (C) State Judge;

19 (D) State Official;

20 (E) U.S. Congress--House;

21 (F) U.S. Congress--Senate; and

22 (G) U.S. Judge.

23 (4) Gift plates.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 (A) A person may purchase general distribution
2 specialty license plates as a gift for another person if the
3 purchaser submits an application for the specialty license
4 plates that provides:

5 (i) the name and address of the person who will
6 receive the plates; and

7 (ii) the vehicle identification number of the vehicle
8 on which the plates will be displayed.

9 (B) To be valid for use on a motor vehicle, the
10 recipient of the plates must file an application with the county
11 tax assessor-collector and pay the statutorily required
12 registration fees in the amount as provided by Transportation
13 Code, Chapter 502 and this subchapter.

14 (c) Initial issuance of specialty license plates, symbols,
15 tabs, or other devices.

16 (1) Issuance. On receipt of a completed initial
17 application for registration, accompanied by the prescribed
18 documentation and fees, the department will issue specialty
19 license plates, symbols, tabs, or other devices to be displayed
20 on the vehicle for which the license plates, symbols, tabs, or
21 other devices were issued for the current registration period.
22 If the vehicle for which the specialty license plates, symbols,
23 tabs, or other devices are issued is currently registered, the

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Chapter 217, Vehicle Titles and Registration

owner must surrender the license plates currently displayed on the vehicle, along with the corresponding license receipt, before the specialty license plates may be issued.

(2) Classic Motor Vehicles, Classic Travel Trailers, Custom Vehicles, Street Rods, and Exhibition Vehicles.

(A) License plates. Texas license plates that were issued the same year as the model year of a Classic Motor Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may be displayed on that vehicle under Transportation Code, §504.501 and §504.502, unless:

(i) the license plate's original use was restricted by statute to another vehicle type;

(ii) the license plate is a qualifying plate type that originally required the owner to meet one or more eligibility requirements; or

(iii) the alpha numeric pattern is already in use on another vehicle.

(B) Validation stickers and tabs. The department will issue validation stickers and tabs for display on license plates that are displayed as provided by subparagraph (A) of this paragraph.

(3) Number of plates issued.

(A) Two plates. Unless otherwise listed in subparagraph

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Chapter 217, Vehicle Titles and Registration

(B) of this paragraph, two specialty license plates, each bearing the same license plate number, will be issued per vehicle.

(B) One plate. One license plate will be issued per vehicle for all motorcycles and for the following specialty license plates:

(i) Antique Vehicle (includes Antique Auto, Antique Truck, Antique Motorcycle, and Antique Bus);

(ii) Classic Travel Trailer;

(iii) Rental Trailer;

(iv) Travel Trailer;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Forestry Vehicle;

(viii) Golf Cart;

(ix) Log Loader;

(x) Military Vehicle; ~~and~~

(xi) Package Delivery Vehicle; and[-]

(xii) Fertilizer.

(C) Registration number. The identification number assigned by the military may be approved as the registration number instead of displaying Military Vehicle license plates on a former military vehicle.

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Chapter 217, Vehicle Titles and Registration

1 (4) Assignment of plates.

2 (A) Title holder. Unless otherwise exempted by law or
3 this section, the vehicle on which specialty license plates,
4 symbols, tabs, or other devices is to be displayed shall be
5 titled in the name of the person to whom the specialty license
6 plates, symbols, tabs, or other devices is assigned, or a title
7 application shall be filed in that person's name at the time the
8 specialty license plates, symbols, tabs, or other devices are
9 issued.

10 (B) Non-owner vehicle. If the vehicle is titled in a
11 name other than that of the applicant, the applicant must
12 provide evidence of having the legal right of possession and
13 control of the vehicle.

14 (C) Leased vehicle. In the case of a leased vehicle,
15 the applicant must provide a copy of the lease agreement
16 verifying that the applicant currently leases the vehicle.

17 (5) Classification of neighborhood electric vehicles. The
18 registration classification of a neighborhood electric vehicle,
19 as defined by §217.3(3) of this title (relating to Motor Vehicle
20 Titles) will be determined by whether it is designed as a 4-
21 wheeled truck or a 4-wheeled passenger vehicle.

22 (6) Number of vehicles. An owner may obtain specialty
23 license plates, symbols, tabs, or other devices for an unlimited

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 number of vehicles, unless the statute limits the number of
2 vehicles for which the specialty license plate may be issued.

3 (7) Personalized plate numbers.

4 (A) Issuance. The department will issue a personalized
5 license plate number subject to the exceptions set forth in this
6 paragraph.

7 (B) Character limit. A personalized license plate
8 number may contain no more than six alpha or numeric characters
9 or a combination of characters. Depending upon the specialty
10 license plate design and vehicle class, the number of characters
11 may vary. Spaces, hyphens, periods, hearts, stars, the
12 International Symbol of Access, or silhouettes of the state of
13 Texas may be used in conjunction with the license plate number.

14 (C) Personalized plates not approved. A personalized
15 license plate number will not be approved by the executive
16 director if the alpha-numeric pattern:

17 (i) conflicts with the department's current or
18 proposed regular license plate numbering system;

19 (ii) would violate §217.27 of this title (relating to
20 Vehicle Registration Insignia), as determined by the executive
21 director; or

22 (iii) is currently issued to another owner.

23 (D) Classifications of vehicles eligible for

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1 personalized plates. Unless otherwise listed in subparagraph (E)
2 of this paragraph, personalized plates are available for all
3 classifications of vehicles.

4 (E) Categories of plates for which personalized plates
5 are not available. Personalized license plate numbers are not
6 available for display on the following specialty license plates:

7 (i) Amateur Radio (other than the official call
8 letters of the vehicle owner);

9 (ii) Antique Motorcycle;

10 (iii) Antique Vehicle (includes Antique Auto, Antique
11 Truck, and Antique Bus);

12 (iv) Apportioned;

13 (v) Cotton Vehicle;

14 (vi) Disaster Relief;

15 (vii) Farm Trailer (except Go Texan II);

16 (viii) Farm Truck (except Go Texan II);

17 (ix) Farm Truck Tractor (except Go Texan II);

18 (x) Fertilizer;

19 (xi) Forestry Vehicle;

20 (xii) Log Loader;

21 (xiii) Machinery;

22 (xiv) Permit;

23 (xv) Rental Trailer;

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- 1 (xvi) Soil Conservation; ~~[and]~~
2 (xvii) Texas Guard~~[-]~~
3 (xviii) Golf Cart; and
4 (xix) Package Delivery Vehicle.

5 (F) Fee. Unless specified by statute, a personalized
6 license plate fee of \$40 will be charged in addition to any
7 prescribed specialty license plate fee.

8 (G) Priority. Once a personalized license plate number
9 has been assigned to an applicant, the owner shall have priority
10 to that number for succeeding years if a timely renewal
11 application is submitted to the county tax assessor-collector
12 each year in accordance with subsection (d) of this section.

13 (d) Specialty license plate renewal.

14 (1) Renewal deadline. If a personalized license plate is
15 not renewed within 60 days after its expiration date, a
16 subsequent renewal application will be treated as an application
17 for new personalized license plates.

18 (2) Length of validation. Except as provided by
19 Transportation Code, §504.4061 or §504.502,~~[with the following~~
20 ~~exceptions,~~] all specialty license plates, symbols, tabs, or
21 other devices shall be valid for 12 months from the month of
22 issuance or for a prorated period of at least 12 months
23 coinciding with the expiration of registration.

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1 ~~[(A) Five year period. Antique Vehicle (includes~~
2 ~~Antique Auto, Antique Truck, and Antique Bus) and Antique~~
3 ~~Motorcycle license plates, Antique tabs, and registration~~
4 ~~numbers are issued for a five year period.]~~

5 ~~[(B) Seven year period. Foreign Organization license~~
6 ~~plates and registration numbers are issued for a seven year~~
7 ~~period.]~~

8 ~~[(C) March expiration dates. The registration for~~
9 ~~Cotton Vehicle and Disaster Relief license plates expires each~~
10 ~~March 31.]~~

11 ~~[(D) June expiration dates. The registration for the~~
12 ~~Honorary Consul license plate expires each June 30.]~~

13 ~~[(E) September expiration dates. The registration for~~
14 ~~the Log Loader license plate expires each September 30.]~~

15 ~~[(F) December expiration dates.]~~ (3) December
16 expiration dates. The registration for the following license
17 plates expires each December 31:

- 18 (i) County Judge;
- 19 (ii) Federal Administrative Law Judge;
- 20 (iii) State Judge;
- 21 (iv) State Official;
- 22 (v) U.S. Congress--House;
- 23 (vi) U.S. Congress--Senate; and

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1 (vii) U.S. Judge.

2 [~~(C) Except as otherwise provided in this paragraph, if~~
3 ~~a vehicle's registration period is other than 12 months, the~~
4 ~~expiration date of the specialty license plate, symbol, tab, or~~
5 ~~other device will be set to align it with the expiration of~~
6 ~~registration.~~]

7 (3) Renewal.

8 (A) Renewal notice. Approximately 60 days before the
9 expiration date of a specialty license plate, symbol, tab, or
10 other device, the department will send each owner a renewal
11 notice that includes the amount of the specialty plate fee and
12 the registration fee.

13 (B) Return of notice. The owner must return the fee and
14 any prescribed documentation to the tax assessor-collector of
15 the county in which the owner resides, except that the owner of
16 a vehicle with one of the following license plates must return
17 the documentation and specialty license plate fee, if
18 applicable, directly to the department and submit the
19 registration fee to the county tax assessor-collector:

20 (i) County Judge;

21 (ii) Federal Administrative Law Judge;

22 (iii) State Judge;

23 (iv) State Official;

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1 (v) U.S. Congress--House;

2 (vi) U.S. Congress--Senate; and

3 (vii) U.S. Judge.

4 (C) Expired plate numbers. The department will retain a
5 specialty license plate number for 60 days after the expiration
6 date of the plates if the plates are not renewed on or before
7 their expiration date. After 60 days the number may be reissued
8 to a new applicant. All specialty license plate renewals
9 received after the expiration of the 60 days will be treated as
10 new applications.

11 (D) Issuance of validation insignia. On receipt of a
12 completed license plate renewal application and prescribed
13 documentation, the department will issue registration validation
14 insignia as specified in §217.27 unless this section or other
15 law requires the issuance of new license plates to the owner.

16 (E) Lost or destroyed renewal notices. If a renewal
17 notice is lost, destroyed, or not received by the vehicle owner,
18 the specialty license plates, symbol, tab, or other device may
19 be renewed if the owner provides acceptable personal
20 identification along with the appropriate fees and
21 documentation. Failure to receive the notice does not relieve
22 the owner of the responsibility to renew the vehicle's
23 registration.

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1 (e) Transfer of specialty license plates.

2 (1) Transfer between vehicles.

3 (A) Transferable between vehicles. The owner of a
4 vehicle with specialty license plates, symbols, tabs, or other
5 devices may transfer the specialty plates between vehicles by
6 filing an application through the county tax assessor-collector
7 if the vehicle to which the plates are transferred:

8 (i) is titled or leased in the owner's name; and

9 (ii) meets the vehicle classification requirements
10 for that particular specialty license plate, symbol, tab, or
11 other device.

12 (B) Non-transferable between vehicles. The following
13 specialty license plates, symbols, tabs, or other devices are
14 non-transferable between vehicles:

15 (i) Antique Vehicle license plates (includes Antique
16 Auto, Antique Truck, and Antique Bus), Antique Motorcycle
17 license plates, and Antique tabs;

18 (ii) Classic Auto, Classic Truck, Classic Motorcycle,
19 Classic Travel Trailer, Street Rod, and Custom Vehicle license
20 plates;

21 (iii) Forestry Vehicle license plates; ~~and~~

22 (iv) Log Loader license plates; [+]

23 (v) Golf Cart; and

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1 (vi) Package Delivery Vehicle.

2 (C) New specialty license plates. If the department
3 creates a new specialty license plate under Transportation Code,
4 §504.801, the department will specify at the time of creation
5 whether the license plate may be transferred between vehicles.

6 (2) Transfer between owners.

7 (A) Non-transferable between owners. Specialty license
8 plates, symbols, tabs, or other devices issued under
9 Transportation Code, Chapter 504, Subchapters C, E, and F are
10 not transferable from one person to another except as
11 specifically permitted by statute.

12 (B) New specialty license plates. If the department
13 creates a new specialty license plate under Transportation Code,
14 §504.801, the department will specify at the time of creation
15 whether the license plate may be transferred between owners.

16 (3) Simultaneous transfer between owners and vehicles.
17 Specialty license plates, symbols, tabs, or other devices are
18 transferable between owners and vehicles simultaneously only if
19 the owners and vehicles meet all the requirements in both
20 paragraphs (1) and (2) of this subsection.

21 (f) Replacement.

22 (1) Application. When specialty license plates, symbols,
23 tabs, or other devices are lost, stolen, or mutilated, the owner

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1 shall apply directly to the county tax assessor-collector for
2 the issuance of replacements, except that Log Loader license
3 plates must be reapplied for and accompanied by the prescribed
4 fees and documentation.

5 (2) Temporary registration insignia. If the specialty
6 license plate, symbol, tab, or other device is lost, destroyed,
7 or mutilated to such an extent that it is unusable, and if
8 issuance of a replacement license plate would require that it be
9 remanufactured, the owner must pay the statutory replacement
10 fee, and the department will issue a temporary tag for interim
11 use. The owner's new specialty license plate number will be
12 shown on the temporary tag unless it is a personalized license
13 plate, in which case the same personalized license plate number
14 will be shown.

15 (3) Stolen specialty license plates.

16 (A) The department or county tax assessor-collector
17 will not approve the issuance of replacement license plates with
18 the same personalized license plate number if the department's
19 records indicate either the vehicle displaying the personalized
20 license plates or the license plates are reported as stolen to
21 law enforcement. The owner will be directed to contact the
22 department for another personalized plate choice.

23 (B) The owner may select a different personalized

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number to be issued at no charge with the same expiration as the stolen specialty plate. On recovery of the stolen vehicle or license plates, the department will issue, at the owner's or applicant's request, replacement license plates, bearing the same personalized number as those that were stolen.

(g) License plates created after January 1, 1999. In accordance with Transportation Code, §504.702, the department will begin to issue specialty license plates authorized by a law enacted after January 1, 1999, only if the sponsoring entity for that license plate submits the following items before the fifth anniversary of the effective date of the law.

(1) The sponsoring entity must submit a written application. The application must be on a form approved by the director and include, at a minimum:

- (A) the name of the license plate;
- (B) the name and address of the sponsoring entity;
- (C) the name and telephone number of a person authorized to act for the sponsoring entity; and
- (D) the deposit.

(2) A sponsoring entity is not an agent of the department and does not act for the department in any matter, and the department does not assume any responsibility for fees or applications collected by a sponsoring entity.

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1 (h) Assignment procedures for state, federal, and county
2 officials.

3 (1) State Officials. State Official license plates
4 contain the distinguishing prefix "SO." Members of the state
5 legislature may be issued up to three sets of State Official
6 specialty license plates with the distinguishing prefix "SO," or
7 up to three sets of State Official specialty license plates that
8 depict the state capitol, and do not display the distinguishing
9 prefix "SO." An application by a member of the state
10 legislature, for a State Official specialty license plate, must
11 specify the same specialty license plate design for each
12 applicable vehicle. State Official license plates are assigned
13 in the following order:

14 (A) Governor;

15 (B) Lieutenant Governor;

16 (C) Speaker of the House;

17 (D) Attorney General;

18 (E) Comptroller;

19 (F) Land Commissioner;

20 (G) Agriculture Commissioner;

21 (H) Secretary of State;

22 (I) Railroad Commission [~~Presiding Officer followed by~~
23 ~~the remaining members based on their seniority~~];

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1 (J) Supreme Court Chief Justice followed by the
2 remaining justices based on their seniority;

3 (K) Criminal Court of Appeals Presiding Judge followed
4 by the remaining judges based on their seniority;

5 (L) Members of the State Legislature, with Senators
6 assigned in order of district number followed by Representatives
7 assigned in order of district number, except that in the event
8 of redistricting, license plates will be reassigned; and

9 (M) Board of Education Presiding Officer followed by
10 the remaining members assigned in district number order, except
11 that in the event of redistricting, license plates will be
12 reassigned.

13 (2) Members of the U.S. Congress.

14 (A) U.S. Senate license plates contain the prefix
15 "Senate" and are assigned by seniority; and

16 (B) U.S. House license plates contain the prefix
17 "House" and are assigned in order of district number, except
18 that in the event of redistricting, license plates will be
19 reassigned.

20 (3) Federal Judge.

21 (A) Federal Judge license plates contain the prefix
22 "USA" and are assigned on a seniority basis within each court in
23 the following order:

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- 1 (i) Judges of the Fifth Circuit Court of Appeals;
- 2 (ii) Judges of the United States District Courts;
- 3 (iii) United States Bankruptcy Judges; and
- 4 (iv) United States Magistrates.

5 (B) Federal Administrative Law Judge plates contain the
6 prefix "US" and are assigned in the order in which applications
7 are received.

8 (C) A federal judge who retired on or before August 31,
9 2003, and who held license plates expiring in March 2004 may
10 continue to receive federal judge plates. A federal judge who
11 retired after August 31, 2003, is not eligible for U.S. Judge
12 license plates.

13 (4) State Judge.

14 (A) State Judge license plates contain the prefix "TX"
15 and are assigned sequentially in the following order:

- 16 (i) Appellate District Courts;
- 17 (ii) Presiding Judges of Administrative Regions;
- 18 (iii) Judicial District Courts;
- 19 (iv) Criminal District Courts; and
- 20 (v) Family District Courts and County Statutory
21 Courts.

22 (B) A particular alpha-numeric combination will always
23 be assigned to a judge of the same court to which it was

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1 originally assigned.

2 (C) A state judge who retired on or before August 31,
3 2003, and who held license plates expiring in March 2004 may
4 continue to receive state judge plates. A state judge who
5 retired after August 31, 2003, is not eligible for State Judge
6 license plates.

7 (5) County Judge license plates contain the prefix "CJ"
8 and are assigned by county number.

9 (6) In the event of redistricting or other plate
10 reallocation, the department may allow a state official to
11 retain that official's plate number if the official has had the
12 number for five or more consecutive years.

13 (i) Development of new specialty license plates.

14 (1) Procedure. The following procedure governs the
15 process of authorizing new specialty license plates under
16 Transportation Code, §504.801, whether the new license plate
17 originated as a result of an application or as a department
18 initiative.

19 (2) Applications for the creation of new specialty
20 license plates. An applicant for the creation of a new specialty
21 license plate, other than a vendor specialty plate under §217.52
22 of this title (relating to Marketing of Specialty License Plates
23 through a Private Vendor), must submit a written application on

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1 a form approved by the executive director. The application must
2 include:

3 (A) the applicant's name, address, telephone number,
4 and other identifying information as directed on the form;

5 (B) certification on Internal Revenue Service
6 letterhead stating that the applicant is a not-for-profit
7 entity;

8 (C) a draft design of the specialty license plate;

9 (D) projected sales of the plate, including an
10 explanation of how the projected figure was established;

11 (E) a marketing plan for the plate, including a
12 description of the target market;

13 (F) a licensing agreement from the appropriate third
14 party for any intellectual property design or design element;

15 (G) a letter from the executive director of the
16 sponsoring state agency stating that the agency agrees to
17 receive and distribute revenue from the sale of the specialty
18 license plate and that the use of the funds will not violate a
19 statute or constitutional provision; and

20 (H) other information necessary for the board to reach
21 a decision regarding approval of the requested specialty plate.

22 (3) Review process. The board:

23 (A) will not consider incomplete applications;

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1 (B) may request additional information from an
2 applicant if necessary for a decision; and

3 (C) will consider specialty license plate applications
4 that are restricted by law to certain individuals or groups of
5 individuals (qualifying plates) using the same procedures as
6 applications submitted for plates that are available to everyone
7 (non-qualifying plates).

8 (4) Request for additional information. If the board
9 determines that additional information is needed, the applicant
10 must return the requested information not later than the
11 requested due date. If the additional information is not
12 received by that date, the board will return the application as
13 incomplete unless the board:

14 (A) determines that the additional requested
15 information is not critical for consideration and approval of
16 the application; and

17 (B) approves the application, pending receipt of the
18 additional information by a specified due date.

19 (5) Board decision. The board's decision will be based
20 on:

21 (A) compliance with Transportation Code, §504.801;

22 (B) the proposed license plate design, including:

23 (i) whether the design appears to meet the legibility

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1 and reflectivity standards established by the department;

2 (ii) whether the design meets the standards
3 established by the department for uniqueness;

4 (iii) other information provided during the
5 application process;

6 (iv) the criteria designated in §217.27 as applied to
7 the design; and

8 (v) whether a design is similar enough to an existing
9 plate design that it may compete with the existing plate sales;
10 and

11 (C) the applicant's ability to comply with
12 Transportation Code, §504.702 relating to the required deposit
13 or application that must be provided before the manufacture of a
14 new specialty license plate.

15 (6) Public comment on proposed design. All proposed plate
16 designs will be considered by the board as an agenda item at a
17 regularly or specially called open meeting. Notice of
18 consideration of proposed plate designs will be posted in
19 accordance with Office of the Secretary of State meeting notice
20 requirements. Notice of each license plate design will be posted
21 on the department's Internet website to receive public comment
22 at least 25 days in advance of the meeting at which it will be
23 considered. The department will notify all other specialty plate

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1 organizations and the sponsoring agencies who administer
2 specialty license plates issued in accordance with
3 Transportation Code, Chapter 504, Subchapter G, of the posting.
4 A comment on the proposed design can be submitted in writing
5 through the mechanism provided on the department's Internet
6 website for submission of comments. Written comments are welcome
7 and must be received by the department at least 10 days in
8 advance of the meeting. Public comment will be received at the
9 board's meeting.

10 (7) Final approval.

11 (A) Approval. The board will approve or disapprove the
12 specialty license plate application based on all of the
13 information provided pursuant to this subchapter at an open
14 meeting.

15 (B) Application not approved. If the application is not
16 approved under subparagraph (A) of this paragraph, the applicant
17 may submit a new application and supporting documentation for
18 the design to be considered again by the board if:

19 (i) the applicant has additional, required
20 documentation; or

21 (ii) the design has been altered to an acceptable
22 degree.

23 (8) Issuance of specialty plates.

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1 (A) If the specialty license plate is approved, the
2 applicant must comply with Transportation Code, §504.702 before
3 any further processing of the license plate.

4 (B) Approval of the plate does not guarantee that the
5 submitted draft plate design will be used. The board has final
6 approval authority of all specialty license plate designs and
7 may adjust or reconfigure the submitted draft design to comply
8 with the format or license plate specifications.

9 (C) If the board, in consultation with the applicant,
10 adjusts or reconfigures the design, the adjusted or reconfigured
11 design will not be posted on the department's website for
12 additional comments.

13 (9) Redesign of specialty license plate.

14 (A) Upon receipt of a written request from the
15 applicant, the department will allow redesign of a specialty
16 license plate.

17 (B) A request for a redesign must meet all application
18 requirements and proceed through the approval process of a new
19 specialty plate as required by this subsection.

20 (C) An approved license plate redesign does not require
21 the deposit required by Transportation Code, §504.702, but the
22 applicant must pay a redesign cost to cover administrative
23 expenses.

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1 (j) Golf carts.

2 (1) A county tax assessor-collector may issue golf cart
3 license plates as long as the requirements under Transportation
4 Code, §551.403 or §551.404 are met.

5 (2) A county tax assessor-collector may only issue golf
6 cart license plates to residents or property owners of the
7 issuing county.

8 (3) A golf cart license plate may not be used as a
9 registration insignia, and a golf cart may not be registered for
10 operation on a public highway.

11 (4) The license plate fee for a golf cart license plate
12 is \$10.

13 (k) Package delivery vehicle.

14 (1) A county tax assessor-collector may issue package
15 delivery license plates as long as the requirements under
16 Transportation Code, §§551.453, 551.454, and 551.455 are met.

17 (2) The license plate fee for a package delivery license
18 plate is \$25 to be paid on an annual basis.

19

20 §217.46. Commercial Vehicle Registration.

21 (a) Eligibility. A motor vehicle, other than a motorcycle,
22 designed or used primarily for the transportation of property,
23 including any passenger car that has been reconstructed to be

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1 used, and is being used, primarily for delivery purposes, with
2 the exception of a passenger car used in the delivery of the
3 United States mail [~~mails~~], must be registered as a commercial
4 vehicle.

5 (b) Commercial vehicle registration classifications.

6 (1) Apportioned license plates. Apportioned license
7 plates are issued in lieu of Combination, Motor Bus, or Truck
8 license plates to Texas carriers who proportionally register
9 their fleets in other states, in conformity with §217.56 of this
10 title (relating to Registration Reciprocity Agreements).

11 (2) City bus license plates. A street or suburban bus
12 shall be registered with license plates bearing the legend "City
13 Bus."

14 (3) Combination license plates.

15 (A) Specifications. A truck or truck-tractor [~~truck~~
16 ~~tractor~~] with a gross weight in excess of 10,000 pounds used or
17 to be used in combination with a semitrailer having a gross
18 weight in excess of 6,000 pounds, may be registered with
19 combination license plates. Such vehicles must be registered for
20 a gross weight equal to the combined gross weight of all the
21 vehicles in the combination, but not less than 18,000 pounds.
22 Only one combination license plate is required and must be
23 displayed on the front of the truck or truck-tractor [~~truck~~

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1 ~~tractor~~]. When displaying a combination license plate, a truck
2 or truck-tractor [~~truck-tractor~~] is not restricted to pulling a
3 semitrailer licensed with a Token Trailer license plate and may
4 legally pull semitrailers and full trailers displaying other
5 types of Texas license plates or license plates issued out of
6 state. The following vehicles may not be registered in
7 combination:

8 (i) trucks or truck-tractors [~~truck-tractors~~] having
9 a gross weight of less than 10,000 pounds or trucks or truck-
10 tractors [~~truck-tractors~~] to be used exclusively in combination
11 with semitrailers having gross weights not exceeding 6,000
12 pounds;

13 (ii) semitrailers with gross weights of 6,000 pounds
14 or less, or semitrailers that are to be operated exclusively
15 with trucks or truck-tractors [~~truck-tractors~~] having gross
16 weight of less than 10,000 pounds;

17 (iii) trucks or truck-tractors [~~truck-tractors~~] used
18 exclusively in combination with semitrailer-type vehicles
19 displaying Machinery, Permit, or Farm Trailer license plates;

20 (iv) trucks or truck-tractors [~~truck-tractors~~] used
21 exclusively in combination with travel trailers and manufactured
22 housing;

23 (v) trucks or truck-tractors [~~truck-tractors~~] to be

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1 registered with Farm Truck or Farm Truck Tractor license plates;

2 (vi) trucks or truck-tractors [~~truck-tractors~~] and
3 semitrailers to be registered with disaster relief license
4 plates;

5 (vii) trucks or truck-tractors [~~truck-tractors~~] and
6 semitrailers to be registered with Soil Conservation license
7 plates;

8 (viii) trucks or truck-tractors [~~truck-tractors~~] and
9 semitrailers to be registered with U.S. Government license
10 plates or Exempt license plates issued by the State of Texas;
11 and

12 (ix) vehicles that are to be issued temporary
13 permits, such as 72-Hour Permits, 144-Hour Permits, One Trip
14 Permits, or 30-Day Permits in accordance with Transportation
15 Code, §502.094 and §502.095.

16 (B) Converted semitrailers. Semitrailers that are
17 converted to full trailers by means of auxiliary axle assemblies
18 will retain their semitrailer status, and such semitrailers are
19 subject to the combination and token trailer registration
20 requirements.

21 (C) Axle assemblies. Various types of axle assemblies
22 that are specially designed for use in conjunction with other
23 vehicles or combinations of vehicles may be used to increase the

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1 load capabilities of such vehicles or combinations.

2 (i) Auxiliary axle assemblies such as trailer axle
3 converters, jeep axles, and drag axles, which are used in
4 conjunction with truck-tractor [~~truck-tractor~~] and semitrailer
5 combinations, are not required to be registered; however, the
6 additional weight that is acquired by the use of such axle
7 assemblies must be included in the combined gross weight of the
8 combination.

9 (ii) Ready-mixed concrete trucks that have an
10 auxiliary axle assembly installed for the purpose of increasing
11 a load capacity of such vehicles must be registered for a weight
12 that includes the axle assembly.

13 (D) Exchange of Combination license plates. Combination
14 license plates shall not be exchanged for another type of
15 registration during the registration year, except that:

16 (i) if a major permanent reconstruction change
17 occurs, Combination license plates may be exchanged for Truck
18 license plates, provided that a corrected title is applied for;

19 (ii) if the department initially issues Combination
20 license plates in error, the plates will be exchanged for
21 license plates of the proper classification;

22 (iii) if the department initially issues Truck or
23 Trailer license plates in error to vehicles that should have

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1 been registered in combination, such plates will be exchanged
2 for Combination and Token Trailer license plates; or

3 (iv) if a Texas apportioned carrier acquires a
4 combination license power unit, the Combination license plates
5 will be exchanged for Apportioned license plates.

6 (4) Cotton Vehicle license plates. The department will
7 issue Cotton Vehicle license plates in accordance with
8 Transportation Code, §504.505 and §217.45 of this title
9 (relating to Specialty License Plates, Symbols, Tabs, and Other
10 Devices).

11 (5) Forestry Vehicle license plates. The department will
12 issue Forestry Vehicle license plates in accordance with
13 Transportation Code, §504.507 and §217.45 of this title.

14 (6) In Transit license plates. The department may issue
15 an In Transit license plate annually to any person, firm, or
16 corporation engaged in the primary business of transporting and
17 delivering by means of the full mount, saddle mount, tow bar, or
18 any other combination, new vehicles and other vehicles from the
19 manufacturer or any other point of origin to any point of
20 destination within the State. Each new vehicle being
21 transported, delivered, or moved under its own power in
22 accordance with this paragraph must display an In Transit
23 license plate in accordance with Transportation Code, §503.035.

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1 (7) Motor Bus license plates. A motor bus as well as a
2 taxi and other vehicles that transport passengers for
3 compensation or hire, must display Motor Bus license plates when
4 operated outside the limits of a city or town, or adjacent
5 suburb, in which its company is franchised to do business.

6 (8) Token Trailer license plates.

7 (A) Qualification. The department will issue Token
8 Trailer license plates for semitrailers that are required to be
9 registered in combination.

10 (B) Validity. A Token Trailer license plate is valid
11 only when it is displayed on a semitrailer that is being pulled
12 by a truck or a truck-tractor [~~truck-tractor~~] that has been
13 properly registered with Forestry Vehicle (in accordance with
14 Transportation Code, §504.507), Combination (in accordance with
15 Transportation Code, §502.255), or Apportioned (in accordance
16 with Transportation Code, §502.091) license plates for combined
17 gross weights that include the weight of the semitrailer, unless
18 exempted by Transportation Code, §502.094 and §623.011.

19 (C) House-moving dollies. House-moving dollies are to
20 be registered with Token Trailer license plates and titled as
21 semitrailers; however, only one such dolly in a combination is
22 required to be registered and titled. The remaining dolly (or
23 dollies) is permitted to operate unregistered, since by the

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1 nature of its construction, it is dependent upon another such
2 vehicle in order to function. The pulling unit must display a
3 Combination or Apportioned license plate.

4 (D) Full trailers. The department will not issue a
5 Token Trailer license plate for a full trailer.

6 (9) Tow Truck license plates. A Tow Truck license plate
7 must be obtained for all tow trucks operating and registered in
8 this state. The department will not issue a Tow Truck license
9 plate unless the Texas Department of Licensing and Regulation
10 has issued a permit for the tow truck under Occupations Code,
11 Chapter 2308, Subchapter C.

12 (c) Application for commercial vehicle registration.

13 (1) Application form. An applicant shall apply for
14 commercial license plates through the appropriate county tax
15 assessor-collector upon forms prescribed by the director and
16 shall require, at a minimum, the following information:

17 (A) owner name and complete address;

18 (B) complete description of vehicle, including empty
19 weight; and

20 (C) motor number or serial number.

21 (2) Empty weight determination.

22 (A) The weight of a Motor Bus shall be the empty weight
23 plus carrying capacity, in accordance with Transportation Code,

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1 §502.055.

2 (B) The weight of a vehicle cannot be lowered below the
3 weight indicated on a Manufacturer's Certificate of Origin
4 unless a corrected Manufacturer's Certificate of Origin is
5 obtained.

6 (C) In all cases where the department questions the
7 empty weight of a particular vehicle, the applicant should
8 present a weight certificate from a public weight scale or the
9 Department of Public Safety.

10 (3) Gross weight.

11 (A) Determination of Weight. The combined gross weight
12 of vehicles registering for combination license plates shall be
13 determined by the empty weight of the truck or truck-tractor
14 [~~truck-tractor~~] combined with the empty weight of the heaviest
15 semitrailer or semitrailers used or to be used in combination
16 therewith, plus the heaviest net load to be carried on such
17 combination during the motor vehicle registration year, provided
18 that in no case may the combined gross weight be less than
19 18,000 pounds.

20 (B) Restrictions. The following restrictions apply to
21 combined gross weights.

22 (i) After a truck or truck-tractor [~~truck-tractor~~] is
23 registered for a combined gross weight, such weight cannot be

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1 lowered at any subsequent date during the registration year. The
2 owner may, however, lower the gross weight when registering the
3 vehicle for the following registration year, provided that the
4 registered combined gross weight is sufficient to cover the
5 heaviest load to be transported during the year and provided
6 that the combined gross weight is not less than 18,000 pounds.

7 (ii) A combination of vehicles is restricted to a
8 total gross weight not to exceed 80,000 pounds; however, all
9 combinations may not qualify for 80,000 pounds unless such
10 weight can be properly distributed in accordance with axle load
11 limitations, tire size, and distance between axles, in
12 accordance with Transportation Code, §623.011.

13 (4) Motor number or serial number. Ownership must be
14 established by a court order if no motor or serial number can be
15 identified. Once ownership has been established, the department
16 will assign a number upon payment of the fee.

17 (5) Accompanying documentation. Unless otherwise exempted
18 by law, completed applications for commercial license plates
19 shall be accompanied by:

20 (A) prescribed registration fees;

21 (B) prescribed local fees or other fees that are
22 collected in conjunction with registering a vehicle;

23 (C) evidence of financial responsibility as required by

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1 Transportation Code, §502.046 if the applicant is a motor
2 carrier as defined by §218.2 of this title (relating to
3 Definitions), proof of financial responsibility may be in the
4 form of a registration listing or an international stamp
5 indicating that the vehicle is registered in compliance with
6 Chapter 218, Subchapter B of this title (relating to Motor
7 Carrier Registration);

8 (D) an application for Texas Title in accordance with
9 Subchapter A of this chapter, or other proof of ownership;

10 (E) proof of payment of the Federal Heavy Vehicle Use
11 Tax, if applicable;

12 (F) an original or certified copy of the current permit
13 issued in accordance with Occupations Code, Chapter 2308,
14 Subchapter C, if application is being made for Tow Truck license
15 plates; and

16 (G) other documents or fees required by law.

17 (6) Proof of payment required. Proof of payment of the
18 Federal Heavy Vehicle Use Tax is required for vehicles with a
19 gross registration weight of 55,000 pounds or more, or in cases
20 where the vehicle's gross weight is voluntarily increased to
21 55,000 pounds or more. Proof of payment shall consist of an
22 original or photocopy of the Schedule 1 portion of Form 2290
23 receipted by the Internal Revenue Service (IRS), or a copy of

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1 the Form 2290 with Schedule 1 attached as filed with the IRS,
2 along with a photocopy of the front and back of the canceled
3 check covering the payment to the IRS.

4 (7) Proof of payment not required. Proof of payment of
5 the Federal Heavy Vehicle Use Tax is not required:

6 (A) for new vehicles when an application for title and
7 registration is supported by a Manufacturer's Certificate of
8 Origin;

9 (B) on used vehicles when an application for title and
10 registration is filed within 60 days from the date of transfer
11 to the applicant as reflected on the assigned title, except that
12 proof of payment will be required when an application for Texas
13 title and registration is accompanied by an out-of-state title
14 that is recorded in the name of the applicant;

15 (C) when a vehicle was previously wrecked, in storage,
16 or otherwise out of service and, therefore, not registered or
17 operated during the current registration year or during the
18 current tax year, provided that a non-use affidavit is signed by
19 the operator; and

20 (D) as a prerequisite to registration of vehicles
21 apprehended for operating without registration or reciprocity or
22 when an owner or operator purchases temporary operating permits
23 or additional weight.

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1 (d) Renewal of commercial license plates.

2 (1) Registration period. The department will establish
3 the registration period for commercial vehicles, unless
4 specified by statute. Commercial license plates are issued for
5 established annual registration periods as follows.

6 (A) March expiration. If a fleet under §217.54 of this
7 title (relating to Registration of Fleet Vehicles) contains a
8 vehicle with a combination license plate, the established annual
9 registration period for the fleet is April 1st through March
10 31st. [~~The following license plates are issued for the~~
11 ~~established annual registration period of April 1st through~~
12 ~~March 31st of the following year:]~~

13 [~~(i) City Bus license plates;~~]

14 [~~(ii) Combination license plates; and~~]

15 [~~(iii) Motor Bus license plates.~~]

16 (B) Five-year registration with March 31st expiration.

17 The following license plates are available with a five-year
18 registration period. Registration fees for the license plates
19 listed below may be paid on an annual basis, or may be paid up
20 front for the entire five-year period:

21 (i) Five-year Rental Trailer license plates issued
22 for rental trailers that are part of a rental fleet; and

23 (ii) Five-year Token Trailer license plates,

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1 available to owners of semitrailers to be used in combination
2 with truck-tractors displaying Apportioned or Combination
3 license plates.

4 (2) License Plate Renewal Notice. The department will
5 mail a License Plate Renewal Notice, indicating the proper
6 registration fee and the month and year the registration
7 expires, to each vehicle owner approximately six to eight weeks
8 prior to the expiration of the vehicle's registration.

9 (3) Return of License Plate Renewal Notices. License
10 Plate Renewal Notices should be returned by the vehicle owner to
11 the department or the appropriate county tax assessor-collector,
12 as indicated on the License Plate Renewal Notice. Unless
13 otherwise exempted by law, License Plate Renewal Notices may be
14 returned either in person or by mail, and shall be accompanied
15 by:

16 (A) statutorily prescribed registration renewal fees;

17 (B) prescribed local fees or other fees that are
18 collected in conjunction with registration renewal;

19 (C) evidence of financial responsibility as required
20 by Transportation Code, §502.046; and

21 (D) other prescribed documents or fees.

22 (4) Lost or destroyed License Plate Renewal Notice. If a
23 License Plate Renewal Notice is lost, destroyed, or not received

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1 by the vehicle owner, the vehicle may be registered if the owner
2 presents personal identification acceptable to the county tax
3 assessor-collector. Failure to receive the notice does not
4 relieve the owner of the responsibility to renew the vehicle's
5 registration.

6 (e) Transfer of commercial vehicle license plates.

7 (1) Transfer between persons. With the exceptions noted
8 in paragraph (3) of this subsection, when ownership of a vehicle
9 displaying commercial vehicle license plates is transferred,
10 application for transfer of such license plates shall be made
11 with the county tax assessor-collector in the county in which
12 the purchaser resides. If the purchaser does not intend to use
13 the vehicle in a manner that would qualify it for the license
14 plates issued to that vehicle, such plates must be exchanged for
15 the appropriate license plates.

16 (2) Transfer between vehicles. Commercial vehicle license
17 plates are non-transferable between vehicles.

18 (3) Transfer of Apportioned and Tow Truck license plates.
19 Apportioned and Tow Truck license plates are non-transferable
20 between persons or vehicles, and become void if the vehicle to
21 which the license plates were issued is sold.

22 (f) Replacement of lost, stolen, or mutilated commercial
23 vehicle license plates. An owner of lost, stolen, or mutilated

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- 1 commercial vehicle license plates may obtain replacement license
- 2 plates by filing an Application for Replacement Plates and
- 3 remitting the prescribed fee to the county tax assessor-
- 4 collector of the county in which the owner resides.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 16 (Dealer deputy compensation)
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.168 and §217.185

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to change the allocation of the processing and handling fee for registration transactions initiated by a dealer deputy. The \$1 per transaction revenue would go to the County Tax Assessor-Collector (TAC) instead of the dealer deputy.

FINANCIAL IMPACT

As a result of the \$1 being allocated to the county Tax Assessor-Collector instead of the dealer deputy, in fiscal year 2018 the department estimates that \$1.159 million will flow to the TACs instead of the dealer deputies.

BACKGROUND AND DISCUSSION

The proposed amendments were prompted by a February 27, 2017 letter from the Tax Assessor-Collector Association that specifically requested that the department adopt a rule reallocating the \$1 from a dealer deputy transaction.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTIONS 217.168 AND 217.185 RELATING TO VEHICLE TITLES AND
REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and Subchapter I, Fees, §217.185, Allocation of Processing and Handling Fee.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
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Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 217, Vehicle Titles and Registration, Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and Subchapter I, Fees, §217.185, Allocation of Processing and Handling Fee.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §217.168 and §217.185 to change the allocation of the processing and handling fee for registration transactions initiated by a deputy dealer. The amendments are proposed in response to the February 27, 2017 letter from the County Tax Assessor-Collector Association that requested that the department adopt a rule reallocating the \$1 from a dealer deputy transaction. The amendments also remove from §217.185(a) language that has become obsolete.

The intent of the amendment is to have \$1 that the dealer deputy retained from the processing and handling fee go to the County Tax Assessor-Collector (TAC).

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that

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1 for each of the first five years the amendments as proposed are
2 in effect, there will be fiscal implications for local
3 governments as a result of enforcing or administering the
4 proposed amendments. The predicted effect of the proposed
5 amendments in first year it is enforced will be that \$1.159
6 million will flow to county Tax Assessor-Collectors statewide
7 instead of to the dealer deputies. In the second year the
8 amendments are in effect the predicted effect is that \$1.170
9 million will go to the TACs instead of the dealer deputies. In
10 the third year the amendments are in effect the predicted effect
11 is that \$1.188 million will go to the TACs instead of the dealer
12 deputies. In the fourth year the amendments are in effect the
13 predicted effect is that \$1.206 million will go to the TACs
14 instead of the dealer deputies. In the fifth year the
15 amendments are in effect the predicted effect is that \$1.224
16 million will go to the TACs instead of the dealer deputies.

17
18 Jeremiah Kuntz, Director of the Title and Registration Division,
19 has determined that there will be minimal impact on local
20 economies or overall employment as a result of enforcing or
21 administering the proposed amendments.

22
23 PUBLIC BENEFIT AND COST

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1 Mr. Kuntz has also determined that for each year of the first
2 five years the amendments are in effect, the public benefit
3 anticipated as a result of enforcing or administering the
4 amendments will that county Tax Assessor-Collectors statewide
5 will receive a marginal increase in funds that will allow for an
6 improvement in customer service at the local level. As outlined
7 in the Fiscal Note, there are anticipated economic costs for
8 dealer deputies required to comply with the amendments as
9 proposed. There are no anticipated adverse economic effects on
10 small businesses, micro-businesses, or rural communities. There
11 may be a marginal benefit to rural communities based on the
12 \$1.00 per dealer deputy transaction remaining in the community.

13
14 TAKINGS IMPACT ASSESSMENT

15 The department has determined that this proposal affects no
16 private real property interests and that this proposal does not
17 restrict or limit an owner's right to property that would
18 otherwise exist in the absence of government action, and so does
19 not constitute a taking or require a takings impact assessment
20 under Government Code, §2007.043.

21
22 SUBMITTAL OF COMMENTS

23 Written comments on the proposed amendments may be submitted to

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 David D. Duncan, General Counsel, Texas Department of Motor
2 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
3 to *rules@txdmv.gov*. The deadline for receipt of comments is
4 5:00 p.m. on December 11, 2017.

5

6 STATUTORY AUTHORITY

7 The amendments are proposed under Transportation Code,
8 §1002.001, which provides the board of the Texas Department of
9 Motor Vehicles (board) with the authority to adopt rules that
10 are necessary and appropriate to implement the powers and the
11 duties of the department under the Transportation Code; and more
12 specifically, Transportation Code §502.0021, which provides the
13 department may adopt rules to administer Transportation Code,
14 502, Registration of Vehicles; and Transportation Code
15 §520.0071, which provides the department may adopt rules to
16 prescribe the fees that may be charged or retained by deputies.

17

18 CROSS REFERENCE TO STATUTE

19 Finance Code, Chapter 348; Government Code, Chapter 2054; and
20 Transportation Code, Chapters 502, 504 and 520.

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SUBCHAPTER H. DEPUTIES

§217.168. Deputy Fee Amounts.

(a) Fees. A county tax assessor-collector may authorize a deputy to charge or retain the fee amounts prescribed by this section according to the type of deputy and transaction type.

(b) Title transactions. For each motor vehicle title transaction processed:

(1) A full service deputy may charge the customer a fee of up to \$20, as determined by the full service deputy and approved by the tax assessor-collector. The full service deputy retains the entire fee charged to the customer.

(2) A dealer deputy may charge the customer a fee of up to \$10, as determined by the dealer deputy and approved by the tax assessor-collector. The dealer deputy retains the entire fee charged to the customer. This section does not preclude a dealer deputy from charging a documentary fee authorized by Finance Code, §348.006.

(c) Registration and registration renewals. For each registration transaction processed:

(1) A full service deputy may:

(A) retain \$1 from the processing and handling fee established by §217.183 of this title (relating to Fee Amount); and

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1 (B) charge a convenience fee of \$9, except as limited
2 by §217.184 of this title (relating to Exclusions).

3 (2) A limited service deputy may retain \$1 from the
4 processing and handling fee established by §217.183.

5 ~~[(3) A dealer deputy may retain \$1 from the processing~~
6 ~~and handling fee established by §217.183. This section does not~~
7 ~~preclude a dealer deputy from charging a documentary fee~~
8 ~~authorized by Finance Code, §348.006.]~~

9 (d) Temporary permit transactions under Transportation
10 Code, §502.094 or §502.095. For each temporary permit
11 transaction processed by a full service deputy, the full service
12 deputy may retain the entire processing and handling fee
13 established by §217.183.

14 (e) Full service deputy convenience fee. The convenience
15 fee authorized by this section is collected by the full service
16 deputy directly from the customer and is in addition to the
17 processing and handling fee established by §217.183. A full
18 service deputy may not charge any additional fee for a
19 registration or registration renewal transaction.

20 (f) Related transactions by a full service deputy. The
21 limitations of subsections (b), (c), (d), and (e) of this
22 section do not apply to other services that a full service
23 deputy may perform that are related to titles or registrations,

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1 but are not transactions that must be performed through the
2 department's automated vehicle registration and title system.
3 Services that are not transactions performed through the
4 department's automated vehicle registration and title system
5 include, but are not limited to, the additional fees a full
6 service deputy may charge for copying, faxing, or transporting
7 documents required to obtain or correct a motor vehicle title or
8 registration. However, the additional fees that a full service
9 deputy may charge for these other services may be limited by the
10 terms of the county tax assessor-collector's authorization to
11 act as deputy.

12 (g) Posting of fees. At each location where a full service
13 deputy provides titling or registration services, the deputy
14 must prominently post a list stating all fees charged for each
15 service related to titling or registration. The fee list must
16 specifically state each service, including the additional fee
17 charged for that service, that is subject to subsections (b),
18 (c), (d), or (e) of this section. The fee list must also state
19 that each service subject to an additional fee under subsection
20 (b), (c), (d), or (e) of this section may be obtained from the
21 county tax assessor-collector without the additional fee. If the
22 full service deputy maintains a website advertising or offering
23 titling or registration services, the deputy must post the fee

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list described by this subsection on the website.

(h) Additional compensation. The fee amounts set forth in this section do not preclude or limit the ability of a county to provide additional compensation to a deputy out of county funds.

SUBCHAPTER I. FEES

§217.185. Allocation of Processing and Handling Fee.

(a) For registration transactions,~~[registrations that expire on or after January 1, 2017 and registrations that expired prior to January 1, 2017 that are submitted for renewal on or after July 1, 2017,~~] except as provided in subsection (b) of this section, the fee amount established in §217.183 of this title (relating to Fee Amount) shall be allocated as follows:

(1) If the registration transaction was processed in person at the office of the county tax assessor-collector:

(A) the county tax assessor-collector may retain \$2.30;
and

(B) the remaining amount shall be remitted to the department.

(2) If the registration transaction was mailed to office of the county tax assessor-collector:

(A) the county tax assessor-collector may retain \$2.30;
and

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1 (B) the remaining amount shall be remitted to the
2 department.

3 (3) If the registration transaction was processed through
4 the department or the TxIRP system or is a registration
5 processed under Transportation Code, §§502.0023, 502.091, or
6 502.255; or §217.46(b)(5) or (d)(1)(B)(i) of this title
7 (relating to Commercial Vehicle Registration):

8 (A) \$2.30 will be remitted to the county tax assessor-
9 collector; and

10 (B) the remaining amount shall be retained by the
11 department.

12 (4) If the registration transaction was processed through
13 the department's online registration portal, the fee established
14 in §217.183 is discounted by \$1:

15 (A) Texas Online receives the amount set pursuant to
16 Government Code, §2054.2591, Fees;

17 (B) the county tax assessor-collector may retain \$.25;
18 and

19 (C) the remaining amount shall be remitted to the
20 department.

21 (5) If the registration transaction was processed by a
22 limited service deputy or full service deputy appointed by the
23 county tax assessor-collector in accordance with Subchapter H of

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1 this chapter (relating to Deputies):

2 (A) the deputy may retain:

3 (i) the amount specified in §217.168(c) of this title
4 (relating to Deputy Fee Amounts). The deputy must remit the
5 remainder of the processing and handling fee to the county tax
6 assessor-collector; and

7 (ii) the convenience fee established in §217.168, if
8 the registration transaction is processed by a full service
9 deputy;

10 (B) the county tax assessor-collector may retain \$1.30;

11 and

12 (C) the county tax assessor-collector must remit the
13 remaining amount to the department.

14 (6) If the registration transaction was processed by a
15 dealer deputy appointed by the county tax assessor-collector in
16 accordance with Subchapter H of this chapter (relating to
17 Deputies):

18 (A) the deputy must remit the processing and handling
19 fee to the county tax assessor-collector;

20 (B) the county tax assessor-collector may retain \$2.30;
21 and

22 (C) the county tax assessor-collector must remit the
23 remaining amount to the department.

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1 (b) For transactions under Transportation Code, §§502.092-
2 502.095, the entity receiving the application and processing the
3 transaction collects and retains the entire processing and
4 handling fee established in §217.183. A full service deputy
5 processing a temporary permit transaction may not charge a
6 convenience fee for that transaction.

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board Jimmy
From: Archer, Director, Motor Carrier Division
Agenda Item: 17 (Modifying language regarding payment of inspection fees)
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration
Amendments, §217.54, Registration of Fleet Vehicles

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

Amendments are proposed to §217.54 to implement House Bill 1793, 85th Legislature, Regular Session, which amended Transportation Code, §548.203 to require the payment of an inspection fee, regardless of whether the inspection occurred in Texas. Amendments are also proposed to §217.54 to clarify the situations in which the one-time fee of \$10 per vehicle is due under Transportation Code, §502.0023(c)(1), as amended by Senate Bill 2075, 85th Legislature, Regular Session.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTION 217.54, REGISTRATION OF FLEET VEHICLES

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.54, Registration of Fleet Vehicles.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jimmy Archer, Director
Motor Carrier Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.54, Registration of Fleet Vehicles.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §217.54 to implement House Bill 1793, 85th Legislature, Regular Session, which amended Transportation Code, §548.203 to require the payment of an inspection fee, regardless of whether the inspection occurred in Texas.

Amendments are also proposed to §217.54 to clarify the situations in which the one-time fee of \$10 per vehicle is due under Transportation Code, §502.0023(c)(1), as amended by Senate Bill 2075, 85th Legislature, Regular Session.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

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1 Jimmy Archer, Director of the Motor Carrier Division, has
2 determined that there will be no impact on local economies or
3 overall employment as a result of enforcing or administering the
4 proposed amendments.

5
6 PUBLIC BENEFIT AND COST

7 Mr. Archer has also determined that for each year of the first
8 five years the amendments are in effect, the public benefit
9 anticipated as a result of enforcing or administering the
10 amendments will be a rule that is consistent with the statutes.
11 There are no anticipated economic costs for persons required to
12 comply with the proposed amendments. There will be no adverse
13 economic effect on small businesses, micro-businesses, or rural
14 communities.

15
16 TAKINGS IMPACT ASSESSMENT

17 The department has determined that this proposal affects no
18 private real property interests and that this proposal does not
19 restrict or limit an owner's right to property that would
20 otherwise exist in the absence of government action, and so does
21 not constitute a taking or require a takings impact assessment
22 under Government Code, §2007.043.

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1 SUBMITTAL OF COMMENTS

2 Written comments on the proposed amendments may be submitted to
3 David D. Duncan, General Counsel, Texas Department of Motor
4 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
5 to *rules@txdmv.gov*. The deadline for receipt of comments is
6 5:00 p.m. on December 11, 2017.

7

8 STATUTORY AUTHORITY

9 The amendments are proposed under Transportation Code,
10 §1002.001, which provides the board of the Texas Department of
11 Motor Vehicles (board) with the authority to adopt rules that
12 are necessary and appropriate to implement the powers and the
13 duties of the department under the Transportation Code; and more
14 specifically, Transportation Code, §502.0021, which authorizes
15 the department to adopt rules to administer Transportation Code,
16 Chapter 502, Registration of Vehicles.

17

18 CROSS REFERENCE TO STATUTE

19 Transportation Code, Chapters 502 and 548.

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.54. Registration of Fleet Vehicles.

3 (a) Scope. A registrant may consolidate the registration of
4 multiple motor vehicles, including trailers and semitrailers, in
5 a fleet instead of registering each vehicle separately. This
6 section prescribes the policies and procedures for fleet
7 registration.

8 (b) Eligibility. A fleet must meet the following
9 requirements to be eligible for fleet registration.

10 (1) No fewer than 25 vehicles will be registered as a
11 fleet;

12 (2) Vehicles may be registered in annual increments for
13 up to eight years;

14 (3) All vehicles in a fleet must be owned by or leased to
15 the same business entity;

16 (4) All vehicles must be vehicles that are not registered
17 under the International Registration Plan; and

18 (5) Each vehicle must currently be titled in Texas or be
19 issued a registration receipt, or the registrant must submit an
20 application for a title or registration for each vehicle.

21 (c) Application.

22 (1) Application for fleet registration must be in a form
23 prescribed by the department. At a minimum the form will

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 require:

2 (A) the full name and complete address of the
3 registrant;

4 (B) a description of each vehicle in the fleet, which
5 may include the vehicle's model year, make, model, vehicle
6 identification number, document number, body style, gross
7 weight, empty weight, and for a commercial vehicle,
8 manufacturer's rated carrying capacity in tons;

9 (C) the existing license plate number, if any, assigned
10 to each vehicle; and

11 (D) any other information that the department may
12 require.

13 (2) The application must be accompanied by the following
14 items:

15 (A) in the case of a leased vehicle, a certification
16 that the vehicle is currently leased to the person to whom the
17 fleet registration will be issued;

18 (B) registration fees prescribed by law for the entire
19 registration period selected by the registrant;

20 (C) local fees or other fees prescribed by law and
21 collected in conjunction with registering a vehicle for the
22 entire registration period selected by the registrant;

23 (D) evidence of financial responsibility for each

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1 vehicle as required by Transportation Code, §502.046, unless
2 otherwise exempted by law;

3 (E) annual proof of payment of Heavy Vehicle Use Tax;

4 (F) the state's portion of the vehicle inspection fee
5 ~~[for the vehicle inspections conducted in Texas]~~; and

6 (G) any other documents or fees required by law.

7 (d) Registration period.

8 (1) The fleet owner will designate a single registration
9 period for a fleet so the registration period for each vehicle
10 will expire on the same date.

11 (2) The fleet registration period will begin on the first
12 day of a calendar month and end on the last day of a calendar
13 month.

14 (e) Insignia.

15 (1) As evidence of registration, the department will
16 issue distinguishing insignia for each vehicle in a fleet.

17 (2) The insignia shall be included on the license plate
18 and affixed to the vehicle.

19 (3) The insignia shall be attached to the rear license
20 plate if the vehicle has no windshield.

21 (4) The registration receipt for each vehicle shall at
22 all times be carried in that vehicle and be available to law
23 enforcement personnel.

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(5) Insignia may not be transferred between vehicles, owners, or registrants.

(f) Fleet composition.

(1) A registrant may add a vehicle to a fleet at any time during the registration period. An added vehicle will be given the same registration period as the fleet and will be issued fleet registration insignia.

(2) A registrant may remove a vehicle from a fleet at any time during the registration period. The fleet registrant shall return the fleet registration insignia for that vehicle to the department at the time the vehicle is removed from the fleet. Credit for any vehicle removed from the fleet for the remaining full year increments can be applied to any vehicle added to the fleet or at the time of renewal. No refunds will be given if credit is not used or the account is closed.

(3) If the number of vehicles in an account falls below 25 during the registration period, fleet registration will remain in effect. If the number of vehicles in an account is below 25 at the end of the registration period, fleet registration will be canceled. In the event of cancellation, each vehicle shall be registered separately. The registrant shall immediately return all fleet registration insignia to the department.

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1 (g) Fees.

2 (1) When a fleet is first established, the department
3 will charge a registration fee for each vehicle for the entire
4 registration period selected. A currently registered vehicle,
5 however, will be given credit for any remaining time on its
6 separate registration.

7 (2) When a vehicle is added to an existing fleet, the
8 department will charge a registration fee that is prorated based
9 on the number of months of fleet registration remaining. If the
10 vehicle is currently registered, this fee will be adjusted to
11 provide credit for the number of months of separate registration
12 remaining.

13 (3) When a vehicle is removed from fleet registration, it
14 will be considered to be registered separately. The vehicle's
15 separate registration will expire on the date that the fleet
16 registration would have expired. The registrant must pay the
17 statutory replacement fee to obtain regular registration
18 insignia before the vehicle may be operated on a public highway.

19 (4) In addition to the registration fees prescribed by
20 Transportation Code, Chapter 502, an owner registering a fleet
21 under this section must pay a one-time fee of \$10 per motor
22 vehicle, semitrailer, or trailer in the fleet. This fee is also
23 due as follows:

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1 (A) for each vehicle added to the owner's existing
2 fleet; and

3 (B) for each vehicle that a buyer registers as a fleet,
4 even though the seller previously registered some or all of the
5 vehicles as a fleet under this section.

6 (h) Payment. Payment will be made in the manner prescribed
7 by the department.

8 (i) Cancellation.

9 (1) The department will cancel registration for non-
10 payment and lack of proof of annual payment of the Heavy Vehicle
11 Use Tax.

12 (2) The department may cancel registration on any fleet
13 vehicle that is not in compliance with the inspection
14 requirements under Transportation Code, Chapter 548 and the
15 Texas Department of Public Safety rules regarding inspection
16 requirements on the anniversary date(s) of the registration.

17 (3) A vehicle with a cancelled registration may not be
18 operated on a public highway.

19 (4) If the department cancels the registration of a
20 vehicle under this subsection, the registrant can request the
21 department to reinstate the registration by doing the following:

22 (A) complying with the requirements for which the
23 department cancelled the registration;

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1 (B) providing the department with notice of compliance
2 on a form prescribed by the department; and

3 (C) for a registration cancelled under paragraph (2) of
4 this subsection, paying an administrative fee in the amount of
5 \$10.

6 (5) A registrant is only eligible for reinstatement of
7 the registration within 90 calendar days of the department's
8 notice of cancellation.

9 (6) If a registrant fails to timely reinstate the
10 registration of a cancelled vehicle registration under this
11 section, the registrant:

12 (A) is not entitled to a credit or refund of any
13 registration fees for the vehicle; and

14 (B) must immediately return the registration insignia
15 to the department.

16 (j) Inspection fee. The registrant must pay the department
17 by the deadline listed in the invoice for the state's portion of
18 the vehicle inspection fee [~~for a vehicle inspection conducted~~
19 ~~in Texas~~].

Date: October 19, 2017
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: **18 (Relating to modernizing the permitting process)**
Subject: Proposal of Rules under Title 43, Texas Administrative Code, Chapter 219, Oversize and Overweight Vehicles and Loads Amendments, §§219.11, 219.42-219.45, and 219.62-219.64

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to improve the terminology, correct errors, modify the language for consistency with other rules in Chapter 219, delete irrelevant language, delete language that is already found in Chapter 219 or in statute, clarify requirements and procedures, make the rules consistent with current practice, and restructure portions of Chapter 219 due to deletions. For example, an applicant for the first quarter of a quarterly hubometer permit under §219.43 currently pays an initial \$31 processing fee, rather than an estimated fee. The minimum fee for the quarterly hubometer permit is \$31, so there is no need for the current refund language in §219.43(e).

Proposed amendments also continue the progress in modernizing the permitting process, such as deleting references to facsimiles. Although the department currently accepts and sends certain documents via facsimile, the goal is to eventually eliminate the use of facsimiles.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTIONS 219.11, 219.42, 219.43, 219.44, 219.45, 219.62, 219.63, AND 219.64
RELATING TO OVERSIZE AND OVERWEIGHT VEHICLES AND LOADS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter B, General Permits, §219.11, General Oversize/Overweight Permit Requirements and Procedures; Subchapter D, Permits for Oversize and Overweight Oil Well Related Vehicles, §219.42, Single-Trip Mileage Permits, §219.43, Quarterly Hubometer Permits, §219.44, Annual Permits, and §219.45, Permits for Vehicles Transporting Liquid Products Related to Oil Well Production; and Subchapter E, Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles, §219.62, Single Trip Mileage Permits, §219.63, Quarterly Hubometer Permits, and §219.64, Annual Permits.

The preamble and proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the board that the attached proposed rules are authorized for publication in the *Texas Register* for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Jimmy Archer, Director
Motor Carrier Division

Order Number: _____ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 219, Oversize and Overweight Vehicles and
4 Loads, Subchapter B, General Permits, §219.11, General
5 Oversize/Overweight Permit Requirements and Procedures;
6 Subchapter D, Permits for Oversize and Overweight Oil Well
7 Related Vehicles, §219.42, Single-Trip Mileage Permits, §219.43,
8 Quarterly Hubometer Permits, §219.44, Annual Permits, and
9 §219.45, Permits for Vehicles Transporting Liquid Products
10 Related to Oil Well Production; and Subchapter E, Permits for
11 Oversize and Overweight Unladen Lift Equipment Motor Vehicles,
12 §219.62, Single Trip Mileage Permits, §219.63, Quarterly
13 Hubometer Permits, and §219.64, Annual Permits.

14

15 EXPLANATION OF PROPOSED AMENDMENTS

16 Proposed amendments improve the terminology, correct errors,
17 modify the language for consistency with other rules in Chapter
18 219, delete irrelevant language, delete language that is already
19 found in Chapter 219 or in statute, clarify requirements and
20 procedures, make the rules consistent with current practice, and
21 restructure portions of Chapter 219 due to deletions. For
22 example, an applicant for the first quarter of a quarterly
23 hubometer permit under §219.43 currently pays an initial \$31

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1 processing fee, rather than an estimated fee. The minimum fee
2 for the quarterly hubometer permit is \$31, so there is no need
3 for the current refund language in §219.43(e).

4
5 Proposed amendments also continue the progress in modernizing
6 the permitting process, such as deleting references to
7 facsimiles. Although the department currently accepts and sends
8 certain documents via facsimile, the goal is to eventually
9 eliminate the use of facsimiles.

10
11 FISCAL NOTE

12 Linda M. Flores, Chief Financial Officer, has determined that
13 for each of the first five years the amendments as proposed are
14 in effect, there will be no fiscal implications for state or
15 local governments as a result of enforcing or administering the
16 proposed amendments.

17
18 Jimmy Archer, Director of the Motor Carrier Division, has
19 determined that there will be no impact on local economies or
20 overall employment as a result of enforcing or administering the
21 proposed amendments.

22
23 PUBLIC BENEFIT AND COST

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1 Mr. Archer has also determined that for each year of the first
2 five years the amendments are in effect, the public benefit
3 anticipated as a result of enforcing or administering the
4 amendments will be updated rules that are consistent with the
5 applicable statutes and current practice. There are no
6 anticipated economic costs for persons required to comply with
7 the proposed amendments. There will be no adverse economic
8 effect on small businesses, micro-businesses, or rural
9 communities.

10
11 TAKINGS IMPACT ASSESSMENT

12 The department has determined that this proposal affects no
13 private real property interests and that this proposal does not
14 restrict or limit an owner's right to property that would
15 otherwise exist in the absence of government action, and so does
16 not constitute a taking or require a takings impact assessment
17 under Government Code, §2007.043.

18
19 SUBMITTAL OF COMMENTS

20 Written comments on the proposed amendments may be submitted to
21 David D. Duncan, General Counsel, Texas Department of Motor
22 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
23 to rules@txdmv.gov. The deadline for receipt of comments is

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 5:00 p.m. on December 11, 2017.

2

3 STATUTORY AUTHORITY

4 The amendments are proposed under Transportation Code,

5 §1002.001, which provides the board of the Texas Department of

6 Motor Vehicles (board) with the authority to adopt rules that

7 are necessary and appropriate to implement the powers and the

8 duties of the department under the Transportation Code; and more

9 specifically, Transportation Code, §§621.008, 622.002, and

10 623.002 which authorize the board to adopt rules that are

11 necessary to implement and enforce Chapters 621, 622, and 623.

12

13 CROSS REFERENCE TO STATUTE

14 Transportation Code, Chapters 621, 622, and 623.

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Chapter 219, Oversize and Overweight Vehicles and Loads

SUBCHAPTER B. GENERAL PERMITS

§219.11. General Oversize/Overweight Permit Requirements and Procedures.

(a) Purpose and scope. This section contains general requirements relating to oversize/overweight permits, including single-trip permits. Specific requirements for each type of specialty permit are provided for in this chapter.

(b) Prerequisites to obtaining an oversize/overweight permit. Unless exempted by law or this chapter, the following requirements must be met prior to the issuance of an oversize/overweight permit.

(1) Commercial motor carrier registration or surety bond. Prior to obtaining an oversize/overweight permit, an applicant permitted under the provisions of Transportation Code, Chapter 623, Subchapter D, must be registered as a commercial motor carrier under Chapter 218 of this title (relating to Motor Carriers) or, if not required to obtain a motor carrier registration, file a surety bond with the department as described in subsection (n) of this section.

(2) Vehicle registration. A vehicle registered with a permit plate will not be issued an oversize/overweight permit under this subchapter. A permitted vehicle operating under this subchapter must be registered with one of the following types of

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1 vehicle registration:

2 (A) current Texas license plates that indicate the
3 permitted vehicle is registered for maximum legal gross weight
4 or the maximum weight the vehicle can transport;

5 (B) Texas temporary vehicle registration;

6 (C) current out of state license plates that are
7 apportioned for travel in Texas; or

8 (D) foreign commercial vehicles registered under Texas
9 annual registration.

10 (c) Permit application.

11 (1) An application for a permit shall be made in a form
12 and by the method prescribed by the department, and at a minimum
13 shall include the following:

14 (A) name, address, telephone number, and email address
15 (if requested) of the applicant;

16 (B) applicant's customer identification number;

17 (C) applicant's MCR number or USDOT Number, if
18 applicable;

19 (D) complete load description, including maximum width,
20 height, length, overhang, and gross weight;

21 (E) complete description of vehicle, including truck
22 year, make, license plate number and state of issuance, and
23 vehicle identification number, if required;

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1 (F) vehicle axle and tire information including number
2 of axles, distance between axles, axle weights, number of tires,
3 and tire size for overweight permit applications; and

4 (G) any other information required by law.

5 (2) Applications transmitted electronically are
6 considered signed if a digital signature is transmitted with the
7 application and intended by the applicant to authenticate the
8 application.

9 (A) The department may only accept a digital signature
10 used to authenticate an application under procedures that comply
11 with any applicable rules adopted by the Department of
12 Information Resources regarding department use or acceptance of
13 a digital signature.

14 (B) The department may only accept a digital signature
15 to authenticate an application if the digital signature is:

16 (i) unique to the person using it;

17 (ii) capable of independent verification;

18 (iii) under the sole control of the person using it;

19 and

20 (iv) transmitted in a manner that will make it
21 infeasible to change the data in the communication or digital
22 signature without invalidating the digital signature.

23 (d) Maximum permit weight limits.

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1 (1) General. An overweight permitted vehicle will not be
2 routed over a load-restricted bridge when exceeding the posted
3 capacity of the bridge, unless a special exception is granted by
4 TxDOT, based on an analysis of the bridge performed by a TxDOT
5 approved licensed professional engineer or by TxDOT. Any
6 analysis by a non-TxDOT engineer must have final approval from
7 TxDOT.

8 (A) An axle group must have a minimum spacing of four
9 feet, measured from center of axle to center of axle, between
10 each axle in the group to achieve the maximum permit weight for
11 the group.

12 (B) The maximum permit weight for an axle group with
13 spacing of five or more feet between each axle will be based on
14 an engineering study of the equipment conducted by TxDOT.

15 (C) A permitted vehicle will be allowed to have air
16 suspension, hydraulic suspension, and mechanical suspension
17 axles in a common weight equalizing suspension system for any
18 axle group.

19 (D) The department may permit axle weights greater than
20 those specified in this section, for a specific individual
21 permit request, based on an engineering study of the route and
22 hauling equipment performed by a TxDOT approved licensed
23 professional engineer or by TxDOT. Any analysis by a non-TxDOT

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1 engineer must have final approval from TxDOT.

2 (E) A permitted vehicle or combination of vehicles may
3 not exceed the manufacturer's rated tire carrying capacity,
4 unless expressly authorized in the language on the permit based
5 on an analysis performed by a TxDOT approved licensed
6 professional engineer or by TxDOT. Any analysis by a non-TxDOT
7 engineer must have final approval from TxDOT.

8 (F) Two or more consecutive axle groups having an axle
9 spacing of less than 12 feet, measured from the center of the
10 last axle of the preceding group to the center of the first axle
11 of the following group, will be reduced by 2.5% for each foot
12 less than 12 feet.

13 (2) Maximum axle weight limits. Maximum permit weight for
14 an axle or axle group is based on 650 pounds per inch of tire
15 width or the following axle or axle group weights, whichever is
16 the lesser amount:

17 (A) single axle--25,000 pounds;

18 (B) two axle group--46,000 pounds;

19 (C) three axle group--60,000 pounds;

20 (D) four axle group--70,000 pounds;

21 (E) five axle group--81,400 pounds;

22 (F) axle group with six or more axles--determined by
23 TxDOT based on an engineering study of the equipment, which will

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1 include the type of steering system used, the type of axle
2 suspension, the spacing distance between each axle, the number
3 of tires per axle, and the tire size on each axle; or

4 (G) trunnion axles--30,000 pounds per axle if the
5 trunnion configuration has:

6 (i) two axles;

7 (ii) eight tires per axle;

8 (iii) axles a minimum of 10 feet in width; and

9 (iv) at least five feet of spacing between the axles,
10 not to exceed six feet.

11 (3) Weight limits for load restricted roads. Maximum
12 permit weight for an axle or axle group, when traveling on a
13 load restricted road, will be based on 650 pounds per inch of
14 tire width or the following axle or axle group weights,
15 whichever is the lesser amount:

16 (A) single axle--22,500 pounds;

17 (B) two axle group--41,400 pounds;

18 (C) three axle group--54,000 pounds;

19 (D) four axle group--63,000 pounds;

20 (E) five axle group--73,260 pounds;

21 (F) axle group with six or more axles--determined by
22 TxDOT based on an engineering study of the equipment, which will
23 include the type of steering system used, the type of axle

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suspension, the spacing distance between each axle, the number of tires per axle, and the tire size on each axle;

(G) trunnion axles--54,000 pounds; and

(H) two or more consecutive axle groups having an axle spacing of less than 12 feet, measured from the center of the last axle of the preceding group to the center of the first axle of the following group will be reduced by 2.5% for each foot less than 12 feet.

(e) Permit issuance.

(1) General. Upon receiving an application in the form prescribed by the department, the department will review the permit application for the appropriate information and will then determine the most practical route based on information provided by TxDOT. ~~[After a route is selected and a permit number is assigned by the department, an applicant requesting a permit by telephone must legibly enter all necessary information on the permit application, including the approved route and permit number. Permit requests made by methods other than telephone will be returned via facsimile, mail, or electronically.]~~

(2) Routing.

(A) A permitted vehicle will be routed over the most practical route available taking into consideration:

(i) the size and weight of the overdimension load in

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1 relation to vertical clearances, width restrictions, steep
2 grades, and weak or load restricted bridges;

3 (ii) the geometrics of the roadway in comparison to
4 the overdimension load;

5 (iii) sections of highways restricted to specific load
6 sizes and weights due to construction, maintenance, and
7 hazardous conditions;

8 (iv) traffic conditions, including traffic volume;

9 (v) route designations by municipalities in accordance
10 with Transportation Code, §623.072;

11 (vi) load restricted roads; and

12 (vii) other considerations for the safe transportation
13 of the load.

14 (B) When a permit applicant desires a route other than
15 the most practical, more than one permit will be required for
16 the trip unless an exception is granted by the department.

17 (3) Movement to and from point of origin or place of
18 business. A permitted vehicle will be allowed to:

19 (A) move empty oversize and overweight hauling
20 equipment to and from the job site; and

21 (B) move oversize and overweight hauling equipment with
22 a load from the permitted vehicle's point of origin to pick up a
23 permitted load, and to the permitted vehicle's point of origin

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1 or the permittee's place of business after dropping off a
2 permitted load, as long as:

3 (i) the load does not exceed legal size and weight
4 limits under Transportation Code, Chapters 621 and 622; and

5 (ii) the transport complies with the permit, including
6 the time period stated on the permit.

7 (f) Payment of permit fees, refunds.

8 (1) Payment methods. All permit applications must be
9 accompanied by the proper fee, which shall be payable as
10 provided by §209.23 of this title (relating to Methods of
11 Payment).

12 (A) Permit Account Card (PAC). Application for a PAC
13 should be made directly to the issuing institution. A PAC must
14 be established and maintained according to the contract
15 provisions stipulated between the PAC holder and the financial
16 institution under contract to the department and the Comptroller
17 of Public Accounts.

18 (B) Escrow accounts. A permit applicant may establish
19 an escrow account with the department for the specific purpose
20 of paying any fee that is related to the issuance of a permit
21 under this subchapter.

22 (i) A permit applicant who desires to establish an
23 escrow account shall complete and sign an escrow account

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1 agreement, and shall return the completed and signed agreement
2 to the department with a check in the minimum amount of \$305,
3 which shall be deposited to the appropriate fund by the
4 department with the Comptroller of Public Accounts. In lieu of
5 submitting a check for the initial deposit to an applicant's
6 escrow account, the applicant may transfer funds to the
7 department electronically.

8 (ii) Upon initial deposit, and each subsequent deposit
9 made by the escrow account holder, \$5 will be charged as an
10 escrow account administrative fee.

11 (iii) The escrow account holder is responsible for
12 monitoring of the escrow account balance.

13 (iv) An escrow account holder must submit a written
14 request to the department to terminate the escrow account
15 agreement. Any remaining balance will be returned to the escrow
16 account holder.

17 (2) Refunds. A permit fee will not be refunded after the
18 permit number has been issued unless such refund is necessary to
19 correct an error made by the permit officer.

20 (g) Amendments. A permit may be amended for the following
21 reasons:

22 (1) vehicle breakdown;

23 (2) changing the intermediate points in an approved

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1 permit route;

2 (3) extending the expiration date due to conditions which
3 would cause the move to be delayed;

4 (4) changing route origin or route destination prior to
5 the start date as listed on the permit;

6 (5) changing vehicle size limits prior to the permit
7 start date as listed on the permit, provided that changing the
8 vehicle size limit does not necessitate a change in the approved
9 route; and

10 (6) correcting any mistake that is made due to permit
11 officer error.

12 (h) Requirements for overwidth loads.

13 (1) Unless stated otherwise on the permit, an overwidth
14 load must travel in the outside traffic lane on multi-lane
15 highways, when the width of the load exceeds 12 feet.

16 (2) Overwidth loads are subject to the escort
17 requirements of subsection (k) of this section.

18 (3) A permitted vehicle exceeding 16 feet in width will
19 not be routed on the main lanes of a controlled access highway,
20 unless an exception is granted by TxDOT, based on a route and
21 traffic study. The load may be permitted on the frontage roads
22 when available, if the movement will not pose a safety hazard to
23 other highway users.

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1 (4) An applicant requesting a permit to move a load
2 exceeding 20 feet wide will be furnished with a proposed route.
3 The applicant must physically inspect the proposed route to
4 determine if the vehicle and load can safely negotiate it,
5 unless an exception is granted based on a route and traffic
6 study conducted by TxDOT. A permit application and the
7 appropriate fee are required for every route inspection.

8 (A) The applicant must notify the department in writing
9 whether the vehicle and load can or cannot safely negotiate the
10 proposed route.

11 (B) If any section of the proposed route is
12 unacceptable, the applicant shall provide the department with an
13 alternate route around the unacceptable section.

14 (C) Once a route is decided upon and a permit issued,
15 the permit may not be amended unless an exception is granted by
16 the department.

17 (i) Requirements for overlength loads.

18 (1) Overlength loads are subject to the escort
19 requirements stated in subsection (k) of this section.

20 (2) A single vehicle, such as a motor crane, that has a
21 permanently mounted boom is not considered as having either
22 front or rear overhang as a result of the boom because the boom
23 is an integral part of the vehicle.

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1 (3) When a single vehicle with a permanently attached
2 boom exceeds the maximum legal length of 45 feet, a permit will
3 not be issued if the boom projects more than 25 feet beyond the
4 front bumper of the vehicle, or when the boom projects more than
5 30 feet beyond the rear bumper of the vehicle, unless an
6 exception is granted by TxDOT, based on a route and traffic
7 study.

8 (4) Maximum permit length for a single vehicle is 75
9 feet.

10 (5) A load extending more than 20 feet beyond the front
11 or rearmost portion of the load carrying surface of the
12 permitted vehicle must have a rear escort, unless an exception
13 is granted by TxDOT, based on a route and traffic study.

14 (6) A permit will not be issued for an oversize vehicle
15 and [~~a vehicle and oversize~~] load with:

16 (A) more than 25 feet front overhang; or

17 (B) more than 30 feet rear overhang, unless an
18 exception is granted by TxDOT, based on a route and traffic
19 study.

20 (7) An applicant requesting a permit to move an oversize
21 vehicle and load exceeding 125 feet overall length will be
22 furnished with a proposed route. The applicant must physically
23 inspect the proposed route to determine if the oversize vehicle

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1 and load can safely negotiate it, unless an exception is granted
2 based on a route and traffic study conducted by TxDOT. A permit
3 application and the appropriate fee are required for every route
4 inspection.

5 (A) The applicant must notify the department in writing
6 whether the oversize vehicle and load can or cannot safely
7 negotiate the proposed route.

8 (B) If any section of the proposed route is
9 unacceptable, the applicant shall provide the department with an
10 alternate route around the unacceptable section.

11 (C) Once a route is decided upon and a permit issued,
12 the permit may not be amended unless an exception is granted by
13 the department.

14 (8) A permitted vehicle that is not overwidth or
15 overheight, and does not exceed 150 feet overall length, may be
16 moved in a convoy consisting of not more than four overlength
17 permitted vehicles. A permitted vehicle that is not overwidth or
18 overheight that exceeds 150 feet, but does not exceed 180 feet
19 overall length, may be moved in a convoy consisting of not more
20 than two overlength permitted vehicles. Convoys are subject to
21 the requirements of subsection (k) of this section. Each
22 permitted vehicle in the convoy must:

23 (A) be spaced at least 1,000 feet, but not more than

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1 2,000 feet, from any other permitted vehicle in the convoy; and

2 (B) have a rotating amber beacon or an amber pulsating
3 light, not less than eight inches in diameter, mounted at the
4 rear top of the load being transported.

5 (j) Requirements for overheight loads.

6 (1) Overheight loads are subject to the escort
7 requirements stated in subsection (k) of this section.

8 (2) An applicant requesting a permit to move an oversize
9 vehicle and load with an overall height of 19 feet or greater
10 will be furnished with a proposed route. The applicant must
11 physically inspect the proposed route to determine if the
12 oversize vehicle and load can safely negotiate it, unless an
13 exception is granted based on a route and traffic study
14 conducted by TxDOT. A permit application and the appropriate fee
15 are required for every route inspection.

16 (A) The applicant must notify the department in writing
17 whether the oversize vehicle and load can or cannot safely
18 negotiate the proposed route.

19 (B) If any section of the proposed route is
20 unacceptable, the applicant shall provide the department with an
21 alternate route around the unacceptable section.

22 (C) Once a route is decided upon and a permit issued,
23 the permit may not be amended unless an exception is granted by

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1 the department.

2 (k) Escort vehicle requirements. Escort vehicle
3 requirements are provided to facilitate the safe movement of
4 permitted vehicles and to protect the traveling public during
5 the movement of permitted vehicles. A permittee must provide for
6 escort vehicles and law enforcement assistance when required by
7 TxDOT. The requirements in this subsection do not apply to the
8 movement of manufactured housing, portable building units, or
9 portable building compatible cargo.

10 (1) General.

11 (A) Applicability. The operator of an escort vehicle
12 shall, consistent with applicable law, warn the traveling public
13 when:

14 (i) a permitted vehicle must travel over the center
15 line of a narrow bridge or roadway;

16 (ii) a permitted vehicle makes any turning movement
17 that will require the permitted vehicle to travel in the
18 opposing traffic lanes;

19 (iii) a permitted vehicle reduces speed to cross under
20 a low overhead obstruction or over a bridge;

21 (iv) a permitted vehicle creates an abnormal and
22 unusual traffic flow pattern; or

23 (v) in the opinion of TxDOT, warning is required to

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1 ensure the safety of the traveling public or safe movement of
2 the permitted vehicle.

3 (B) Law enforcement assistance. Law enforcement
4 assistance may be required by TxDOT to control traffic when a
5 permitted vehicle is being moved within the corporate limits of
6 a city, or at such times when law enforcement assistance would
7 provide for the safe movement of the permitted vehicle and the
8 traveling public.

9 (C) Obstructions. It is the responsibility of the
10 permittee to contact utility companies, telephone companies,
11 television cable companies, or other entities as they may
12 require, when it is necessary to raise or lower any overhead
13 wire, traffic signal, street light, television cable, sign, or
14 other overhead obstruction. The permittee is responsible for
15 providing the appropriate advance notice as required by each
16 entity.

17 (2) Escort requirements for overwidth loads. Unless an
18 exception is granted based on a route and traffic study
19 conducted by TxDOT, an overwidth load must:

20 (A) have a front escort vehicle if the width of the
21 load exceeds 14 feet, but does not exceed 16 feet, when
22 traveling on a two lane roadway;

23 (B) have a rear escort vehicle if the width of the load

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1 exceeds 14 feet, but does not exceed 16 feet, when traveling on
2 a roadway of four or more lanes; and

3 (C) have a front and a rear escort vehicle for all
4 roads, when the width of the load exceeds 16 feet.

5 (3) Escort requirements for overlength loads. Unless an
6 exception is granted by TxDOT, based on a route and traffic
7 study, overlength loads must have:

8 (A) a front escort vehicle when traveling on a two lane
9 roadway if the vehicle exceeds 110 feet overall length, but does
10 not exceed 125 feet overall length;

11 (B) a rear escort vehicle when traveling on a multi-
12 lane highway if the vehicle exceeds 110 feet overall length, but
13 does not exceed 125 feet overall length; and

14 (C) a front and rear escort vehicle at all times if the
15 permitted vehicle exceeds 125 feet overall length.

16 (4) Escort requirements for overheight loads. Unless an
17 exception is granted by TxDOT, based on a route and traffic
18 study, overheight loads must have:

19 (A) a front escort vehicle equipped with a height pole
20 to ensure the vehicle and load can clear all overhead
21 obstructions for any permitted vehicle that exceeds 17 feet in
22 height; and

23 (B) a front and rear escort vehicle for any permitted

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1 vehicle exceeding 18 feet in height.

2 (5) Escort requirements for permitted vehicles exceeding
3 legal limits in more than one dimension. When a load exceeds
4 more than one dimension that requires an escort under this
5 subsection, front and rear escorts will be required unless an
6 exception is granted by TxDOT.

7 (6) Escort requirements for convoys. Convoys must have a
8 front escort vehicle and a rear escort vehicle on all highways
9 at all times.

10 (7) General equipment requirements. The following special
11 equipment requirements apply to permitted vehicles and escort
12 vehicles that are not motorcycles.

13 (A) An escort vehicle must be a single unit with a
14 gross vehicle weight (GVW) of not less than 1,000 pounds nor
15 more than 10,000 pounds.

16 (B) An escort vehicle must be equipped with two
17 flashing amber lights or one rotating amber beacon of not less
18 than eight inches in diameter, affixed to the roof of the escort
19 vehicle, which must be visible to the front, sides, and rear of
20 the escort vehicle while actively engaged in escort duties for
21 the permitted vehicle.

22 (C) An escort vehicle must display a sign, on either
23 the roof of the vehicle, or the front and rear of the vehicle,

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1 with the words "OVERSIZE LOAD" or "WIDE LOAD." The sign must be
2 visible from the front and rear of the vehicle while escorting
3 the permitted load. The sign must meet the following
4 specifications:

5 (i) at least five feet, but not more than seven feet
6 in length, and at least 12 inches, but not more than 18 inches
7 in height;

8 (ii) the sign must have a yellow background with black
9 lettering;

10 (iii) letters must be at least eight inches, but not
11 more than 10 inches high with a brush stroke at least 1.41
12 inches wide; and

13 (iv) the sign must be visible from the front or rear
14 of the vehicle while escorting the permitted vehicle, and the
15 signs must not be used at any other time.

16 (D) An escort vehicle must maintain two-way
17 communications with the permitted vehicle and other escort
18 vehicles involved with the movement of the permitted vehicle.

19 (E) Warning flags must be either red or orange
20 fluorescent material, at least 12 inches square, securely
21 mounted on a staff or securely fastened by at least one corner
22 to the widest extremities of an overwidth permitted vehicle, and
23 at the rear of an overlength permitted vehicle or a permitted

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1 vehicle with a rear overhang in excess of four feet.

2 (8) Equipment requirements for motorcycles.

3 (A) An official law enforcement motorcycle may be used
4 as a primary escort vehicle for a permitted vehicle traveling
5 within the limits of an incorporated city, if the motorcycle is
6 operated by a highway patrol officer, sheriff, or duly
7 authorized deputy, or municipal police officer.

8 (B) An escort vehicle must maintain two-way
9 communications with the permitted vehicle and other escort
10 vehicles involved with the movement of the permitted vehicle.

11 (1) Restrictions.

12 (1) Restrictions pertaining to road conditions. Movement
13 of a permitted vehicle is prohibited when road conditions are
14 hazardous based upon the judgment of the operator and law
15 enforcement officials. Law enforcement officials shall make the
16 final determination regarding whether or not conditions are
17 hazardous. Conditions that should be considered hazardous
18 include, but are not limited to:

19 (A) visibility of less than 2/10 of one mile; or

20 (B) weather conditions such as wind, rain, ice, sleet,
21 or snow.

22 (2) Daylight and night movement restrictions.

23 (A) A permitted vehicle may be moved only during

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1 daylight hours unless:

2 (i) the permitted vehicle is overweight only;

3 (ii) the permitted vehicle is traveling on an
4 interstate highway and does not exceed 10 feet wide and 100 feet
5 long, with front and rear overhang that complies with legal
6 standards; or

7 (iii) the permitted vehicle meets the criteria of
8 clause (ii) of this subparagraph and is overweight.

9 (B) An exception may be granted allowing night
10 movement, based on a route and traffic study conducted by TxDOT.
11 Escorts may be required when an exception allowing night
12 movement is granted.

13 (3) Holiday restrictions. The maximum size limits for a
14 permit issued under Transportation Code, Chapter 623, Subchapter
15 D, for holiday movement is 14 feet wide, 16 feet high, and 110
16 feet long, unless an exception is granted based on a route and
17 traffic study conducted by TxDOT. The department may restrict
18 holiday movement of specific loads based on a determination that
19 the load could pose a hazard for the traveling public due to
20 local road or traffic conditions.

21 (4) Curfew restrictions. The operator of a permitted
22 vehicle must observe the curfew movement restrictions of any
23 city or county in which the vehicle is operated. However, only

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1 the curfew restrictions listed on the permit apply to the
2 permit.

3 (m) General provisions.

4 (1) Multiple commodities.

5 (A) Except as provided in subparagraph (B) of this
6 paragraph, when a permitted commodity creates a single
7 overdimension, two or more commodities may be hauled as one
8 permit load, provided legal axle weight and gross weight are not
9 exceeded, and provided an overdimension of width, length or
10 height is not created or made greater by the additional
11 commodities. For example, a permit issued for the movement of a
12 12 foot wide storage tank may also include a 10 foot wide
13 storage tank loaded behind the 12 foot wide tank provided that
14 legal axle weight and gross weight are not exceeded, and
15 provided an overdimension of width, length or height is not
16 created.

17 (B) When the transport of more than one commodity in a
18 single load creates or makes greater an illegal dimension of
19 length, width, or height the department may issue an oversize
20 permit for such load subject to each of the following
21 conditions.

22 (i) The permit applicant or the shipper of the
23 commodities files with the department a written certification by

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1 the Texas Economic Development and Tourism Office, [~~Department~~
2 ~~of Economic Development~~, ~~approved by the Office of the~~
3 ~~Governor~~,] attesting that issuing the permit will have a
4 significant positive impact on the economy of Texas and that the
5 proposed load of multiple commodities therefore cannot be
6 reasonably dismantled. As used in this clause the term
7 significant positive impact means the creation of not less than
8 100 new full-time jobs, the preservation of not less than 100
9 existing full-time jobs, that would otherwise be eliminated if
10 the permit is not issued, or creates or retains not less than
11 one percent of the employment base in the affected economic
12 sector identified in the certification.

13 (ii) Transport of the commodities does not exceed
14 legal axle and gross load limits.

15 (iii) The permit is issued in the same manner and
16 under the same provisions as would be applicable to the
17 transport of a single oversize commodity under this section;
18 provided, however, that the shipper and the permittee also must
19 indemnify and hold harmless the department, its board members,
20 officers, and employees from any and all liability for damages
21 or claims of damages including court costs and attorney fees, if
22 any, which may arise from the transport of an oversized load
23 under a permit issued pursuant to this subparagraph.

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(iv) The shipper and the permittee must file with the department a certificate of insurance on a form prescribed by the department, or otherwise acceptable to the department, naming the department, its board members, officers, and employees as named or additional insurers on its comprehensive general liability insurance policy for coverage in the amount of \$5 million per occurrence, including court costs and attorney fees, if any, which may arise from the transport of an oversized load under a permit issued pursuant to this subparagraph. The insurance policy is to be procured from a company licensed to transact insurance business in the State of Texas.

(v) The shipper and the permittee must file with the department, in addition to all insurance provided in clause (iv) of this subparagraph, a certificate of insurance on a form prescribed by the department, or otherwise acceptable to the department, naming the department, its board members, officers, and employees as insurers under an auto liability insurance policy for the benefit of said insurers in an amount of \$5 million per accident. The insurance policy is to be procured from a company licensed to transact insurance business in the State of Texas. If the shipper or the permittee is self-insured with regard to automobile liability then that party must take all steps and perform all acts necessary under the law to

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1 indemnify the department, its board members, officers, and
2 employees as if the party had contracted for insurance pursuant
3 to, and in the amount set forth in, the preceding sentence and
4 shall agree to so indemnify the department, its board members,
5 officers, and employees in a manner acceptable to the
6 department.

7 (vi) Issuance of the permit is approved by written
8 order of the board which written order may be, among other
9 things, specific as to duration and routes.

10 (C) An applicant requesting a permit to haul a dozer
11 and its detached blade may be issued a permit, as a non-
12 dismantable load, if removal of the blade will decrease the
13 overall width of the load, thereby reducing the hazard to the
14 traveling public.

15 (2) Oversize hauling equipment. A vehicle that exceeds
16 the legal size limits, as set forth by Transportation Code,
17 Chapter 621, Subchapter C, may only haul a load that exceeds
18 legal size limits unless otherwise noted in this subchapter, but
19 such vehicle may haul an overweight load that does not exceed
20 legal size limits, except for the special exception granted in
21 §219.13(c)(3) of this title (relating to Time Permits).

22 (n) Surety bonds.

23 (1) General. The following conditions apply to surety

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bonds specified in Transportation Code, §623.075.

(A) The surety bond must:

(i) be made payable to the Texas Department of Transportation~~[department]~~ with the condition that the applicant will pay the Texas Department of Transportation~~[department]~~ for any damage caused to the highway by the operation of the equipment covered by the surety bond;

(ii) be effective the day it is issued and expires at the end of the state fiscal year, which is August 31st. For example, if you obtain a surety bond on August 30th, it will expire the next day at midnight.

(iii) include the complete mailing address and zip code of the principal;

(iv) be filed with the department and have an original signature of the principal;

(v) have a single entity as principal with no other principal names listed; and

(vi) A non-resident agent with a valid Texas insurance license may issue a bond on behalf of an authorized insurance company when in compliance with Insurance Code, Chapter 4056.

(B) A certificate of continuation will not be accepted.

(C) The owner of a vehicle bonded under Transportation Code, §623.075 or §623.163, that damages the state highway

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1 system as a result of the permitted vehicle's movement will be
2 notified by certified mail of the amount of damage and will be
3 given 30 days to submit payment for such damage. Failure to make
4 payment within 30 days will result in TxDOT placing the claim
5 with the attorney general for collection.

6 (D) The venue of any suit for a claim against a surety
7 bond for the movement of a vehicle permitted under the
8 provisions of Transportation Code, Chapter 623, Subchapter D,
9 will be any court of competent jurisdiction in Travis County.

10 (2) Permit surety bonds.

11 (A) A surety bond required under the provisions of
12 Transportation Code, Chapter 623, Subchapter D, must be
13 submitted on the department's standard surety bond form in the
14 amount of \$10,000.

15 (B) A facsimile or electronic copy of the surety bond
16 is acceptable in lieu of the original surety bond, for a period
17 not to exceed 10 days from the date of its receipt in the
18 department. If the original surety bond has not arrived in the
19 department by the end of the 10 days, the applicant will not be
20 issued a permit until the original surety bond has been received
21 in the department.

22 (C) The surety bond requirement does apply to the
23 delivery of farm equipment to a farm equipment dealer.

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(D) A surety bond is required when a dealer or transporter of farm equipment or a manufacturer of farm equipment obtains a permit.

(E) The surety bond requirement does not apply to driving or transporting farm equipment which is being used for agricultural purposes if it is driven or transported by or under the authority of the owner of the equipment.

(F) The surety bond requirement does not apply to a vehicle or equipment operated by a motor carrier registered with the department under Transportation Code, Chapters 643 or 645 as amended.

SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL
RELATED VEHICLES

§219.42. Single-Trip Mileage Permits.

(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(2) A single-trip mileage permit:

(A) is limited to a maximum of seven consecutive days;

(B) routes the vehicle from the point of origin to the point of destination and has the route listed on the permit; and

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(C) allows the unit to be returned to the point of origin on the same permit, provided the return trip is made within the time period stated in the permit.

(3) A unit exceeding 175,000 pounds gross weight must:

(A) have front and rear escort vehicles to prevent traffic from traveling beside the unit as it crosses a bridge;

(B) cross all multi-lane bridges by centering the unit on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(4) A unit exceeding 12 feet in width must be centered in the outside traffic lane of any highway that has paved shoulders.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle~~[, not connected to another axle by a weight equalizing suspension system,]~~ must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a unit will be determined by calculating the "W" weight for the group, using the formulas shown in Figure 2: 43 TAC §219.42(f),

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1 titled "Maximum Permit Weight Formulas," and comparing the
2 calculated "W" weight with the corresponding "W" weight that is
3 established in Figure 1: 43 TAC §219.42(f), titled "Maximum
4 Permit Weight Table."

5 (3) The maximum permit weight per inch of tire width for
6 axles that are steerable must not exceed 950 pounds, and the
7 maximum permit weight per inch of tire width for axles that are
8 not steerable must not exceed 850 pounds.

9 (4) A unit that does not have any group of axles that
10 exceeds the limits established in Figure 1: 43 TAC §219.42(f),
11 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f),
12 "Maximum Permit Weight Formulas" will be permitted with a
13 single-trip mileage or quarterly hubometer permit for travel on
14 any route that does not include a load restricted bridge.

15 (5) A unit that has any group of axles that exceeds the
16 limits established by Figure 1: 43 TAC §219.42(f), "Maximum
17 Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum
18 Permit Weight Formulas" will be eligible, on an individual case-
19 by-case basis, for a single-trip mileage permit only; permit
20 approval or denial will be based on a detailed route study and
21 an analysis conducted by TxDOT of each bridge on the proposed
22 travel route to determine if the road(s) and bridge(s) [~~bridges~~]
23 are capable of sustaining the movement.

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(6) A road or bridge that has been analyzed and determined to be incapable of sustaining the unit will be excluded from the permit route.

(c) Permit application and issuance.

(1) An application ~~[Application]~~ for a single-trip mileage permit under this section must be made in accordance with §219.41(b) of this title and shall also include the origin and destination points of the unit.

~~[(A) The applicant must submit the completed application to the department by telephone, [facsimile,] mail, or Internet. The application shall include, at a minimum, the following information:]~~

~~[(i) name, address, telephone number, and email address (if requested) of the applicant;]~~

~~[(ii) origin and destination points of the unit;]~~

~~[(iii) make and model of the unit;]~~

~~[(iv) vehicle identification number of the unit;]~~

~~[(v) license plate number of the unit;]~~

~~[(vi) size and weight dimensions; and]~~

~~[(vii) any other information required by law.]~~

(2) [(B)] Upon receipt of the application, the department will review and verify unit size and weight information, check route and mileage to be traveled, compute the permit fee, and

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1 advise the applicant of the permit fee.

2 (3) [~~(2)~~] [~~Issuance of single-trip mileage permit.~~] Upon
3 receipt of the permit fee, the department will advise the
4 applicant of the permit number, and will provide a copy of the
5 permit to the applicant [~~if requested to do so~~].

6 (d) Permit fees and refunds.

7 (1) Minimum fee. The minimum fee for a single-trip
8 mileage permit is either the calculated permit fee or \$31,
9 whichever is the greater amount.

10 (2) Permit fee calculation. The fee for a single-trip
11 mileage permit is calculated by multiplying the number of miles
12 traveled, the highway use factor, and the total rate per mile,
13 and then adding the indirect cost share to the product.

14 (A) Highway use factor. The highway use factor for a
15 single trip mileage permit is 0.6.

16 (B) Total rate per mile. The total rate per mile is the
17 combined mileage rates for width, height, and weight for the
18 unit. For a trailer mounted unit, the total rate per mile is
19 based on the overall width, overall height, and all axle
20 weights, including the truck-tractor axles.

21 (i) The mileage rate for width is \$.06 per mile for
22 each foot (or fraction thereof) above legal width.

23 (ii) The mileage rate for height is \$.04 per mile for

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1 each foot (or fraction thereof) above legal height.

2 (iii) The mileage rate for a single axle or any axle
3 within a group that exceeds 20,000 pounds, but is less than or
4 equal to 25,000 pounds, is calculated by multiplying \$.045 times
5 the amount by which the axle or axle group weight exceeds the
6 legal weight for the axle or axle group and dividing the
7 resultant figure by 1,000 pounds.

8 (iv) The mileage rate for a single axle or any axle
9 within a group that exceeds 25,000 pounds, but is less than or
10 equal to 30,000 pounds, is calculated by multiplying \$.055 times
11 the amount by which the axle or axle group weight exceeds the
12 legal weight for the axle or axle group and dividing the
13 resultant figure by 1,000 pounds.

14 ~~[(C) Indirect cost share. The indirect cost share is a~~
15 ~~prorated share of administering department activities, other~~
16 ~~than the direct cost of the activities, including the cost of~~
17 ~~providing statewide support services. The indirect cost share~~
18 ~~factor is based upon the previous year's expenditures.]~~

19 (3) Permit fees for trailer mounted units.

20 (A) The permit fee for a trailer mounted unit is based
21 on the overall width, overall height, and all axle weights,
22 including the truck-tractor axles.

23 (B) A unit with two or more axle groups that do not

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1 have a spacing of at least 12 feet between the closest axles of
2 the opposing groups must have the permit fee calculated by the
3 following method.

4 (i) The axle group with the lowest weight will have
5 the axle closest to the next axle group temporarily disregarded
6 from its group in order to create a spacing of at least 12 feet
7 between the two groups for fee calculation purposes.

8 (ii) An axle group will not have more than one axle
9 disregarded.

10 (iii) The permit fee for the axle group with the
11 temporarily disregarded axle must be based on the actual weight
12 of the entire axle group minus the legal weight for the
13 remaining axles of the group.

14 (4) Refunds. Fees for permits issued under this section
15 are non-refundable.

16 (e) Amendments. A single-trip mileage permit may not be
17 amended unless an exception is granted by the department.

18 (f) Weight table and formulas. The following table entitled
19 "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.42(f),
20 and the list of formulas entitled, "Maximum Permit Weight
21 Formulas," is Figure 2: 43 TAC §219.42(f).

22 Attached Graphic-Figure 1: 43 TAC §219.42(f)

23 Attached Graphic-Figure 2: 43 TAC §219.43(f)

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1

2 §219.43. Quarterly Hubometer Permits.

3 (a) General information.

4 (1) Permits issued under this section are subject to the
5 requirements of §219.41 of this title (relating to General
6 Requirements).

7 (2) A quarterly hubometer permit:

8 (A) is effective for three consecutive months [~~for~~
9 ~~example, a permit issued with a beginning date of January 15~~
10 ~~will terminate on April 14, or a permit issued with a beginning~~
11 ~~date of July 1 will terminate on September 30~~];

12 (B) allows the unit to travel on all state-maintained
13 highways; and

14 (C) allows the unit to travel on a state-wide basis.

15 (3) A unit permitted under this subsection must not
16 exceed any of the following dimensions:

17 (A) 12 feet in width;

18 (B) 14 feet, 6 inches in height; and

19 (C) 95 feet in length.

20 (4) With the exception of units that are overlength only,
21 a unit operated with a permit issued under this section must be
22 equipped with a hubometer. The permittee must maintain the
23 hubometer in good working condition.

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(5) A unit exceeding 175,000 pounds gross weight must:

(A) have front and rear escort vehicles to prevent traffic from traveling beside the unit as it crosses a bridge;

(B) cross all multi-lane bridges by centering the unit on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle~~[, not connected to another axle by a weight equalizing suspension system,]~~ must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a unit will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas", and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are

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1 not steerable must not exceed 850 pounds.

2 (4) A unit that does not have any group of axles that
3 exceeds the limits established in Figure 1: 43 TAC §219.42(f),
4 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f),
5 "Maximum Permit Weight Formulas" will be permitted with a
6 single-trip mileage or quarterly hubometer permit for travel on
7 any route that does not include a load restricted bridge.

8 (5) A unit that has any group of axles that exceeds the
9 limits established by Figure 1: 43 TAC §219.42(f), "Maximum
10 Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum
11 Permit Weight Formulas" will be eligible, on an individual case-
12 by-case basis, for a single-trip mileage permit only; permit
13 approval or denial will be based on a detailed route study and
14 an analysis conducted by TxDOT of each bridge on the proposed
15 travel route to determine if the road(s) and bridge(s) [~~bridges~~]
16 are capable of sustaining the movement.

17 (6) A bridge that has been analyzed and determined to be
18 incapable of sustaining the unit will be excluded from the
19 permit route.

20 (c) Initial permit application and issuance.

21 (1) An application for an initial quarterly hubometer
22 permit under this section must be made in accordance with
23 §219.41(b) of this title. In addition, the applicant must

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1 provide the current hubometer mileage reading and an initial \$31
2 processing fee. [~~Initial permit application.~~]

3 [~~(A) The applicant for an initial quarterly hubometer~~
4 ~~permit must submit a completed application to the department by~~
5 ~~telephone, facsimile, mail, or Internet. The application shall~~
6 ~~include, at a minimum, the following information:~~]

7 [~~(i) name, address, telephone number, and email~~
8 ~~address (if requested) of the applicant;~~]

9 [~~(ii) make and model of the unit;~~]

10 [~~(iii) vehicle identification number of the unit;~~]

11 [~~(iv) license plate number of the unit;~~]

12 [~~(v) size and weight dimensions; and~~]

13 [~~(vi) any other information required by law.~~]

14 [~~(B) Upon receipt of the initial quarterly hubometer~~
15 ~~permit application, the department will verify unit information,~~
16 ~~calculate the permit fee, and advise the applicant of the permit~~
17 ~~fee.~~]

18 (2) [~~Issuance of initial quarterly hubometer permit.~~]

19 Upon verification of the unit information and receipt of the
20 permit fee, the department will provide a copy of the permit to
21 the applicant, as well as a renewal application. [~~if requested,~~
22 ~~and will also provide a renewal application form to the~~
23 ~~applicant.~~]

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(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must be made on a form and in the manner prescribed by the department. ~~[The applicant must complete and submit a renewal application form to the department for each permit that is to be renewed or closed out.]~~

(2) Upon receipt of the renewal application, the department will verify unit information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Fees for overlength units. A unit that is overlength only must obtain a quarterly hubometer permit with a fee of \$31, but is not required to have a hubometer.

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage ~~[Hubometer mileage]~~ for

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1 a quarterly hubometer permit is determined by the unit's current
2 hubometer mileage reading minus ~~[an amount estimated by the~~
3 ~~applicant for the first quarterly hubometer permit, or from]~~ the
4 unit's hubometer mileage reading from the previous quarterly
5 hubometer permit.

6 ~~[(i) An applicant requesting a permit for a unit that~~
7 ~~has traveled in excess of the mileage stated in the previous~~
8 ~~quarterly hubometer permit must pay for the excess mileage~~
9 ~~traveled, in addition to the fee for the renewed quarterly~~
10 ~~hubometer permit.]~~

11 ~~[(ii) An applicant requesting a permit for a unit that~~
12 ~~has traveled less than the mileage stated on the previous~~
13 ~~quarterly hubometer permit will receive a credit on the purchase~~
14 ~~price of the renewed quarterly hubometer permit for that unit or~~
15 ~~another unit.]~~

16 (B) Highway use factor. The highway use factor for a
17 quarterly hubometer permit is 0.3.

18 (C) Total rate per mile. The total rate per mile is the
19 combined mileage rates for width, height, and weight for the
20 unit. The rate per mile for a trailer mounted unit is based on
21 the overall width, overall height, and all axle weights,
22 including the truck-tractor axles.

23 (i) The mileage rate for width is \$.06 per mile for

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1 each foot (or fraction thereof) above legal width.

2 (ii) The mileage rate for height is \$.04 per mile for
3 each foot (or fraction thereof) above legal height.

4 (iii) The mileage rate for a single axle or any axle
5 within a group that exceeds 20,000 pounds, but is less than or
6 equal to 25,000 pounds, is calculated by multiplying \$.045 times
7 the amount by which the axle or axle group weight exceeds the
8 legal weight for the axle or axle group and dividing the
9 resultant figure by 1,000 pounds.

10 (iv) The mileage rate for a single axle or any axle
11 within a group that exceeds 25,000 pounds, but is less than or
12 equal to 30,000 pounds, is calculated by multiplying \$.055 times
13 the amount by which the axle or axle group weight exceeds the
14 legal weight for the axle or axle group and dividing the
15 resultant figure by 1,000 pounds.

16 ~~[(D) Indirect cost share. The indirect cost share is a~~
17 ~~prorated share of administering department activities, other~~
18 ~~than the direct cost of the activities, including the cost of~~
19 ~~providing statewide support services. The indirect cost share~~
20 ~~factor is based upon the previous year's expenditures.]~~

21 (4) Permit fees for trailer mounted units.

22 (A) The permit fee for a trailer mounted unit is based
23 on the overall width, overall height, and all axle weights,

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1 including the truck-tractor axles.

2 (B) A unit with two or more axle groups that does not
3 have a spacing of at least 12 feet between the closest axles of
4 the opposing groups must have the permit fee calculated by the
5 following method.

6 (i) The axle group with the lowest weight will have
7 the axle closest to the next axle group temporarily disregarded
8 from its group in order to create a spacing of at least 12 feet
9 between the two groups for fee calculation purposes.

10 (ii) An axle group will not have more than one axle
11 disregarded.

12 (iii) The permit fee for the axle group with the
13 temporarily disregarded axle must be based on the actual weight
14 of the entire axle group minus the legal weight for the
15 remaining axles of the group.

16 ~~[(5) Refunds. A refund is made to the applicant when the~~
17 ~~quarterly hubometer permit process is stopped for all units~~
18 ~~listed in the applicant's account, provided the amount of the~~
19 ~~refund exceeds \$25.]~~

20 (f) Amendments. A quarterly hubometer permit may be amended
21 only to indicate:

22 (1) a new hubometer serial number; or

23 (2) a new license plate number.

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1

2 §219.44. Annual Permits.

3 (a) General information. Permits issued under this section
4 are subject to the requirements of §219.41 of this title
5 (relating to General Requirements).

6 (1) Annual self-propelled oil well servicing unit
7 permits.

8 (A) A unit that does not exceed legal size and weight
9 limits and is registered with a permit plate must purchase an
10 annual permit issued under this section.

11 (B) The fee for an annual self-propelled oil well
12 servicing unit permit is \$52 per axle. The indirect cost share
13 is included in this fee.

14 (2) Annual oil field rig-up truck permits.

15 (A) An oil field rig-up truck permitted under this
16 section must not exceed:

17 (i) legal height or length limits, as provided in
18 Transportation Code, Chapter 621, Subchapter C;

19 (ii) 850 pounds per inch of tire width on the front
20 axle;

21 (iii) 25,000 pounds on the front axle; or

22 (iv) legal weight on all other axles.

23 (B) An oil field rig-up truck, operating under an

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1 annual permit, must be registered in accordance with
2 Transportation Code, Chapter 502.

3 (C) The annual permit fee for an oil field rig-up truck
4 is \$52. The indirect cost share is included in this fee.

5 (D) An annual permit for an oil field rig-up truck
6 allows the unit to travel at night, provided the unit does not
7 exceed nine feet in width.

8 (3) A permit issued under this section may not be
9 amended.

10 (4) A permit issued under this section allows travel on a
11 statewide basis and on all state maintained highways.

12 (b) Permit application and issuance.

13 (1) An application for an annual permit under this
14 section must be made in accordance with §219.41(b) of this
15 title. [~~Initial permit application. An applicant for an annual~~
16 ~~permit under this section must submit a completed application by~~
17 ~~telephone, facsimile, mail, or Internet. The application shall~~
18 ~~include, at a minimum, the following information:~~]

19 [~~(A) name and address of applicant;~~]

20 [~~(B) make and model of the unit;~~]

21 [~~(C) vehicle identification number of the unit;~~]

22 [~~(D) license plate number of the unit;~~]

23 [~~(E) size and weight dimensions; and~~]

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1 ~~[(F) any other information required by law.]~~

2 (2) ~~[Permit issuance.]~~ Upon receipt of the application
3 and the appropriate fees, the department will provide a copy of
4 the permit to the applicant ~~[if requested, and will also provide~~
5 ~~a renewal application form to the applicant]~~.

6

7 §219.45. Permits for Vehicles Transporting Liquid Products
8 Related to Oil Well Production.

9 (a) General provisions. This section applies to the
10 following vehicles which may secure an annual permit issued
11 under provisions of Transportation Code, Chapter 623, Subchapter
12 G, to haul liquid loads over all state-maintained highways.

13 (1) A vehicle combination consisting of a truck-tractor
14 and semi-trailer specifically designed with a tank and pump unit
15 for transporting:

16 (A) liquid fracking products, liquid oil well waste
17 products, or unrefined liquid petroleum products to an oil well;
18 or

19 (B) unrefined liquid petroleum products or liquid oil
20 well waste products from an oil well not connected to a
21 pipeline.

22 (2) A permit issued under this section is effective for
23 one year beginning on the effective date.

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1 (b) Application for permit.

2 (1) An application for an annual permit under this
3 section must be made in accordance with §219.41(b) of this title
4 (relating to General Requirements). [~~A request for an annual~~
5 ~~permit issued under Transportation Code, Chapter 623, Subchapter~~
6 ~~G, and this section, must be submitted to the department by~~
7 ~~telephone, facsimile, mail, or Internet.~~]

8 (2) The permit request must be received by the department
9 not more than 14 days prior to the date that the permit is to
10 begin.

11 (c) Permit qualifications and requirements.

12 (1) The semi-trailer must be of legal size and weight.

13 (2) The semi-trailer must be registered for the maximum
14 legal gross weight.

15 (3) Only one semi-trailer will be listed on a permit.

16 (4) The permit may be transferred from an existing
17 trailer being removed from service and placed on a new trailer
18 being added to the permittee's fleet, if the permittee supplies
19 the department with:

20 (A) the existing valid permit number;

21 (B) the make and model of the new trailer;

22 (C) the license number of the new trailer; and

23 (D) a transfer fee of \$31 per permit to cover

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1 administrative costs.

2 (d) Fees. All fees associated with permits issued under
3 this section are payable as described in §219.11(f) of this
4 title (relating to General Oversize/Overweight Permit
5 Requirements and Procedures).

6 (1) The permit fee is based on the axles of the semi-
7 trailer and the drive axles of the truck-tractor. The fee for
8 the permit, which includes the indirect cost share, is
9 determined as follows:

10 (A) \$52 per axle--to haul liquid oil well waste
11 products or unrefined liquid petroleum products from oil wells
12 not connected by a pipeline and return empty;

13 (B) \$52 per axle--to haul liquid products related to
14 oil well production to an oil well and return empty; and

15 (C) \$104 per axle--to haul liquid products related to
16 oil well production to an oil well and return with liquid oil
17 well waste products or unrefined liquid petroleum products from
18 an oil well not connected to a pipeline.

19 (2) Each permittee will be charged a \$20 issuance fee in
20 addition to the permit fee.

21 (e) Permit movement conditions. The permit load must not
22 cross any load-restricted bridge when exceeding the posted
23 capacity of such.

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1

2 SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT

3 EQUIPMENT MOTOR VEHICLES

4 §219.62. Single Trip Mileage Permits.

5 (a) General information.

6 (1) Permits issued under this section are subject to the
7 requirements of §219.61 of this title (relating to General
8 Requirements for Permits for Oversize and Overweight Unladen
9 Lift Equipment Motor Vehicles).

10 (2) A single-trip mileage permit:

11 (A) is limited to a maximum of seven consecutive days;

12 (B) is routed from the point of origin to the point of
13 destination and has the route listed on the permit; and

14 (C) allows the crane to be returned to the point of
15 origin on the same permit, provided the return trip is made
16 within the time period stated in the permit.

17 ~~[(3) A crane permitted under Transportation Code, Chapter~~
18 ~~623, Subchapter J, must be registered under Transportation Code,~~
19 ~~Chapter 502, for the maximum gross weight applicable to the~~
20 ~~vehicle under Transportation Code, §621.101 or have the~~
21 ~~distinguishing license plates as provided by Transportation~~
22 ~~Code, §502.146 if applicable to the vehicle.]~~

23 (3) ~~[(4)]~~ A crane exceeding 175,000 pounds gross weight

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1 must:

2 (A) have front and rear escort vehicles to prevent
3 traffic from traveling beside the crane as it crosses a bridge;

4 (B) cross all multi-lane bridges by centering the crane
5 on a lane line;

6 (C) cross all two-lane bridges in the center of the
7 bridge; and

8 (D) cross each bridge at a speed not greater than 20
9 miles per hour.

10 (4) [~~(5)~~] A crane exceeding 12 feet in width must be
11 centered in the outside traffic lane of any highway that has
12 paved shoulders.

13 (5) [~~(6)~~] The permitted vehicle must not cross a load
14 restricted bridge when exceeding the posted capacity of such.

15 (b) Maximum permit weight limits.

16 (1) The maximum permit weight for any single axle[~~, not~~
17 ~~connected to another axle by a weight equalizing suspension~~
18 ~~system,~~] must not exceed 30,000 pounds or 850 pounds per inch of
19 tire width, whichever is less.

20 (2) The maximum permit weight for any group of axles on a
21 crane is determined by calculating the "W" weight for the group,
22 using the formulas shown in Figure 2: 43 TAC §219.62(f),
23 "Maximum Permit Weight Formulas," and comparing the calculated

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1 "W" weight with the corresponding "W" weight that is established
2 in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

3 (3) The maximum permit weight per inch of tire width for
4 axles that are steerable must not exceed 950 pounds, and the
5 maximum permit weight per inch of tire width for axles that are
6 not steerable must not exceed 850 pounds.

7 (4) A crane that does not have any group of axles that
8 exceeds the limits established in Figure 1: 43 TAC §219.62(f),
9 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),
10 "Maximum Permit Weight Formulas," will be permitted with a
11 single-trip mileage permit or a quarterly hubometer permit for
12 travel on any route that does not include a load restricted
13 bridge.

14 (5) A crane that has any group of axles that exceeds the
15 limits established by Figure 1: 43 TAC §219.62(f), "Maximum
16 Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum
17 Permit Weight Formulas," will be eligible, on an individual
18 case-by-case basis, for a single-trip mileage permit only.
19 Permit approval or denial will be based on a detailed route
20 study and an analysis conducted by TxDOT of each bridge on the
21 proposed travel route to determine if the road(s) and bridge(s)
22 [~~bridges~~] are capable of sustaining the movement.

23 (6) A road or bridge that has been analyzed and

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determined to be incapable of sustaining the crane will be excluded from the permit route.

(c) Permit application and issuance.

(1) An application for a single-trip mileage permit under this section must be made in accordance with §219.61(b) of this title and must also include the origin and destination points of the crane. [~~Application for single trip mileage permit.~~]

~~[(A) An application The applicant must submit the completed application to the department by telephone, facsimile, mail, or Internet. The application shall include, at a minimum, the following information:]~~

~~[(i) name, address, telephone number, and email address (if requested) of the applicant;]~~

~~[(ii) origin and destination points of the crane;]~~

~~[(iii) make and model of the crane;]~~

~~[(iv) vehicle identification number of the crane;]~~

~~[(v) license plate number of the crane;]~~

~~[(vi) size and weight dimensions; and]~~

~~[(vii) any other information required by law.]~~

(2) [(B)] Upon receipt of the application, the department will review and verify size and weight information, check the route and mileage to be traveled, compute the permit fee, and advise the applicant of the permit fee.

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(3) [~~(2) Issuance of single trip mileage permit.~~] Upon receipt of the permit fee, the department will advise the applicant of the permit number, and will provide a copy of the permit to the applicant [~~if requested to do so~~].

(d) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a single-trip permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Permit fee calculation. The permit fee for a single-trip mileage permit is calculated by multiplying the number of miles traveled, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Highway use factor. The highway use factor for a single-trip mileage permit is 0.6.

(B) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. The rate per mile for a trailer mounted crane is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

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(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

~~[(C) Indirect cost share. The indirect cost share is a prorated share of administering department activities, other than the direct cost of the activities, including the cost of providing statewide support services. The indirect cost share factor is based upon the previous year's expenditures.]~~

(3) Exceptions to fee computations. A crane with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from

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its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.

(B) An axle group will not have more than one axle disregarded.

(C) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

(4) Refunds. Fees for permits issued under this section are non-refundable.

(e) Amendments. A single-trip mileage permit issued under this section may not be amended unless an exception is granted by the department.

(f) Weight table and formulas. The following table entitled "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.62(f), and the list of formulas entitled "Maximum Permit Weight Formulas," is Figure 2: 43 TAC §219.62(f).

Attached Graphic-Figure 1: 43 TAC §219.62(f)

Attached Graphic-Figure 2: 43 TAC §219.62(f)

§219.63. Quarterly Hubometer Permits.

(a) General information.

(1) Permits issued under this section are subject to the

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requirements of §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles).

(2) A quarterly hubometer permit:

(A) is effective for three consecutive months [~~for example, a permit issued with a beginning date of January 15 will terminate on April 14, or a permit issued with a beginning date of July 1 will terminate on September 30~~];

(B) allows the vehicle to travel on all state-maintained highways; and

(C) allows the unit to travel on a state-wide basis.

(3) A crane permitted under this section must not exceed any of the following dimensions:

(A) 12 feet in width;

(B) 14 feet, 6 inches in height; or

(C) 95 feet in length.

~~[(4) A crane permitted under this section must be registered under Transportation Code, Chapter 502, for the maximum gross weight applicable to the vehicle under Transportation Code, Section 621.101, or have the distinguishing license plates as provided by Transportation Code, §502.146, if applicable to the vehicle.]~~

(4) [~~(5)~~] With the exception of cranes that are

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1 overlength only, cranes operated with a quarterly hubometer
2 permit must be equipped with a hubometer. The permittee must
3 maintain the hubometer in good working condition.

4 (5) [~~6~~] A crane exceeding 175,000 pounds gross weight
5 must:

6 (A) have front and rear escort vehicles to prevent
7 traffic from traveling beside the crane as it crosses a bridge;

8 (B) cross all multi-lane bridges by centering the crane
9 on a lane line;

10 (C) cross all two-lane bridges in the center of the
11 bridge; and

12 (D) cross each bridge at a speed not greater than 20
13 miles per hour.

14 (6) [~~7~~] A crane exceeding 12 feet in width must be
15 centered in the outside traffic lane of any highway that has
16 paved shoulders.

17 (7) [~~8~~] A crane will be permitted for night movement
18 provided that it does not exceed 10 feet 6 inches in width, 14
19 feet in height, or 95 feet in length. A crane moving at night
20 must be accompanied by a front and rear escort vehicle.

21 (8) [~~9~~] The permitted vehicle must not cross a load
22 restricted bridge when exceeding the posted capacity of the
23 bridge [~~such~~].

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(9) [~~(10)~~] The permit may be amended only to indicate:

(A) a new hubometer serial number; or

(B) a new license plate number.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle~~[, not connected to another axle by a weight equalizing suspension system,]~~ must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a crane will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A crane that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," will be permitted with a single-trip mileage permit or a quarterly hubometer permit for

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1 travel on any route that does not include a load restricted
2 bridge.

3 (5) A crane that has any group of axles that exceeds the
4 limits established by Figure 1: 43 TAC §219.62(f), "Maximum
5 Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum
6 Permit Weight Formulas," will be eligible, on an individual
7 case-by-case basis, for a single-trip mileage permit only;
8 permit approval or denial will be based on a detailed route
9 study and an analysis conducted by TxDOT of each bridge on the
10 proposed travel route to determine if the road(s) and bridge(s)
11 [~~bridges~~] are capable of sustaining the movement.

12 (6) A bridge that has been analyzed and determined to be
13 incapable of sustaining the crane will be excluded from the
14 permit route.

15 (c) Initial permit application and issuance.

16 (1) An application for an initial quarterly hubometer
17 permit must be made in accordance with §219.61(b) of this title.
18 In addition, the applicant must provide the current hubometer
19 mileage reading and an initial \$31 processing fee. [~~Initial~~
20 ~~permit application.~~]

21 [~~(A) A completed application for an initial quarterly~~
22 ~~hubometer permit must be submitted to the department by~~
23 ~~telephone, facsimile, mail, or Internet. The application shall~~

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~~include, at a minimum, the following information:]~~

~~[(i) name, address, telephone number, and email
address (if requested) of the applicant;]~~

~~[(ii) make and model;]~~

~~[(iii) the vehicle identification number;]~~

~~[(iv) license plate number of the vehicle;]~~

~~[(v) size and weight dimensions; and]~~

~~[(vi) any other information required by law.]~~

~~[(B) Upon receipt of the initial quarterly hubometer
permit application, the department will verify vehicle
information, calculate the permit fee, and advise the applicant
of the permit fee.]~~

~~(2) [Issuance of initial quarterly hubometer permit.]~~

Upon verification of the unit information and receipt of the
permit fee, the department will provide a copy of the permit to
the applicant ~~[upon request]~~, and will also provide a renewal
application form to the applicant.

(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must
be made on a form and in a manner prescribed by the department.

~~[The applicant must complete and submit a renewal application
form to the department for each permit that is to be renewed or
closed out.]~~

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(2) Upon receipt of the renewal application, the department will verify crane information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a quarterly hubometer ~~[single trip permit or time]~~ permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Fees for overlength units. A crane that is overlength only must obtain a quarterly hubometer permit with a fee of \$31, and is not required to have a hubometer.

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the crane's current hubometer mileage reading minus ~~[an amount estimated by the applicant for the first quarterly hubometer permit, or from]~~ the crane's hubometer mileage reading from the previous quarterly hubometer permit.

~~[(i) An applicant requesting a permit for a crane that~~

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1 ~~has traveled in excess of the mileage stated in the previous~~
2 ~~quarterly hubometer permit must pay for the excess mileage~~
3 ~~traveled, in addition to the fee for the renewed quarterly~~
4 ~~hubometer permit.]~~

5 ~~[(ii) An applicant requesting a permit for a crane~~
6 ~~that has traveled less than the mileage stated on the previous~~
7 ~~quarterly hubometer permit will receive a credit on the purchase~~
8 ~~price of the renewed quarterly hubometer permit for that crane~~
9 ~~or another crane.]~~

10 (B) Highway use factor. The highway use factor for a
11 quarterly hubometer permit is 0.3.

12 (C) Total rate per mile. The total rate per mile is the
13 combined mileage rates for width, height, and weight for the
14 crane.

15 (i) The mileage rate for width is \$.06 per mile for
16 each foot (or fraction thereof) above legal width.

17 (ii) The mileage rate for height is \$.04 per mile for
18 each foot (or fraction thereof) above legal height.

19 (iii) The mileage rate for a single axle or any axle
20 within a group that exceeds 20,000 pounds, but is less than or
21 equal to 25,000 pounds, is calculated by multiplying \$.045 times
22 the amount by which the axle or axle group weight exceeds the
23 legal weight for the axle or axle group and dividing the

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1 resultant figure by 1,000 pounds.

2 (iv) The mileage rate for a single axle or any axle
3 within a group that exceeds 25,000 pounds, but is less than or
4 equal to 30,000 pounds, is calculated by multiplying \$.055 times
5 the amount by which the axle or axle group weight exceeds the
6 legal weight for the axle or axle group and dividing the
7 resultant figure by 1,000 pounds.

8 [~~(D) Indirect cost share. The indirect cost share is a~~
9 ~~prorated share of administering department activities, other~~
10 ~~than the direct cost of the activities, including the cost of~~
11 ~~providing statewide support services. The indirect cost share~~
12 ~~factor is based upon the previous year's expenditures.]~~

13 (4) Special fee provisions. A crane with two or more axle
14 groups that do not have a spacing of at least 12 feet between
15 the closest axles of the opposing groups must have the permit
16 fee calculated by the following method.

17 (A) The axle group with the lowest weight will have the
18 axle closest to the next axle group temporarily disregarded from
19 its group in order to create a spacing of at least 12 feet
20 between the two groups for fee calculation purposes.

21 (B) An axle group will not have more than one axle
22 disregarded.

23 (C) The permit fee for the axle group with the

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temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

~~[(5) Refunds. The department will refund fees for permits issued under this section when the quarterly hubometer permit process is stopped for all cranes listed in the applicant's account, provided the amount of the refund exceeds \$25.]~~

§219.64. Annual Permits.

(a) General information. Permits issued under this section are subject to the requirements of §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles).

(1) A crane permitted under this section must not exceed:

(A) the weight limits established in §219.11(d)(1), (2), and (3) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures);

(B) a gross weight of 120,000 pounds;

(C) legal length and height limits as specified in Transportation Code, Chapter 621, Subchapter C; and

(D) 10 feet in width.

(2) A permit issued under this section may not be amended.

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(3) A crane permitted under this section must not cross a load restricted bridge or a load restricted road when exceeding the posted capacity of such.

(4) A crane permitted under this section may travel at night with front and rear escort vehicles.

(5) The fee for an annual permit issued under this section is \$100.

(b) Permit application and issuance.

(1) Initial permit application. An application for an annual permit under this section must be made in accordance with §219.61(b) of this title. ~~[applicant for an annual permit under this section must submit a completed application and the appropriate fees by telephone, facsimile, mail, or Internet. The application shall include, at a minimum, the following information:]~~

~~[(A) name and address of applicant;]~~

~~[(B) make and model of the crane;]~~

~~[(C) vehicle identification number;]~~

~~[(D) license plate number;]~~

~~[(E) size and weight dimensions; and]~~

~~[(F) any other information required by law.]~~

(2) Permit issuance. Upon receipt of the application and the appropriate permit fee, the department will verify the

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- 1 application information and [7] provide the permit to the
- 2 applicant [~~if requested, and also provide a renewal application~~
- 3 ~~form to the applicant~~].



Board Policy Documents

[Governance Process](#) (10/13/11)

[Strategic Planning](#) (10/13/11)

[Board Vision](#) (4/7/16)

[Agency Boundaries](#) (9/13/12)

[KPIs](#) (9/12/14)

Texas Department of Motor Vehicles TxDMV Board Governance Policy

1. PURPOSE

The directives presented in this policy address board governance of the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. The TxDMV Board Governance Policy shall be one that is comprehensive and pioneering in its scope.

3. POLICY

3.1. TxDMV Board Governing Style

The Board shall govern according to the following general principles: (a) a vision for the agency, (b) diversity in points of view, (c) strategic leadership, providing day-to-day detail as necessary to achieve the agency vision, (d) clear distinction of Board and Executive Director roles, (e) collective decision making, (f) react proactively rather than reactively and with a strategic approach. Accordingly:

- 3.1.1. The Board shall provide strategic leadership to TxDMV. In order to do this, the Board shall:
 - 3.1.1.1. Be proactive and visionary in its thinking.
 - 3.1.1.2. Encourage thoughtful deliberation, incorporating a diversity of viewpoints.
 - 3.1.1.3. Work together as colleagues, encouraging mutual support and good humor.
 - 3.1.1.4. Have the courage to lead and make difficult decisions.
 - 3.1.1.5. Listen to the customers and stakeholders needs and objectives.
 - 3.1.1.6. Anticipate the future, keeping informed of issues and trends that may affect the mission and organizational health of the TxDMV.
 - 3.1.1.7. Make decisions based on an understanding that is developed by appropriate and complete stakeholder participation in the process of identifying the needs of the motoring public, motor vehicle industries,

and best practices in accordance with the mission and vision of the agency.

- 3.1.1.8. Commit to excellence in governance, including periodic monitoring, assessing and improving its own performance.
- 3.1.2. The Board shall create the linkage between the Board and the operations of the agency, via the Executive Director when policy or a directive is in order.
- 3.1.3. The Board shall cultivate a sense of group responsibility, accepting responsibility for excellence in governance. The Board shall be the initiator of policy, not merely respond to staff initiatives. The Board shall not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
- 3.1.4. The Board shall govern the agency through the careful establishment of policies reflecting the board's values and perspectives, always focusing on the goals to be achieved and not the day-to-day administrative functions.
- 3.1.5. Continual Board development shall include orientation of new Board members in the board's governance process and periodic board discussion of how to improve its governance process.
- 3.1.6. The Board members shall fulfill group obligations, encouraging member involvement.
- 3.1.7. The Board shall evaluate its processes and performances periodically and make improvements as necessary to achieve premier governance standards.
- 3.1.8. Members shall respect confidentiality as is appropriate to issues of a sensitive nature.

3.2. TxDMV Board Primary Functions/Characteristics

TxDMV Board Governance can be seen as evolving over time. The system must be flexible and evolutionary. The functions and characteristics of the TxDMV governance system are:

- 3.2.1. Outreach
 - 3.2.1.1. Monitoring emerging trends, needs, expectations, and problems from the motoring public and the motor vehicle industries.
 - 3.2.1.2. Soliciting input from a broad base of stakeholders.

3.2.2. Stewardship

3.2.2.1. Challenging the framework and vision of the agency.

3.2.2.2. Maintaining a forward looking perspective.

3.2.2.3. Ensuring the evolution, capacity and robustness of the agency so it remains flexible and nimble.

3.2.3. Oversight of Operational Structure and Operations

3.2.3.1. Accountability functions.

3.2.3.2. Fiduciary responsibility.

3.2.3.3. Checks and balances on operations from a policy perspective.

3.2.3.4. Protecting the integrity of the agency.

3.2.4. Ambassadorial and Legitimizing

3.2.4.1. Promotion of the organization to the external stakeholders, including the Texas Legislature, based on the vision of the agency.

3.2.4.2. Ensuring the interests of a broad network of stakeholders are represented.

3.2.4.3. Board members lend their positional, professional and personal credibility to the organization through their position on the board.

3.2.5. Self-reflection and Assessment

3.2.5.1. Regular reviews of the functions and effectiveness of the Board itself.

3.2.5.2. Assessing the level of trust within the Board and the effectiveness of the group processes.

3.3. Board Governance Investment

Because poor governance costs more than learning to govern well, the Board shall invest in its governance capacity. Accordingly:

3.3.1. Board skills, methods, and supports shall be sufficient to ensure governing with excellence.

- 3.3.1.1. Training and retraining shall be used liberally to orient new members, as well as maintain and increase existing member skills and understanding.
- 3.3.1.2. Outside monitoring assistance shall be arranged so that the board can exercise confident control over agency performance. This includes, but is not limited to, financial audits.
- 3.3.1.3. Outreach mechanisms shall be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.
- 3.3.1.4. Other activities as needed to ensure the Board's ability to fulfill its ethical and legal obligations and to represent and link to the motoring public and the various motor vehicle industries.
- 3.3.2. The Board shall establish its cost of governance and it will be integrated into strategic planning and the agency's annual budgeting process.

3.4. Practice Discipline and Assess Performance

The Board shall ensure the integrity of the board's process by practicing discipline in Board behavior and continuously working to improve its performance. Accordingly:

- 3.4.1. The assigned result is that the Board operates consistently with its own rules and those legitimately imposed on it from outside the organization.
 - 3.4.1.1. Meeting discussion content shall consist solely of issues that clearly belong to the Board to decide or to monitor according to policy, rule and law. Meeting discussion shall be focused on performance targets, performance boundaries, action on items of Board authority such as conduct of administrative hearings, proposal, discussion and approval of administrative rule-making and discussion and approval of all strategic planning and fiscal matters of the agency.
 - 3.4.1.2. Board discussion during meetings shall be limited to topics posted on the agenda.
 - 3.4.1.3. Adequate time shall be given for deliberation which shall be respectful, brief, and to the point.
- 3.4.2. The Board shall strengthen its governing capacity by periodically assessing its own performance with respect to its governance model. Possible areas of assessment include, but are not limited to, the following:
 - 3.4.2.1. Are we clear and in agreement about mission and purpose?

- 3.4.2.2. Are values shared?
- 3.4.2.3. Do we have a strong orientation for our new members?
- 3.4.2.4. What goals have we set and how well are we accomplishing them?
- 3.4.2.5. What can we do as a board to improve our performance in these areas?
- 3.4.2.6. Are we providing clear and relevant direction to the Executive Director, stakeholders and partners of the TxDMV?
- 3.4.3. The Board Chair shall periodically promote regular evaluation and feedback to the whole Board on the level of its effectiveness.

Texas Department of Motor Vehicles Strategic Planning Policy

1. PURPOSE

The directives presented in this policy address the annual Strategic Planning process at the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. TxDMV Strategic Planning Policy attempts to develop, document and expand its policy that is comprehensive in its scope in regards to the strategic planning process of the Board and the Department beyond that of the state strategic planning process.

3. POLICY

3.1. TxDMV Board Strategic Planning

This policy describes the context for strategic planning at TxDMV and the way in which the strategic plan shall be developed and communicated.

- 3.1.1. The Board is responsible for the strategic direction of the organization, which includes the vision, mission, values, strategic goals, and strategic objectives.
- 3.1.2. TxDMV shall use a 5-year strategic planning cycle, which shall be reviewed and updated annually, or as needed.
- 3.1.3. The 5-year strategic plan shall be informed by but not confined by requirements and directions of state and other funding bodies.
- 3.1.4. In developing strategic directions, the Board shall seek input from stakeholders, the industries served, and the public.
- 3.1.5. The Board shall:
 - 3.1.5.1. Ensure that it reviews the identification of and communication with its stakeholders at least annually.
 - 3.1.5.2. Discuss with agency staff, representatives of the industries served, and the public before determining or substantially changing strategic directions.

- 3.1.5.3. Ensure it receives continuous input about strategic directions and agency performance through periodic reporting processes.
- 3.1.6. The Board is responsible for a 5-year strategic plan that shall identify the key priorities and objectives of the organization, including but not limited to:
 - 3.1.6.1. The creation of meaningful vision, mission, and values statements.
 - 3.1.6.2. The establishment of a Customer Value Proposition that clearly articulates essential customer expectations.
 - 3.1.6.3. A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, to be updated annually.
 - 3.1.6.4. An assessment of external factors or trends (i.e., customer needs, political factors, economic factors, industry trends, technology factors, uncertainties, etc.)
 - 3.1.6.5. Development of the specific goals and objectives the Department must achieve and a timeline for action.
 - 3.1.6.6. Identification of the key performance indicators to measure success and the initiatives that shall drive results.
 - 3.1.6.7. Engage staff at all levels of the organization, through the executive director, in the development of the strategic plan through surveys, interviews, focus groups, and regular communication.
 - 3.1.6.8. Ensure the strategic planning process produces the data necessary for LBB/GOBPP state required compliance while expanding and enhancing the strategic plan to support the needs of the TxDMV. The overall strategic plan shall be used as a tool for strategic management.
- 3.1.7. The Board delegates to the Executive Director the responsibility for **implementing** the agency's strategic direction through the development of agency wide and divisional operational plans.

Texas Department of Motor Vehicles TxDMV Goals and Objectives

1. PURPOSE

The information presented in this policy addresses the goals and key objectives of the Board of the Texas Department of Motor Vehicles (TxDMV) as they relate to the mission, vision, and values of the TxDMV.

2. SCOPE

The scope of this policy is to define the desired state the TxDMV Board is working to achieve. This policy is designed to be inspirational in outlining the desired state of the agency that supports the TxDMV Board vision and meeting agency goals.

3. TxDMV MISSION

To serve, protect and advance the citizens and industries in the state with quality motor vehicle related services.

4. TxDMV VISION

The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.

5. TxDMV VALUES

To earn the trust and faith of all citizens of Texas with transparency, efficiency, excellence, accountability, and putting stakeholders first.

- 5.1. **Transparency** – Being open and inclusive in all we do.
- 5.2. **Efficiency** – Being good stewards of state resources by providing products and services in the most cost-effective manner possible.
- 5.3. **Excellence** – Working diligently to achieve the highest standards.
- 5.4. **Accountability** – Accepting responsibility for all we do, collectively and as individuals.
- 5.5. **Stakeholders** – Putting customers and stakeholders first, always.

6. TxDMV GOALS

6.1. GOAL 1 – Performance Driven

The TxDMV shall be a performance driven agency in its operations whether it is in customer service, licensing, permitting, enforcement or rule-making. At all times the TxDMV shall mirror in its performance the expectations of its customers and stakeholder by effective, efficient, customer-focused, on-time, fair, predictable and thorough service or decisions.

6.1.1. Key Objective 1

The TxDMV shall be an agency that is retail-oriented in its approach. To accomplish this orientation TxDMV shall concentrate the focus of the agency on:

- 6.1.1.1. Delivering its products and services to all of its customers and stakeholders in a manner that recognizes that their needs come first. These needs must be positively and proactively met. TxDMV works for and with its customers and stakeholders, not the other way around.
- 6.1.1.2. Operating the agency's licensing and registration functions in a manner akin to how a private, for-profit business. As a private, for-profit business, TxDMV would have to listen to its customers and stakeholders and implement best practices to meet their needs or its services would no longer be profitable or necessary. Act and react in a manner that understands how to perform without a government safety net and going out of business.
- 6.1.1.3. Simplify the production and distribution processes and ease of doing business with the TxDMV. Adapting and maintaining a business value of continuous improvement is central to TxDMV operations and processes.
- 6.1.1.4. All operations of the TxDMV shall stand on their own merits operationally and financially. If a current process does not make sense then TxDMV shall work within legislative and legal constraints to redesign or discard it. If a current process does not make or save money for the state and/or its customers or stakeholders then TxDMV shall work within legislative and legal constraints to redesign or discard it. TxDMV shall operate as efficiently and effective as possible in terms of financial and personnel needs. Divisions should focus on cost savings without sacrificing performance. Division directors are accountable for meeting these needs and applicable measures. All division directors are collectively responsible for the performance of TxDMV as a whole.
- 6.1.1.5. Focus on revenue generation for transportation needs as well as the needs of its customers.
- 6.1.1.6. Decisions regarding the TxDMV divisions should be based on the overriding business need of each division to meet or provide a specific service demand, with the understanding and coordination of overarching agency-wide needs.

- 6.1.1.7. Developing and regularly updating a long-range Statewide Plan describing total system needs, establishing overarching statewide goals, and ensuring progress toward those goals.
- 6.1.1.8. The TxDMV shall establish a transparent, well-defined, and understandable system of project management within the TxDMV that integrates project milestones, forecasts, and priorities.
- 6.1.1.9. The TxDMV shall develop detailed work programs driven by milestones for major projects and other statewide goals for all TxDMV divisions.
- 6.1.1.10. The TxDMV, with input from stakeholders and policymakers, shall measure and report on progress in meeting goals and milestones for major projects and other statewide goals.

6.2. GOAL 2 – Optimized Services and Innovation

The TxDMV shall be an innovative, forward thinking agency that looks for ways to promote the economic well-being and development of the industries it serves as well as the State of Texas within the legislative boundaries that have been established for the agency.

6.2.1. Key Objective 1

The TxDMV shall achieve operational, cultural, structural and financial independence from other state agencies.

- 6.2.1.1. Build the TxDMV identity. This means that TxDMV shall make customers aware of what services we offer and how they can take advantage of those services.
- 6.2.1.2. Build the TxDMV brand. This means that TxDMV shall reach out to the stakeholders, industries we serve and the public, being proactive in addressing and anticipating their needs.
- 6.2.1.3. Determine immediate, future, and long term facility and capital needs. TxDMV needs its own stand-alone facility and IT system as soon as possible. In connection with these needs, TxDMV shall identify efficient and effective ways to pay for them without unduly burdening either the state, its customers or stakeholders.
- 6.2.1.4. All regulations, enforcement actions and decision at TxDMV shall be made in a timely, fair and predictable manner.

6.2.2. Key Objective 2

Provide continuous education training on business trends in the industry with a particular emphasis on activities in Texas.

6.2.3. Key Objective 3

Provide continuous outreach services to all customers and stakeholders to access their respective needs and wants. This includes helping frame legislative or regulatory issues for consideration by other bodies including the legislature.

6.2.4. Key Objective 4

Examine all fees to determine their individual worth and reasonableness of amount. No fee shall be charged that cannot be defended financially and operationally.

6.3. GOAL 3 – Customer-centric

The TxDMV shall be a customer-centric agency that delivers today's services and decisions in a positive, solution-seeking manner while ensuring continuous, consistent and meaningful public and stakeholder involvement in shaping the TxDMV of tomorrow.

6.3.1. Key Objective 1

The TxDMV shall seek to serve its customer base through a creative and retail oriented approach to support the needs of its industries and customers.

6.3.2. Key Objective 2

The TxDMV shall develop and implement a public involvement policy that guides and encourages meaningful public involvement efforts agency-wide.

6.3.3. Key Objective 3

The TxDMV shall develop standard procedures for documenting, tracking, and analyzing customer complaint data. Successful problem resolution metrics should be monitored to support continuous improvement activities that shall permanently improve customer facing processes.

6.3.4. Key Objective 4

The TxDMV shall provide a formal process for staff with similar responsibilities to share best practices information.

6.3.5. Key Objective 5

The TxDMV shall provide central coordination of the Department's outreach campaigns.

6.3.6. Key Objective 6

The TxDMV shall develop and expand user friendly, convenient, and efficient website applications.

6.3.7. Key Objective 7

TxDMV shall timely meet all legislative requests and mandates.

Agency Operational Boundaries as Defined by Department Policies of the TxDMV Board (Board)

The Board is responsible for the policy direction of the agency. The Board's official connection to the day-to-day operation of the Texas Department of Motor Vehicles (TxDMV) and the conduct of its business is through the Executive Director of the TxDMV (ED) who is appointed by the Board and serves at its pleasure. The authority and accountability for the day-to-day operations of the agency and all members of the staff, except those members who report directly to the Board, is the sole responsibility of the ED.

In accordance with its policy-making authority the Board has established the following policy boundaries for the agency. The intent of the boundaries is not to limit the ability of the ED and agency staff to manage the day-to-day operations of the agency. To the contrary, the intent of the boundaries is to more clearly define the roles and responsibilities of the Board and the ED so as to liberate the staff from any uncertainty as to limitations on their authority to act in the best interest of the agency. The ED and staff should have certainty that they can operate on a daily basis as they see fit without having to worry about prior Board consultation or subsequent Board reversal of their acts.

The ED and all agency employees shall act at all times in an exemplary manner consistent with the responsibilities and expectations vested in their positions. The ED and all agency employees shall act in a manner consistent with Board policies as well as with those practices, activities, decisions, and organizational circumstances that are legal, prudent, and ethical. It is the responsibility of the ED to ensure that all agency employees adhere to these boundaries.

Accordingly, the TxDMV boundaries are as follows:

1. The day-to-day operations of the agency should be conducted in a manner consistent with the vision, mission, values, strategic framework, and performance metrics as established by the Board. These elements must not be disregarded or jeopardized in any way.
2. A team-oriented approach must be followed on all enterprise-wide decisions to ensure openness and transparency both internally and externally.
3. The agency must guard against allowing any financial conditions and decision which risk adverse fiscal consequences, compromise Board financial priorities, or fail to

show an acceptable level of foresight as related to the needs and benefits of agency initiatives.

4. The agency must provide timely, accurate, and honest information that will afford the Board, public, stakeholders, executive branch and the legislature the best ability to evaluate all sides of an issue or opportunity before forming an opinion or taking action on it. Any information provided that is intentionally untimely, inaccurate, misleading or one-sided will not be tolerated.
5. The agency must take all reasonable care to avoid or identify in a timely manner all conflicts of interest or even the appearance of impropriety in awarding purchases, negotiating contracts or in hiring employees.
6. The agency must maintain adequate administrative policies and procedures that are understandable and aid in staff recruitment, development and retention.
7. The agency must maintain an organizational structure that develops and promotes the program areas from an enterprise-wide perspective. No organizational silos or sub-agencies will be allowed. We are the TxDMV.
8. The agency must empower its entire staff to deliver a positive customer experience to every TxDMV customer, stakeholder or vendor to reduce their effort and make it easier for them to do business with the TxDMV.
9. The agency must at all times look to flattening its organizational structure to reduce cost as technology advances allow.
10. Agency staff shall anticipate and resolve all issues timely.
11. The agency must maximize the deployment and utilization of all of its assets – people, processes and capital equipment – in order to fully succeed.
12. The agency must not waste the goodwill and respect of our customers, stakeholders, executive branch and legislature. All communication shall be proper, honest, and transparent with timely follow-up when appropriate.
13. The agency should focus its work efforts to create value, make sure that processes, programs, or projects are properly designed, budgeted and vetted as appropriate with outside stakeholders to ensure our assumptions are correct so positive value continues to be created by the actions of the TxDMV.
14. The ED through his or her staff is responsible for the ongoing monitoring of all program and fiscal authorities and providing information to the Board to keep it apprised of all program progress and fiscal activities. This self-assessment must result in a product that adequately describes the accomplishment of all program

goals, objectives and outcomes as well as proposals to correct any identified problems.

15. In advance of all policy decisions that the Board is expected to make, the ED will provide pertinent information and ensure board members understand issues/matters related to the pending policy decision. Additionally, the ED or designee will develop a process for planning activities to be performed leading up to that particular policy decision and the timeframe for conducting these planning activities. It is imperative that the planning process describes not only when Board consideration will be expected but also when prior Board consultation and involvement in each planning activity will occur.
16. In seeking clarification on informational items Board members may directly approach the ED or his or her designee to obtain information to supplement, upgrade or enhance their knowledge and improve the Board's decision-making. Any Board member requests that require substantive work should come to the Board or Committee Chairs for direction.
17. The agency must seek stakeholder input as appropriate on matters that might affect them prior to public presentation of same to the Board.
18. The agency must measure results, track progress, and report out timely and consistently.
19. The ED and staff shall have the courage to admit a mistake or failure.
20. The ED and staff shall celebrate successes!

The Board expects the ED to work with agency staff to develop their written interpretation of each of the boundaries. The ED will then present this written interpretation to the Board prior to discussion between the Board and ED on the interpretation. The Board reserves the right to accept, reject or modify any interpretation. The intent is that the Board and the ED will come to a mutually agreeable interpretation of agency boundaries that will then form the basis of additional written thought on the part of the ED and staff as to how these boundaries will influence the actions of the agency.

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Performance Driven	Effective and efficient services	1	Average processing time for new franchise license applications	45 days	35 days		MVD
		2	Average processing time for franchise renewals	11 days	5 days		MVD
		3	Average processing time of franchise license amendments	20 days	8 days		MVD
		4	Average processing time for new Dealer's General Distinguishing Number (GDN) license applications	35 days	17 days		MVD
		5	Average processing time for GDN renewals	14 days	7 days		MVD
		6	Average processing time for GDN license amendments	19 days	7 days		MVD
		7	Average turnaround time for single-trip routed permits	33.88 mins	32 mins		MCD
		8	Average turnaround time for intrastate authority application processing	1.47 days	1.4 days		MCD
		9	Average turnaround time for apportioned registration renewal applications processing	2 days	2 days		MCD
		10	Average turnaround time to issue salvage or non-repairable vehicle titles	5 days	4 days		VTR
		11	Average time to complete motor vehicle complaints with no contested case proceeding	131 days	120 days		ENF
		12	Average time to complete motor vehicle complaints with contested case proceeding	434 days	400 days		ENF
		13	Average time to complete salvage complaints with no contested case proceeding	131 days	120 days		ENF
		14	Average time to complete salvage complaints with contested case proceeding	434 days	400 days		ENF
		15	Average time to complete motor carrier complaints with no contested case proceeding	297 days	145 days		ENF
		16	Average time to complete motor carrier complaints with contested case proceeding	133 days	120 days		ENF
		17	Average time to complete household goods complaints with no contested case proceeding	432 days	145 days		ENF
		18	Average time to complete household goods complaints with contested case proceeding	371 days	180 days		ENF
		19	Average time to complete Oversize/Overweight (OS/OW) complaints with no contested case proceeding	40 days	35 days		ENF
		20	Average time to complete OS/OW complaints with contested case proceeding	265 days	250 days		ENF
		21	Percent of lemon law cases resolved prior to referral for hearing	76%	60%		ENF
		22	Average time to complete lemon law cases where no hearing is held	147 days	65 days		ENF
		23	Average time to complete lemon law cases where hearing is held	222 days	150 days		ENF
		24	Percent of total renewals and net cost of registration renewal: A. Online B. Mail C. In Person	A. 15% B. 5% C. 80%	A. 16% B. 5% C. 79%		VTR
		25	Total dealer title applications: A. Through Webdealer B. Tax Office	Baseline in development	A. 5% B. 95%		VTR

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Optimized Services and Innovation		26	Percent of total lien titles issued: A. Electronic Lien Title B. Standard Lien Title	A. 16% B. 84%	A. 20% B. 80%		VTR
		27	Percent of total OS/OW permits: A. Online (self-issued) B. Online (MCD-issued) C. Phone D. Mail E. Fax	A. 57.47% B. 23.03% C. 11.33% D. 1.76% E. 6.4%	A. 58% or greater B. 25% or greater C. 10% or less D. 1.7% or less E. 5.3% or less		MCD
		28	Average time to complete lemon law and warranty performance cases after referral	Baseline in development	25 days		OAH
		29	Average time to issue a decision after closing the record of hearing	Baseline in development	30 days		OAH
	Implement appropriate best practices	30	Percent of audit recommendations implemented	Baseline in development	90% annual goal for these recommendations which Internal Audit included in a follow-up audit		IAD
	Continuous business process improvement and realignment	31	Percent of projects approved by the agency's governance team that finish within originally estimated time (annual)	57%	100%		EPMO
		32	Percent of projects approved by the agency's governance team that finish within originally estimated budget (annual)	71%	100%		EPMO/ FAS
		33	Percent of monitoring reports submitted to Texas Quality Assurance Team (TXQAT) by or before the due date	79%	100%		EPMO
		34	Percent of project manager compliance with EPMD project management standards based upon internal quality assurance reviews	Baseline in development	100%		EPMD
	Executive ownership and accountability for results	35	Percent of employees due a performance evaluation during the month that were completed on time by division.	Baseline in development	100%		HR
		36	Percent of goals accomplished as stated in the directors performance evaluation	Baseline in development	Measure annually at the end of the fiscal year		EXEC
	Organizational culture of continuous improvement and creativity	37	Employees who rate job satisfaction as above average as scored by the Survey of Employee Engagement (SEE)	3.47 (SEE 2012)	3.65	3.60 (SEE 2013)	HR
		38	Increase in the overall SEE score	337 (SEE 2012)	360	351 (SEE 2013)	HR
Focus on the internal customer	Focus on the internal customer	39	Percent of favorable responses from customer satisfaction surveys	Baseline in development	90%		EPMD
		40	Annual agency voluntary turnover rate	6.5% (FY 2013)	5.0%		HR
	Increase transparency with external customers	41	Number of education programs conducted and number of stakeholders/customers attending education programs	4.48/80.61	4/80		MCD
		42	Number of education programs conducted and number of stakeholders/customers attending education programs	36/335	42/390		VTR
		43	Number of eLearning training modules available online through the Learning Management System and number of modules completed by stakeholders/customers	eLearning Modules Available - 28 Completed - 735	Available - 31 Completed - 814		VTR

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Customer Center	Excellent Service Delivery	44	Number of Shows and Exhibits attended to educate stakeholders/customers about TxDMV services and programs	6	7		MVD
		45	Number of education programs conducted and number of stakeholders/customers attending education programs	3/250	3/250		ENF
		46	Number of education programs conducted and number of stakeholders/customers attending education programs	3/150	4/300		ABTPA
		47	Percent of customers and stakeholders who express above average satisfaction with communications to and from TxDMV	Baseline in development	80%		All Divisions
		48	Average hold time	9 min	9 min		CRD
		49	Abandoned call rate	22%	20%		CRD
		50	Average hold time	Baseline in development	1 min		ITS
		51	Abandoned call rate	Baseline in development	5%		ITS
		52	Average hold time	Credentialing - 1.6 minutes Permits - 2.08 minutes CFS - 54.38 seconds	Credentialing - 1.5 minutes Permits - 2 minutes CFS - 50 seconds		MCD
		53	Abandoned call rate	Credentialing - 7% Permits - 6.42% CFS - 5.63%	Credentialing - 6% Permits - 5% CFS - 5%		MCD
Key:		Critical	Off Target		On target		Not yet started
Vision: The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.							
Mission: To serve, protect, and advance the citizens and industries in the state with quality motor vehicle related services.							
Philosophy: The Texas Department of Motor Vehicles is customer-focused and performance driven. We are dedicated to providing services in an efficient, effective and progressive manner as good stewards of state resources. With feedback from our customers, stakeholders and employees, we work to continuously improve our operations, increase customer satisfaction and provide a consumer friendly atmosphere.							
Values: We at the Texas Department of Motor Vehicles are committed to: TEXAS-Transparency, Efficiency, EXcellence, Accountability, and Stakeholders.							