

# Board Meeting Agenda Book

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**Texas Department *of* Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

**TxDMV Board Meeting**

**9:00 a.m.**

**Thursday, December 6, 2018**

**AGENDA**  
**BOARD MEETING**  
**TEXAS DEPARTMENT OF MOTOR VEHICLES**  
**125 E. 11<sup>TH</sup> STREET, GREER BUILDING, RIC WILLIAMSON HEARING ROOM**  
**AUSTIN, TEXAS 78701**  
**THURSDAY, DECEMBER 6, 2018**  
**9:00 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. Pledges of Allegiance - U.S. and Texas**
- 3. Chair's Reports** - Chairman Raymond Palacios
- 4. Executive Director's Reports** - Whitney Brewster  
Announcements

**PAGE** **RULES - ADOPTION**

- 6** **5. Chapter 217, Vehicle Titles and Registration** - Jimmy Archer  
Amendments, §217.56  
(Relating to adopting by reference the 1/1/18 and 1/1/19 editions of the International Registration Plan (IRP), addressing the display of an electronic image of a registration credential, and cleaning up rule language)  
(Proposal Published August 31, 2018 - 43 Tex. Reg. 5663)
- 32** **6. Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz  
Amendments, §217.27  
(Relating to personalized license plates)  
(Proposal Published October 19, 2018 - 43 Tex. Reg. 6945)
- 42** **7. Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz  
New, Subchapter K  
(Relating to accepting electronic signatures on secure and non-secure documents)  
(Proposal Published August 31, 2018 - 43 Tex. Reg. 5667)

**ACTION ITEMS**

- 60** **8. Specialty Plate Design** - Jeremiah Kuntz  
Sons of Confederate Veterans, New Design Proposed by Texas Department of Agriculture under Transportation Code, §504.801

**PAGE  
61**

**9. General Counsel Organizational Structure** - Chairman Raymond Palacios  
Transportation Code, §1001.023(b)(6)

**EXECUTIVE SESSION**

**10. 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.

**11. Action Items from Executive Session**

**12. Public Comment**

**13. 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. In accordance with 43 Texas Administrative Code §206.22, any person wishing to address the Board must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board. Public comment will only be accepted in person. Each speaker will be limited to three minutes and time allotted to one speaker may not be reassigned to another speaker.

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 Carrie Fortner by telephone at (512) 465-3044.

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

CERTIFYING OFFICIAL: Sarah Swanson, Interim General Counsel, (512) 465-5665.

Date: December 6, 2018  
Action Requested APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jimmy Archer, Director, Motor Carrier Division  
Agenda Item: 5  
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.56  
(Relating to adopting by reference the 1/1/18 and 1/1/19 editions of the International Registration Plan (IRP), addressing the display of an electronic image of a registration credential, and cleaning up rule language)

#### RECOMMENDATION

Approval to publish the adoption of amendments for publication in the *Texas Register*.

#### PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to:

- 1) incorporate by reference the January 1, 2018, and the January 1, 2019, editions of the IRP;
- 2) clarify the scope and applicability of the language regarding the display of an electronic image of a registration credential (cab card) on a wireless communication device or other electronic device (device); and
- 3) clean up the rule language.

#### FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

#### BACKGROUND AND DISCUSSION

Texas is bound by the IRP, which is a registration reciprocity agreement between the 48 contiguous states, the District of Columbia, and the Canadian provinces. The IRP was updated on January 1, 2018, to add a decision of the IRP Dispute Resolution Committee to an appendix to the IRP. The IRP will be updated on January 1, 2019, to incorporate the amendments from IRP Ballot No. 412 (Ballot 412).

Ballot 412 gives the registrant the option to display an electronic image of its cab card, in addition to the current authority to display a paper original or paper copy of the cab card, to a peace officer upon request. Ballot 412 also clarifies that member jurisdictions are authorized to issue the cab card in the form of an electronic image. See attached Ballot 412.

Section 217.56 should incorporate the latest edition of the IRP because it contains language regarding the nature and requirements of apportioned vehicle registration. Section 217.56 should also clarify the scope and applicability of Ballot 412. For example, when a peace officer is relying on voluntary consent as the authority for the search, Ballot 412 does not impact the registrant's authority to either consent to the officer's request or to decline the officer's request to search all or parts of the registrant's device.

Amendments to §217.56 make the language consistent with the following:

- 1) other department rules, including rules regarding the display of an electronic image of an oversize or overweight permit and an insurance cab card for a motor carrier;



## Texas Department of Motor Vehicles

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- 2) Transportation Code, Chapter 502; and
- 3) the attached resolution of the board of the Texas Department of Motor Vehicles, which delegated the following to the department's executive director or her designee: final order authority regarding the assessment of additional registration fees, the cancellation of registration, or the revocation of registration.

The proposal was published in the *Texas Register* on August 31, 2018. The comment period closed on October 1, 2018. No comments were received.

If the board adopts the amendments during its December 6, 2018, open meeting, staff anticipates:

- publication in the December 28, 2018, issue of the *Texas Register*; and
- an effective date of January 1, 2019.

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, §217.56, Registration Reciprocity Agreements, without changes to the proposed text as published in the August 31, 2018, issue of the *Texas Register* (43 TexReg 5663). The rule will not be republished.

EXPLANATION OF AMENDMENTS

An amendment incorporates by reference the January 1, 2018, and the January 1, 2019, editions of the International Registration Plan (IRP). The IRP was updated on January 1, 2018, to add a decision of the IRP Dispute Resolution Committee to Appendix E of the IRP. The IRP will be updated on January 1, 2019, to incorporate the amendments from IRP Ballot Number 412 – Electronic Image of Cab Card (Ballot 412), which allows the registrant to display an electronic image of the cab card, which is a vehicle registration credential.

Texas is bound by the IRP, which is a vehicle registration reciprocity agreement between the 48 contiguous states, the District of Columbia, and the Canadian provinces. Section 217.56

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

1 should incorporate the latest edition of the IRP because it  
2 contains language regarding the nature and requirements of  
3 apportioned vehicle registration.

4  
5 Amendments to §217.56 clarify the scope and applicability of the  
6 IRP language regarding the display of an electronic image of a  
7 cab card. The IRP is a registration reciprocity agreement that  
8 does not have the authority to: 1) force a registrant to  
9 voluntarily consent to a peace officer's request or any other  
10 person's request to search the contents of the registrant's  
11 wireless communication device or other electronic device  
12 (device); 2) override a peace officer's authority, if any, to  
13 search the contents of the registrant's device; 3) override any  
14 other authority to search the contents of the registrant's  
15 device, such as a valid court order; or 4) override the rules  
16 and procedures that apply in courts of law or administrative  
17 tribunals.

18  
19 When the member jurisdictions voted on Ballot 412, the votes  
20 didn't authorize the IRP member jurisdictions to: 1) amend the  
21 Fourth Amendment to the United States Constitution or Article I,  
22 §9 of the Texas Constitution regarding searches and seizures; 2)



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

1 overrule case law interpreting the Fourth Amendment to the  
2 United States Constitution or Article I, §9 of the Texas  
3 Constitution; or 3) amend or enact laws or rules for the member  
4 jurisdictions, such as laws or rules regarding court procedures  
5 or court orders. The United States Constitution, and the  
6 constitution and laws of each member jurisdiction do not give  
7 these powers to the IRP member jurisdictions when voting on IRP  
8 ballots. Even if the member jurisdictions had these powers when  
9 voting on Ballot 412, it was not their intent to amend or change  
10 constitutions, laws, or case law regarding the issues listed  
11 above.

12  
13 Ballot 412 gives the registrant the choice of presenting a paper  
14 original, a legible paper copy, or a legible electronic image of  
15 its cab card to a peace officer upon request. The ballot was  
16 intended to give the registrant the choice to use modern  
17 technology to present its cab card to a peace officer. Ballot  
18 412 was not intended to constitute the registrant's voluntary  
19 consent to authorize a peace officer or any other person to  
20 search the contents of the registrant's device. When a peace  
21 officer is relying on voluntary consent as the authority for the  
22 search, Ballot 412 does not impact the registrant's authority to

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

1 either consent to the officer's request or to decline the  
2 officer's request to search all or parts of the registrant's  
3 device.

4  
5 The IRP website includes a webpage regarding the implementation  
6 of Ballot 412. The webpage includes draft language for member  
7 jurisdictions to use to make it clear that the ballot language  
8 does not constitute voluntary consent for a peace officer to  
9 view the contents of the registrant's device. See  
10 <https://www.irponline.org/page/ECBallotImplement>

11  
12 When a peace officer is relying on authority other than  
13 voluntary consent for the search, Ballot 412 does not impact  
14 such authority, if any, to search the contents of the  
15 registrant's device. This authority, if any, may exist  
16 regardless of whether the registrant chooses to display an  
17 electronic image of the registrant's cab card or chooses to  
18 display a paper copy of the cab card. At the annual IRP meeting  
19 in May of 2018, the member jurisdictions discussed the  
20 implementation of Ballot 412 during the presentation of an  
21 agenda item titled Implementation of Electronic Cab Card Ballot.  
22 Part of the discussion focused on the fact that the ballot

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

1 language does not impact any authority that a peace officer  
2 might have to search the contents of the registrant's device.

3  
4 Also, Ballot 412 was not intended to override any rules  
5 regarding the form of evidence that is required or used in  
6 connection with a hearing, trial, or discovery proceeding in a  
7 court or administrative tribunal. An amendment to §217.56  
8 clarifies that the language does not impact any requirements to  
9 provide a paper copy of the cab card in a proceeding before the  
10 Texas State Office of Administrative Hearings or a court of  
11 competent jurisdiction.

12  
13 If the language in an IRP ballot expressly conflicts with a  
14 member jurisdiction's statute, the member jurisdiction's  
15 legislature may need to amend the statute to be consistent with  
16 the IRP. For example, if a Texas statute required the registrant  
17 to provide a peace officer with the original paper cab card or a  
18 paper copy of the cab card, such a statute would expressly  
19 conflict with the language in Ballot 412, which authorizes the  
20 registrant to provide an electronic image of the cab card.

21  
22 The language in Ballot 412 does not expressly conflict with any

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

1 Texas statutes. Also, the amendments to §217.56 are consistent  
2 with the department's rules regarding the electronic display of  
3 an oversize or overweight permit and an insurance cab card for a  
4 motor carrier. The amendments are also consistent with  
5 Transportation Code, §601.053(d) and (e) regarding the  
6 electronic display of insurance information on a wireless  
7 communication device.

8  
9 Amendments also make the language consistent with the following:

10 1) other rules in Chapter 217; 2) Transportation Code, Chapter  
11 502; and 3) a resolution of the board of the Texas Department of  
12 Motor Vehicles (board) dated December 3, 2009, in which the  
13 board delegated the following to the department's executive  
14 director or her designee: the final order authority in contested  
15 cases involving the assessment of additional registration fees,  
16 the cancellation of registration, or the revocation of  
17 registration after an audit of the registrant's operational  
18 records.

19  
20 COMMENTS

21 No comments on the proposed amendments were received.

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

1 STATUTORY AUTHORITY

2 The amendments are adopted under Transportation Code, §1002.001,  
3 which authorizes the board to adopt rules that are necessary and  
4 appropriate to implement the powers and the duties of the  
5 department; Government Code, §2001.004(1), which requires state  
6 agencies to adopt rules of practice that state the nature and  
7 requirements of all available formal and informal procedures;  
8 and more specifically, Transportation Code, §502.0021, which  
9 authorizes the department to adopt rules to administer  
10 Transportation Code, Chapter 502; and Transportation Code,  
11 §502.091(b), which authorizes the department to adopt rules to  
12 carry out the IRP.

13

14 CROSS REFERENCE TO STATUTE

15 Transportation Code, §502.091.

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

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

§217.56. Registration Reciprocity Agreements.

(a) Purpose. To promote and encourage the fullest possible use of the highway system and contribute to the economic development and growth of the State of Texas and its residents, the department is authorized by Transportation Code, §502.091 to enter into agreements with duly authorized officials of other jurisdictions, including any state of the United States, the District of Columbia, a foreign country, a state or province of a foreign country, or a territory or possession of either the United States or of a foreign country, and to provide for the registration of vehicles by Texas residents and nonresidents on an allocation or distance apportionment basis, and to grant exemptions from the payment of registration fees by nonresidents if the grants are reciprocal to Texas residents.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Cab card--The apportioned vehicle registration receipt that contains, but is not limited to, the vehicle description and the registered weight at which the vehicle may operate in each jurisdiction.

(2) Department--The Texas Department of Motor

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

1 Vehicles.

2 (3) Director--The director of the Motor Carrier  
3 Division, Texas Department of Motor Vehicles.

4 (4) Executive director--The chief executive officer of  
5 the department.

6 (5) Regional Service Center--A department office which  
7 provides specific services to the public, including replacement  
8 titles, bonded title rejection letters, and apportioned  
9 registration under the International Registration Plan (IRP).

10 (6) Temporary cab card--A temporary registration  
11 permit authorized by the department that allows the operation of  
12 a vehicle for 30 days subject to all rights and privileges  
13 afforded to a vehicle displaying apportioned registration.

14 (c) Multilateral agreements.

15 (1) Authority. The executive director may on behalf of  
16 the department enter into a multilateral agreement with the duly  
17 authorized officials of two or more other jurisdictions to carry  
18 out the purpose of this section.

19 (2) International Registration Plan.

20 (A) Applicability. The IRP is a registration  
21 reciprocity agreement among states of the United States and  
22 other jurisdictions providing for payment of registration fees  
23 on the basis of fleet distance operated in various

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

1 jurisdictions. Its purpose is to promote and encourage the  
2 fullest possible use of the highway system by authorizing  
3 apportioned registration for commercial motor vehicles and  
4 payment of appropriate vehicle registration fees and thus  
5 contributing to the economic development and growth of the  
6 member jurisdictions.

7 (B) Adoption. The department adopts by reference  
8 the January 1, 2018 [~~2017~~], edition of the IRP. Effective  
9 January 1, 2019, the department adopts by reference the  
10 amendments to the IRP with an effective date of January 1, 2019.

11 The department also adopts by reference the January 1, 2016,  
12 edition of the IRP Audit Procedures Manual. In the event of a  
13 conflict between this section and the IRP or the IRP Audit  
14 Procedures Manual, the IRP and the IRP Audit Procedures Manual  
15 control. Copies of the documents are available for review in the  
16 Motor Carrier Division, Texas Department of Motor Vehicles.  
17 Copies are also available on request. The following words and  
18 terms, when used in the IRP or in paragraph (2) of this  
19 subsection, shall have the following meanings, unless the  
20 context clearly indicates otherwise.

21 (i) Apportionable vehicle--Any vehicle -  
22 except recreational vehicles, vehicles displaying restricted  
23 plates, city pickup and delivery vehicles, and government-owned



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

vehicles - used or intended for use in two or more member jurisdictions that allocate or proportionally register vehicles and used either for the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property and:

(I) is a power unit having two axles and a gross vehicle weight or registered gross vehicle weight in excess of 26,000 pounds (11,793.401 kilograms);

(II) is a power unit having three or more axles, regardless of weight;

(III) is used in combination, when the weight of such combination exceeds 26,000 pounds (11,793.401 kilograms) gross vehicle weight; or

(IV) at the option of the registrant, a power unit, or the power unit in a combination of vehicles having a gross vehicle weight of 26,000 pounds (11,793.401 kilograms) or less.

(ii) Commercial vehicle--A vehicle or combination of vehicles designed and used for the transportation of persons or property in furtherance of any commercial enterprise, for hire or not for hire.

(iii) Erroneous issuance--Apportioned registration issued based on erroneous information provided to

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

1 the department.

2 (iv) Established place of business--A  
3 physical structure owned or leased within the state of Texas by  
4 the applicant or fleet registrant and maintained in accordance  
5 with the provisions of the IRP.

6 (v) Fleet distance--All distance operated by  
7 an apportionable vehicle or vehicles used to calculate  
8 registration fees for the various jurisdictions.

9 (C) Application.

10 (i) An applicant must submit an application  
11 to the department on a form prescribed by the director, along  
12 with additional documentation as required by the director.

13 (ii) Upon approval of the application, the  
14 department will compute the appropriate registration fees and  
15 notify the registrant.

16 (D) Fees. Upon receipt of the applicable fees in  
17 the form as provided by §209.23 of this title (relating to  
18 Methods of Payment), the department will issue one or two  
19 license plates and a cab card for each vehicle registered.

20 (E) Display of License Plates and Cab Cards.

21 (i) The department will issue one license  
22 plate for a tractor, truck-tractor [~~truck-tractor~~], trailer, and  
23 semitrailer. The license plate issued to a tractor or a truck-

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

1 tractor [~~truck-tractor~~] shall be installed on the front of the  
2 tractor or truck-tractor [~~truck-tractor~~], and the license plate  
3 issued for a trailer or semitrailer shall be installed on the  
4 rear of the trailer or semitrailer.

5 (ii) The department will issue two license  
6 plates for all other vehicles that are eligible to receive  
7 license plates under the IRP. Once the department issues two  
8 license plates for a vehicle listed in this clause, one plate  
9 shall be installed on the front of the vehicle, and one plate  
10 shall be installed on the rear of the vehicle.

11 (iii) The cab card shall be carried at all  
12 times in the vehicle in accordance with the IRP. If the  
13 registrant chooses to display an electronic image of the cab  
14 card on a wireless communication device or other electronic  
15 device, such display does not constitute consent for a peace  
16 officer, or any other person, to access the contents of the  
17 device other than the electronic image of the cab card.

18 (iv) The authority to display an electronic  
19 image of the cab card on a wireless communication device or  
20 other electronic device does not prevent the Texas State Office  
21 of Administrative Hearings or a court of competent jurisdiction  
22 from requiring the registrant to provide a paper copy of the cab  
23 card in connection with a hearing, trial, or discovery

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

1 proceeding.

2 (F) Audit. An audit of the registrant's vehicle  
3 operational records may be conducted by the department according  
4 to the IRP provisions and the IRP Audit Procedures Manual. Upon  
5 request, the registrant shall provide the operational records of  
6 each vehicle for audit in unit number order, in sequence by  
7 date, and including, but not limited to, a summary of distance  
8 traveled by each individual vehicle on a monthly, quarterly, and  
9 annual basis with distance totaled separately for each  
10 jurisdiction in which the vehicle traveled.

11 (G) Assessment. The department may assess  
12 additional registration fees of up to 100% of the apportionable  
13 fees paid by the registrant for the registration of its fleet in  
14 the registration year to which the records pertain, as  
15 authorized by the IRP, if an audit conducted under subparagraph  
16 (F) of this paragraph reveals that:

17 (i) the operational records indicate that  
18 the vehicle did not generate interstate distance in two or more  
19 member jurisdictions for the distance reporting period  
20 supporting the application being audited, plus the six-month  
21 period immediately following that distance reporting period;

22 (ii) the registrant failed to provide  
23 complete operational records; or

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

(iii) the distance must be adjusted, and the adjustment results in a shortage of registration fees due Texas or any other IRP jurisdiction.

(H) Refunds. If an audit conducted under subparagraph (F) of this paragraph reveals an overpayment of fees to Texas or any other IRP jurisdiction, the department will refund the overpayment of registration fees in accordance with Transportation Code, §502.195 and the IRP. Any registration fees refunded to a carrier for another jurisdiction will be deducted from registration fees collected and transmitted to that jurisdiction.

(I) Cancellation or revocation. The director or the director's designee may cancel or revoke a registrant's apportioned registration and all privileges provided by the IRP as authorized by the following:

(i) the IRP; or

(ii) Transportation Code, Chapter 502.

(J) Enforcement of cancelled or revoked registration.

(i) Notice. If a registrant is assessed additional registration fees, as provided in subparagraph (G) of this paragraph, and the additional fees are not paid by the due date provided in the notice or it is determined that a

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

1 registrant's apportioned license plates and privileges should be  
2 canceled or revoked, as provided in subparagraph (I) of this  
3 paragraph, the director or the director's designee will mail a  
4 notice by certified mail to the last known address of the  
5 registrant. The notice will state the facts underlying the  
6 assessment, cancellation, or revocation; the effective date of  
7 the assessment, cancellation, or revocation; and the right of  
8 the registrant to request a conference as provided in clause  
9 (ii) of this subparagraph.

10 (ii) Conference. A registrant may request a  
11 conference upon receipt of a notice issued as provided by clause  
12 (i) of this subparagraph. The request must be made in writing to  
13 the director or the director's designee within 30 days of the  
14 date of the notice. If timely requested, the conference will be  
15 scheduled and conducted by the director or the director's  
16 designee at division headquarters in Austin and will serve to  
17 abate the assessment, cancellation, or revocation unless and  
18 until that assessment, cancellation, or revocation is affirmed  
19 or disaffirmed by the director or the director's designee. In  
20 the event matters are resolved in the registrant's favor, the  
21 director or the director's designee will mail the registrant a  
22 notice of withdrawal, notifying the registrant that the  
23 assessment, cancellation, or revocation is withdrawn, and

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

1 stating the basis for that action. In the event matters are not  
2 resolved in the registrant's favor, the director or the  
3 director's designee will issue a ruling reaffirming the  
4 department's assessment of additional registration fees or  
5 cancellation or revocation of apportioned license plates and  
6 privileges. The registrant has the right to appeal in accordance  
7 with clause (iii) of this subparagraph.

8 (iii) Appeal. If a conference held in  
9 accordance with clause (ii) of this subparagraph fails to  
10 resolve matters in the registrant's favor, the registrant may  
11 request an administrative hearing. The request must be in  
12 writing and must be received by the director no later than the  
13 20th day following the date of the ruling issued under clause  
14 (ii) of this subparagraph. If requested within the designated  
15 period, the hearing will be initiated by the department and will  
16 be conducted in accordance with Chapter 206, Subchapter D of  
17 this title (relating to Procedures in Contested Cases).  
18 Assessment, cancellation, or revocation is abated unless and  
19 until affirmed or disaffirmed by order of the Board of the Texas  
20 Department of Motor Vehicles or its designee.

21 (K) Reinstatement.

22 (i) The director or the director's designee  
23 will reinstate apportioned registration to a previously canceled

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

1 or revoked registrant if all applicable fees and assessments due  
2 on the previously canceled or revoked apportioned account have  
3 been paid and the applicant provides proof of an acceptable  
4 recordkeeping system for a period of no less than 60 days.

5 (ii) The application for the following  
6 registration year will be processed in accordance with the  
7 provisions of the IRP.

8 (L) Denial of apportioned registration for safety  
9 reasons. The department will comply with the requirements of the  
10 Performance and Registration Information Systems Management  
11 program (PRISM) administered by the Federal Motor Carrier Safety  
12 Administration (FMCSA).

13 (i) Denial or suspension of apportioned  
14 registration. Upon notification from the FMCSA that a carrier  
15 has been placed out of service for safety violations, the  
16 department will:

17 (I) deny initial issuance of  
18 apportioned registration;

19 (II) deny authorization for a temporary  
20 cab card, as provided for in subparagraph (M) of this paragraph;

21 (III) deny renewal of apportioned  
22 registration; or

23 (IV) suspend current apportioned



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

1 registration.

2 (ii) Issuance after denial of registration  
3 or reinstatement of suspended registration. The director or the  
4 director's designee will reinstate or accept an initial or  
5 renewal application for apportioned registration from a  
6 registrant who was suspended or denied registration under clause  
7 (i) of this subparagraph upon presentation of a Certificate of  
8 Compliance from FMCSA, in addition to all other required  
9 documentation and payment of fees.

10 (M) Temporary cab card.

11 (i) Application. The department may  
12 authorize issuance of a temporary cab card to a motor carrier  
13 with an established Texas apportioned account for a vehicle upon  
14 proper submission of all required documentation, a completed  
15 application, and all fees for either:

16 (I) Texas title as prescribed by  
17 Transportation Code, Chapter 501 and Subchapter A of this  
18 chapter (relating to Motor Vehicle Titles); or

19 (II) registration receipt to evidence  
20 title for registration purposes only (Registration Purposes  
21 Only) as provided for in Transportation Code, §501.029 and  
22 §217.24 of this title (relating to Vehicle Last Registered in  
23 Another Jurisdiction).

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

1 (ii) Title application. A registrant who is  
2 applying for a Texas title as provided for in clause (i)(I) of  
3 this subparagraph and is requesting authorization for a  
4 temporary cab card, must submit to a Regional Service Center [~~by~~  
5 ~~email, fax, overnight mail, or in person~~] a photocopy of the  
6 title application receipt issued by the county tax assessor-  
7 collector's office.

8 (iii) Registration Purposes Only. A  
9 registrant who is applying for Registration Purposes Only under  
10 clause (i)(II) of this subparagraph and is requesting  
11 authorization for a temporary cab card, must submit an  
12 application and all additional original documents or copies of  
13 original documents required by the director to a Regional  
14 Service Center [~~by email, fax, or overnight mail or in person~~].

15 (iv) Department approval. On department  
16 approval of the submitted documents, the department will send  
17 notice to the registrant to finalize the transaction and make  
18 payment of applicable registration fees.

19 (v) Finalization and payment of fees. To  
20 finalize the transaction and print the temporary cab card, the  
21 registrant may compute the registration fees through the  
22 department's apportioned registration software application,  
23 TxIRP system, and:

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

1 (I) make payment of the applicable  
2 registration fees to the department as provided by §209.23 of  
3 this title [~~related to Methods of Payment~~]; and

4 (II) afterwards, mail or deliver  
5 payment of the title application fee in the form of a check,  
6 certified cashier's check, or money order payable to the county  
7 tax assessor-collector in the registrant's county of residency  
8 and originals of all copied documents previously submitted.

9 (vi) Deadline. The original documents and  
10 payment must be received by the Regional Service Center within  
11 72-hours after the time that the office notified the registrant  
12 of the approval to print a temporary cab card as provided in  
13 clause (iv) of this subparagraph.

14 (vii) Failure to meet deadline. If the  
15 registrant fails to submit the original documents and required  
16 payment within the time prescribed by clause (vi) of this  
17 subparagraph, the registrant's privilege to use this expedited  
18 process to obtain a temporary cab card will be denied by the  
19 department for a period of six months from the date of approval  
20 to print the temporary cab card.

## OFFICIAL AMENDMENT TO THE INTERNATIONAL REGISTRATION PLAN

**Ballot Number:** 412 – Electronic Image of Cab Card

**Ballot Date:** July 6, 2017

**Ballot Expiration Date:** October 4, 2017

**Amendment Effective Date, If Approved:** January 1, 2019

**Sponsor(s):** AL, ME, VA, WI

**Contact Person (Name/Title/Agency/Jurisdiction/Telephone/Email):**

Jay Sween

Supervisor: Motor Carrier Registration Unit

Department of Transportation / Division of Motor Vehicles

Wisconsin

P: (608) 261-2573

E: [jay.sween@dot.wi.gov](mailto:jay.sween@dot.wi.gov)

☒ Sponsor's(s') IRP voting member notified

### **SECTIONS TO BE AMENDED**

International Registration Plan:

Article VI, Credentials – Section 600, Credentials for Apportioned Registration

### **SUMMARY**

The intent of this ballot is to amend The Plan to allow registrants and base jurisdictions flexibility in issuing and presenting the cab card. The ballot adds language clarifying that base jurisdictions may issue in paper or as an electronic image.

The ballot adds language requiring jurisdictions to accept a paper original, legible paper copy or legible electronic image of the cab card, at the option of the registrant, regardless of the method by which the cab card was initially issued by the base jurisdiction.

**AMENDMENT**

(a) Upon the registration of an Apportionable Vehicle under the Plan, the Base Jurisdiction shall issue a Cab Card and a Plate for the Vehicle, and these shall be the sole registration Credentials issued for the Vehicle. The Plate shall be identified by having the word “apportioned,” “APP,” or “PRP” and the name of the Base Jurisdiction. The numbering system and color of the Plate shall be determined by the Base Jurisdiction.

(b) A Base Jurisdiction shall require that the Cab Card be carried in the Vehicle for which it is issued. A Base Jurisdiction may issue a Cab Card by in paper or as an electronic means image. Jurisdictions must accept paper originals, legible paper copies, or legible electronic images, whichever is presented by the Registrant and regardless of the method by which the Cab Card was issued by the Base Jurisdiction. ~~and may permit Registrants to use photocopies of Cab Cards. Member Jurisdictions must accept a Cab Card that has been issued in accordance with the law of the Base Jurisdiction.~~

(c) The Base Jurisdiction shall provide a means by which law enforcement can verify the validity of its Cab Cards.

(d) The Base Jurisdiction may charge an additional fee for issuing a Cab Card and Plate.

(e) When the Base Jurisdiction renews the registration of an Apportioned Vehicle, the Base Jurisdiction may, in lieu of issuing a renewal Plate, issue a renewal decal to be affixed to the Plate already issued for the Vehicle, or may, if the Base Jurisdiction requires neither renewal Plates nor renewal decals, issue only a renewal Cab Card.

(f) The Base Jurisdiction shall not issue Credentials for an Apportioned Vehicle until the Registrant has paid all Apportionable Fees due or past due.

## BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION CLARIFYING CONTESTED CASE PROCESS  
AND ORDER AUTHORITY

The Board of the Texas Department of Motor Vehicles finds it necessary to clarify the contested case process and order authority regarding contested cases brought before and by the Motor Vehicle Division, the Vehicle Titles and Registration Division and the Motor Carrier Division ("the divisions") pursuant to House Bill 3097, 81<sup>st</sup> Regular Session, 2009.

House Bill 3097, 81<sup>st</sup> Regular Session, 2009, Section 6.01(a) transfers all powers, duties, obligations and rights of action of the transferring divisions of the Texas Department of Transportation to the Texas Department of Motor Vehicles and all powers, duties, obligations and rights of action of the Texas Transportation Commission in connection or associated with those divisions to the Board of the Texas Department of Motor Vehicles.

IT IS THEREFORE ORDERED that:

1. the Board of the Texas Department of Motor Vehicles shall have order authority in contested cases filed on or after September 1, 2009, involving Texas Occupations Code Chapter 2301, with the exception of cases brought under Subchapter M,
2. the Executive Director of the Texas Department of Motor Vehicles or authorized delegate shall have order authority in contested cases involving the Vehicle Titles and Registration Division and the Motor Carrier Division,
3. the Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles or authorized delegate shall have order authority in contested cases involving Texas Occupations Code, Subchapter M and Texas Transportation Code, Chapter 503, and
4. the Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles or authorized delegate shall have order authority in all cases involving the Motor Vehicle Division filed prior to September 1, 2009; and
5. the contested case processes established by the divisions shall continue under the Texas Department of Motor Vehicles.

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

  
Victor T. Vandergriff, Chairman  
Board of Texas Department of Motor Vehicles





## Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Date: December 6, 2018  
Action Requested APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division  
Agenda Item: 6  
Subject: Adoption of Rule under Title 43, Texas Administrative Code  
Chapter 217, Vehicle Titles and Registration  
Amendments, §217.27  
(Relating to personalized license plates)

**RECOMMENDATION**

Approval to publish the adoption of amendments for publication in the *Texas Register*.

**PURPOSE AND EXECUTIVE SUMMARY**

The purpose of the amendments is to add a provision to allow the department to issue a license plate pattern which references publicly and privately funded institutions of higher learning, including military academies.

**FINANCIAL IMPACT**

There will be no significant fiscal implications related to the amendments.

**BACKGROUND AND DISCUSSION**

Currently, the department may approve a plate pattern that does not violate §217.27, Vehicle Registration Insignia. The proposed amendments add §217.27(d)(4) to clarify when the department may approve and issue a license plate pattern that references publicly and privately funded institutions of higher learning, including military academies. The amendments further clarify that the funds may be from state or federal sources, or both.

The proposal was published in the Texas Register on October 19, 2018. The comment period closed on November 19, 2018. No comments were received.

If the board adopts the amendments during its December 6, 2018, open meeting, staff anticipates:

- publication in the December 28, 2018, issue of the Texas Register, and
- an effective date of January 1, 2019.

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, §217.27, Vehicle Registration Insignia, without changes to the proposed text as published in the October 19, 2018, issue of the *Texas Register* (43 TexReg 6945). The rule will not be republished.

EXPLANATION OF AMENDMENTS

With the amendments to add §217.27(d)(4), the department is clarifying when it may approve and issue a license plate pattern that references certain publicly and privately funded entities. Namely, the department may approve a plate pattern which does not violate §217.27(d) and references publicly and privately funded institutions of higher learning, including military academies.

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



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

1 Vehicles with the authority to adopt rules that are necessary  
2 and appropriate to implement the powers and the duties of the  
3 department; and more specifically, §504.0011, which provides  
4 that the board may adopt rules to implement and administer  
5 Chapter 504, License Plates.

6

7 CROSS REFERENCE TO STATUTE

8 Transportation Code, Chapter 504.

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

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

§217.27. Vehicle Registration Insignia.

(a) On receipt of a complete initial application for registration with the accompanying documents and fees, the department will issue vehicle registration insignia to be displayed on the vehicle for which the registration was issued for the current registration period.

(1) If the vehicle has a windshield, the symbol, tab, or other device prescribed by and issued by the department shall be attached to the inside lower left corner of the vehicle's front windshield in a manner that will not obstruct the vision of the driver.

(2) If the vehicle has no windshield, the symbol, tab, or other device prescribed by and issued by the department shall be attached to the rear license plate, except that registration receipts, retained inside the vehicle, may provide the record of registration for vehicles with permanent trailer plates.

(3) If the vehicle is registered as a former military vehicle as prescribed by Transportation Code, §504.502, the vehicle's registration number shall be displayed instead of displaying a symbol, tab, or license plate.

(A) Former military vehicle registration numbers shall be displayed on a prominent location on the vehicle in numbers

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

1 and letters of at least two inches in height.

2 (B) To the extent possible, the location and design of  
3 the former military vehicle registration number must conform to  
4 the vehicle's original military registration number.

5 (b) Unless otherwise prescribed by law, each vehicle  
6 registered under this subchapter:

7 (1) must display two license plates, one at the exterior  
8 front and one at the exterior rear of the vehicle that are  
9 securely fastened at the exterior front and rear of the vehicle  
10 in a horizontal position of not less than 12 inches from the  
11 ground, measuring from the bottom, except that a vehicle  
12 described by Transportation Code, §621.2061 may place the rear  
13 plate so that it is clearly visible; or

14 (2) must display one plate that is securely fastened at  
15 or as close as practical to the exterior rear of the vehicle in  
16 a position not less than 12 inches from the ground, measuring  
17 from the bottom if the vehicle is a road tractor, motorcycle,  
18 trailer or semitrailer.

19 (c) Each vehicle registered under this subchapter must  
20 display license plates:

21 (1) assigned by the department for the period; or

22 (2) validated by a registration insignia issued by the  
23 department for a registration period consisting of 12

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

1 consecutive months at the time of application for registration.  
2 Vehicles may be registered for 24 consecutive months only in  
3 accordance with Transportation Code, §548.102. However, the  
4 vehicle must be registered for 24 consecutive months and all  
5 fees must be paid for each year of registration, regardless of  
6 the number of months remaining on the inspection at the time of  
7 registration, if both of the following occur:

8 (A) the vehicle receives a two-year inspection under  
9 §548.102; and

10 (B) the application for registration is made in the  
11 name of the purchaser under Transportation Code, §501.0234.

12 (d) The department may cancel any personalized alpha-  
13 numeric pattern that was issued if the department subsequently  
14 determines or discovers that the personalized license plate was  
15 not in compliance with these guidelines when issued, or if due  
16 to changing language usage, meaning or interpretation, the  
17 personalized license plate has become non-compliant with these  
18 guidelines. When reviewing a personalized alpha-numeric pattern,  
19 the department need not consider the applicant's subjective  
20 intent or declared meaning. The department will not issue any  
21 license plate containing an alpha-numeric pattern that meets one  
22 or more of the following criteria.

23 (1) The alpha-numeric pattern conflicts with the

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

department's current or proposed regular license plate numbering system.

(2) The director of the department's Vehicle Titles and Registration Division or the director's designee finds that the personalized alpha-numeric pattern, including plate patterns that feature foreign or slang words or phrases, use phonetic, numeric or reverse spelling, acronyms, patterns viewed in mirror image, or use a code which only a small segment of the community may be able to readily decipher, that may be considered objectionable or misleading, including that the pattern may be viewed as, directly or indirectly:

(A) indecent (defined as including a reference or connotation to a sexual act, sexual body parts, excrement, or bodily fluids or functions. Additionally, "69" formats are prohibited unless used in combination with the vehicle make, for example, "69 CHEV".);

(B) a vulgarity (defined as profane, swear, or curse words);

(C) derogatory (defined as an expression that is demeaning to, belittles, or disparages any person, group, race, ethnicity, nationality, gender, sexual orientation, or refers to an organization that advocates such expressions);

(D) a reference to race, ethnicity, gender or sexual

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

orientation whether the reference is derogatory or not;

(E) a reference to gangs, illegal activities, violence, implied threats of harm, or expressions that describe, advertise, advocate, promote, encourage, glorify, or condone violence, crime or unlawful conduct;

(F) a reference to illegal drugs, controlled substances, the physiological state produced by such substances, intoxicated states, or references that may express, describe, advertise, advocate, promote, encourage, glorify such items or states;

(G) a representation of, or reference to, law enforcement, military branches, or other governmental entities and their titles, including any reference to public office or position, military or law enforcement rank or status, or any other official government position or status; or

(H) deceptively similar to a military, restricted distribution, or other specialty plate.

(3) The alpha-numeric pattern is currently issued to another owner.

(4) Notwithstanding the limitations on issuance of plate patterns in this subsection, the department may issue patterns that refer to publicly and privately funded institutions of higher education, including military academies, whether funded

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

1 by state or federal sources, or both.

2 (e) A decision to cancel or not issue a personalized alpha-  
3 numeric pattern under subsection (d) of this section may be  
4 appealed to the executive director of the department or the  
5 executive director's designee within 20 days of notification of  
6 the cancellation or non-issuance. All appeals must be in writing  
7 and the requesting party may include any written arguments, but  
8 shall not be entitled to a contested case hearing. The executive  
9 director or the executive director's designee will consider the  
10 requesting party's arguments and issue a decision no later than  
11 30 days after the submission of the appeal, unless additional  
12 information is sought from the requestor, in which case the time  
13 for decision is tolled until the additional information is  
14 provided. The decision of the executive director or the  
15 executive director's designee is final and may not be appealed.  
16 An appeal is denied by operation of law 31 days from the  
17 submission of the appeal, or if the requestor does not provide  
18 additional requested information within ten days of the request.

19 (f) The provisions of subsection (a) of this section do not  
20 apply to vehicles registered with annual license plates issued  
21 by the department.

22 (g) A person whose initial application has been denied may  
23 either receive a refund or select a new alpha-numeric pattern.

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

- 1 If an existing personalized alpha-numeric pattern has been
- 2 cancelled, the person may choose a new personalized alpha-
- 3 numeric pattern which will be valid for the remainder of the
- 4 term or will forfeit the remaining term purchased.

DRAFT





## Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Date: December 6, 2018  
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division  
Agenda Item: 7  
Subject: Adoption of Rules under Title 43, Texas Administrative Code  
Chapter 217, Vehicle Titles and Registration  
New, Subchapter K  
(Relating to accepting electronic signatures on secure and non-secure documents)

### RECOMMENDATION

Approval to publish the adoption of new subchapter for publication in the *Texas Register*.

### PURPOSE AND EXECUTIVE SUMMARY

The purpose of the new subchapter is to implement Senate Bill 1062, 85th Legislature, Regular Session, 2017, regarding process to accept electronic signatures on secure documents that have been electronically signed through a system not controlled by the department. The proposed new subchapter establishes that process for electronic signatures on secure documents and non-secure documents.

### FINANCIAL IMPACT

There will be no fiscal implications related to the proposed new subchapter.

### BACKGROUND AND DISCUSSION

The new subchapter, Electronic Signatures, adds:

- §217.301. Purpose and Scope - establishes that the new rules prescribe the policies and procedures for the acceptance of electronic signatures on secure documents and the use and acceptance of electronic signatures on non-secure documents.
- §217.302. Definitions - defines key terms used in the proposed new subchapter, including department, electronic signature, secure document, and webDEALER.
- §217.303. Process for Accepting Electronic Signatures - authorizes persons to use electronic signatures for records submitted to the department if the requirements of the subchapter are met; clarifies electronic signatures may not be used for any purpose other than the purpose indicated by the signer on the document; electronic signatures must be linked to their respective electronic records and match the signer's printed name; provides that the department does not certify or approve an electronic signature process or vendor; provides that a secure document with an electronic signature may only be submitted through webDEALER; requires a county tax assessor-collector (TAC) to accept a secure document with an electronic signature submitted in compliance with the subchapter; provides that a non-secure document with an electronic signature may be submitted electronically through webDEALER or physically, requires a TAC to accept a secure document with an electronic signature submitted in compliance with the subchapter; requires a system used to electronically sign documents to capture and retain the signer's name, the date, and the electronic signature; requires an electronic signature physically printed or affixed on a document to indicate it is an electronic signature; requires that the electronic signature system verify the identity of the user and that the access be secure and utilize unique credentials for each user; establishes a retention period; requires information to be provided to the department on request; and exempts an electronic signature captured by physical means.

The proposal was published in the *Texas Register* on August 31, 2018. The comment period closed on October 1, 2018. The department received the attached comments from Insurance Auto Auctions (IAA) and Texas Automobile Dealers Association (TADA). IAA emphasized that they would like the opportunity for an error or a glitch to be corrected and the



transaction resubmitted electronically and they would like to print the electronically signed document and have it accepted as part of the physical submission when webSalvage does not recognize/support the transaction. Further, IAA requested webDealer be expanded to accommodate its clear title applications on behalf of insurers and wants the ability to sign all title applications using e-signatures. TADA supports the proposal, but requests clarification on the definition of "secure document" and the meaning of "secure printing process" in the "secure document" definition.

No changes will be made based on the submitted comments. Regarding IAA's comments, the department notes that:

- The proposed rules do not prohibit corrections and resubmissions when necessary;
- Transportation Code, §501.174 requires secure documents with electronic signatures to be submitted electronically; and
- Requests to expand webDEALER and allow for electronic signatures on all title applications are outside the scope of this rulemaking; however, the request has been noted. It is not known at this time when this change could be implemented.

Regarding TADA's comments, the department notes that the definition of "secure document" as proposed is a commonly-used definition for an inventory-controlled document issued by the department and equivalent jurisdictions. The department further notes that security watermarks or other features are designed to appear hidden or invisible on originals, but clearly visible on photocopies. The secure documents referenced in the proposed rules are the same secure documents used today – the proposed rules merely prescribe that a secure document with an electronic signature must be submitted through webDEALER.

If the board adopts the new subchapter during its December 6, 2018, open meeting, staff anticipates:

- publication in the December 28, 2018, issue of the *Texas Register*, and
- an effective date of January 1, 2019.

**BresnenAssociates**

September 19, 2018

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

**Via email to: [rules@txdmv.gov](mailto:rules@txdmv.gov)**

Dear Mr. Duncan:

The following public comments are offered on behalf of Insurance Auto Auctions ("IAA"), which we represent, regarding the proposed amendments to 43 T.A.C. Chapter 217, which were published in the *Texas Register* of August 31, 2018, on Pages 5667 et seq. Specifically, IAA's comments relate to a proposed new subchapter comprised of Sections 217.301 through 217.303. Our comments are:

1. When an electronic submission is rejected due, for example, to a correctable error or system glitch, we request the opportunity for the error or glitch to be corrected and the transaction resubmitted electronically.
2. When an electronic submission is made but is rejected, for example, because webSalvage does not recognize/support the transaction, we would like to print the electronically signed document and have it accepted as part of the physical submission.
3. IAA would like for webDealer expanded to accommodate its clear title applications on behalf of insurers.
4. IAA would like to have the ability to sign all of our title applications using e-signatures.

To the extent our previously identified issues above need to be resolved by amending the proposed rule before final adoption, we request that the agency do so.

Thank you for the opportunity to comment on the proposed rule.

Sincerely,



Steve Bresnen



1108 Lavaca, Suite 800  
Austin, Texas 78701  
Phone: 512-476-2686  
[www.tada.org](http://www.tada.org)

September 24, 2018

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

Sent via email: [rules@txdmv.gov](mailto:rules@txdmv.gov)

Re: Proposed 43 TAC §§ 217.301 - 217.303  
(43 *TexReg* 5667 - 5669, August 31, 2018)

Dear Mr. Duncan:

On behalf of the Texas Automobile Dealers Association (TADA), please accept these comments regarding the proposed rules as published in the August 31, 2018, *Texas Register*, establishing a process by the department for the acceptance of electronic signatures on secure and non-secure documents.

TADA supports the agency's proposal; however, TADA requests clarification on the definition of "secure document." As proposed, a "secure document" is "a document that incorporates features that can be used to identify and authenticate a document as original, printed by a secure printing process, and provided by the department or issued by an equivalent department in another jurisdiction."<sup>1</sup>

A concern regarding the "secure document" definition is how can a licensee determine if a document is "original" that is issued by an equivalent department in another jurisdiction and that will meet the agency's definition? If the document is printed on secure paper and provided by the equivalent department in another jurisdiction, will the TxDMV presume that the document is "original"?

---


<sup>1</sup>43 Tex. Reg. 5669 (2018) (to be codified at 43 TEX. ADMIN. CODE § 217.302(3))  
(proposed August 31, 2018) (Texas Department of Motor Vehicles).

Mr. David Duncan  
September 24, 2018  
page 2

Finally, TADA also requests additional information as to the meaning of the “secure printing process” in the “secure document” definition.

If you have any question regarding, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Phillips", with a stylized flourish at the end.

Karen Phillips  
General Counsell/EVP

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

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts new Chapter 217, Vehicle Titles and Registration, Subchapter K, Electronic Signatures, §217.301, Purpose and Scope; §217.302, Definitions; and §217.303, Process for Accepting Electronic Signatures, without changes to the proposed text as published in the August 31, 2018, issue of the *Texas Register* (43 TexReg 5667). The rules will not be republished.

EXPLANATION OF NEW SUBCHAPTER

Senate Bill 1062, 85th Legislature, Regular Session, 2017, amended Transportation Code, §501.174, directing the department by rule to establish a process to accept electronic signatures on secure documents that have been electronically signed through a system not controlled by the department. The new subchapter establishes that process for electronic signatures on secure documents and non-secure documents.

New §217.301, Purpose and Scope, establishes that the new rules prescribe the policies and procedures for the acceptance of electronic signatures on secure documents and the use and acceptance of electronic signatures on non-secure documents.

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

1 New §217.302, Definitions, defines key terms used in the adopted  
2 new subchapter, including department, electronic signature,  
3 secure document, and webDEALER. Electronic signature is defined  
4 by reference to Transportation Code, §501.172; secure document  
5 is defined as a document that incorporates features that can be  
6 used to identify and authenticate a document as original,  
7 printed by a secure printing process, and provided by the  
8 department or an equivalent department in another jurisdiction;  
9 and webDEALER is defined by reference to §217.71 of this title  
10 (relating to Automated and Web-Based Vehicle Registration and  
11 Title Systems).

12  
13 New §217.303, Process for Accepting Electronic Signatures,  
14 authorizes persons to use electronic signatures for records  
15 submitted to the department if the requirements of the  
16 subchapter are met. New §217.303(b) clarifies that electronic  
17 signatures may not be used for any purpose other than the  
18 purpose indicated by the signer on the document and that the  
19 electronic signatures must be linked to their respective  
20 electronic records and match the signer's printed name.

21  
22 New §217.303(c) provides that the department does not certify or  
23 approve an electronic signature process or vendor. An entity

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

1 offering an electronic signature process assumes responsibility  
2 for the accuracy of the signature.

3  
4 New §217.303(d) provides that a secure document with an  
5 electronic signature may only be submitted through webDEALER and  
6 requires a county tax assessor-collector to accept a secure  
7 document with an electronic signature submitted in compliance  
8 with the subchapter.

9  
10 New §217.303(e) provides that a non-secure document with an  
11 electronic signature may be submitted electronically through  
12 webDEALER or physically, and requires a county tax assessor-  
13 collector to accept a secure document with an electronic  
14 signature submitted in compliance with the subchapter.

15  
16 New §217.303(f) requires a system used to electronically sign  
17 documents to capture and retain the signer's name, the date, and  
18 the electronic signature. New §217.303(g) requires an  
19 electronic signature physically printed or affixed on a document  
20 to indicate it is an electronic signature. New §217.303(h)  
21 requires that the electronic signature system verify the  
22 identity of the user and that the access be secure and utilize  
23 unique credentials for each user. This new subsection also



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

1 establishes a retention period for information captured by an  
2 electronic signature system and requires that the information  
3 retained be provided to the department on request.

4  
5 New §217.303(i) exempts an electronic signature captured by  
6 physical means, such as a stylus, pen pad, or mouse, from the  
7 requirements of §217.303(h) if the signer presents a current  
8 photo identification described by §217.5(d) of this title  
9 (relating to Evidence of Motor Vehicle Ownership); the identity  
10 of the signer is verified in person by the holder of a general  
11 distinguishing number issued under Transportation Code, Chapter  
12 503, or Occupations Code, Chapter 2301; and the photo  
13 identification is retained in accordance with §217.5(d).

14  
15 COMMENTS

16 The department received comments from Insurance Auto Auctions  
17 (IAA) and Texas Automobile Dealers Association (TADA).

18  
19 COMMENT

20 IAA requested that when an electronic submission is rejected due  
21 to a correctable error or system glitch, they be given the  
22 opportunity for the error or glitch to be corrected and the  
23 transaction resubmitted electronically.

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

1

2 RESPONSE

3 The department has reviewed the comment and finds no changes to  
4 the rule are necessary, as transactions that are rejected due to  
5 correctible errors may be resubmitted, regardless of whether the  
6 transaction is submitted physically or electronically. The  
7 proposed new rules do not prohibit corrections and resubmissions  
8 when necessary.

9

10 COMMENT

11 IAA requested the ability to print and physically submit an  
12 electronically signed document that is rejected because  
13 webSALVAGE does not recognize or support the transaction.

14

15 RESPONSE

16 Transportation Code, §501.174(d) requires the department to  
17 adopt rules that establish a process for the acceptance of  
18 electronic signatures on secure documents that have been  
19 electronically signed through a system not controlled by the  
20 department. Section 501.174(e) requires that system to verify  
21 the identity of the person electronically signing and for the  
22 documents to be submitted through the electronic titling system.  
23 As such, the department is not authorized to accept secure

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

documents with electronic signatures outside of webDEALER.  
Allowing electronic signatures to be affixed on secure documents  
and submitted physically is beyond the scope of the statute and  
raises concerns regarding the potential for fraud to occur.  
webDEALER provides user verification of the person submitting  
the title application to the county or department. The  
department is making no changes to the proposed rules based on  
this comment.

COMMENT

IAA requested that webDEALER be expanded to accommodate its  
clear title applications on behalf of insurers and commented it  
would like the ability to sign all title applications using e-  
signatures.

RESPONSE

The department has reviewed this comment and determined that  
while the recommendation is outside the scope of this  
rulemaking, the department had previously received a request to  
accommodate this type of transaction. It is not known at this  
time when this change could be implemented.

COMMENT

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

1 TADA expressed concern about the proposed definition of "secure  
2 document" and seeks clarification. TADA questioned how a  
3 licensee could determine whether a document is an "original"  
4 when issued by an equivalent department in another jurisdiction  
5 and if that document meets the agency's definition. TADA also  
6 asks if the department will presume a document is "original" if  
7 it is printed on secure paper and provided by the equivalent  
8 department in another jurisdiction and requests additional  
9 information as to the meaning of "secure printing process" in  
10 the "secure document" definition.

11  
12 RESPONSE

13 The department has reviewed the comment and finds no changes are  
14 necessary to the definition of "secure document" as proposed.  
15 This definition is a commonly-used definition for an inventory-  
16 controlled document issued by the department and equivalent  
17 departments in other jurisdictions. This definition provides a  
18 greater level of specificity than the Federal Regulations  
19 governing odometer disclosures (49 U.S.C.A. §32705), which refer  
20 only to a "secure printing process" or "other secure process."  
21 Security watermarks or other features are designed to appear  
22 hidden or invisible on originals, but clearly visible on  
23 photocopies. Notably, the secure documents referenced in the

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

1 proposed rules are the same secure documents used today; the  
2 proposed rules prescribe that a secure document with an  
3 electronic signature must be submitted through webDEALER.

4  
5 STATUTORY AUTHORITY

6 The new subchapter is adopted 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; and more specifically, Transportation Code,  
11 §501.174, and Business and Commerce Code, §322.017.

12  
13 CROSS REFERENCE TO STATUTE

14 Transportation Code, Chapter 501.

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

SUBCHAPTER K. ELECTRONIC SIGNATURES

§217.301. Purpose and Scope.

Transportation Code, §501.174, requires the department to establish a process to accept electronic signatures on secure documents that have been electronically signed through a system not controlled by the department. 1 T.A.C. §203.20 requires state government agencies that send and accept electronic records and electronic signatures to and from other persons and to state agencies that otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures to comply with Guidelines for the Management of Electronic Transactions and Signed Records. This subchapter prescribes the policies and procedures for the acceptance of electronic signatures on secure documents and the use and acceptance of electronic signatures on non-secure documents.

§217.302. Definitions.

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

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

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

(2) Electronic signature -- An electronic signature as defined in Transportation Code, §501.172.

(3) Secure document -- A document that incorporates features that can be used to identify and authenticate a document as original, printed by a secure printing process, and provided by the department or issued by an equivalent department in another jurisdiction.

(4) webDEALER -- The department's web-based titling and registration system as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems).

§217.303. Process for Accepting Electronic Signatures.

(a) For records submitted to the department, persons may use electronic signatures in lieu of traditional signatures, as authorized by this subchapter, provided the requirements of this subchapter are met.

(b) Electronic signatures may not be used for any purpose other than the purpose indicated by the signer on the document, and:

(1) shall be linked to their respective electronic records to ensure that the signatures cannot be excised, copied, or otherwise transferred; and

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

1           (2) must match the signer's printed name on the form  
2 or application on which the signature is affixed.

3           (c) The department does not certify or approve an  
4 electronic signature process or vendor. An entity offering an  
5 electronic signature process under this subchapter assumes all  
6 responsibility for the accuracy of that signature.

7           (d) A secure document with an electronic signature may only  
8 be submitted to the county or department through webDEALER. A  
9 secure document with an electronic signature will not be  
10 accepted unless submitted through webDEALER. A secure document  
11 with an electronic signature submitted in compliance with this  
12 subchapter must be accepted by the county tax assessor-  
13 collector.

14           (e) A non-secure document with an electronic signature may  
15 be submitted to a county tax assessor-collector or the  
16 department electronically through webDEALER or physically if the  
17 electronic signature is printed on the document. A non-secure  
18 document with an electronic signature submitted in compliance  
19 with this subchapter must be accepted by the county tax  
20 assessor-collector.

21           (f) A system used to electronically sign documents,  
22 regardless of how the documents are submitted, must capture and  
23 retain the:



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

1           (1) name of the signer;

2           (2) date; and

3           (3) electronic signature of the signer.

4           (g) An electronic signature physically printed or  
5 electronically affixed on any document submitted to the  
6 department or a county must indicate the signature is an  
7 electronic signature.

8           (h) Unless exempted from this requirement by subsection (i)  
9 of this section, a system used by a person to apply or capture  
10 an electronic signature or electronically sign a document must  
11 verify the identity of the user accessing the system to execute  
12 the document with an electronic signature. Access to the system  
13 must be secure and utilize unique credentials for each user.  
14 The system must:

15           (1) be securely maintained;

16           (2) capture and retain the user information by  
17 providing the Internet Protocol address of the signer;

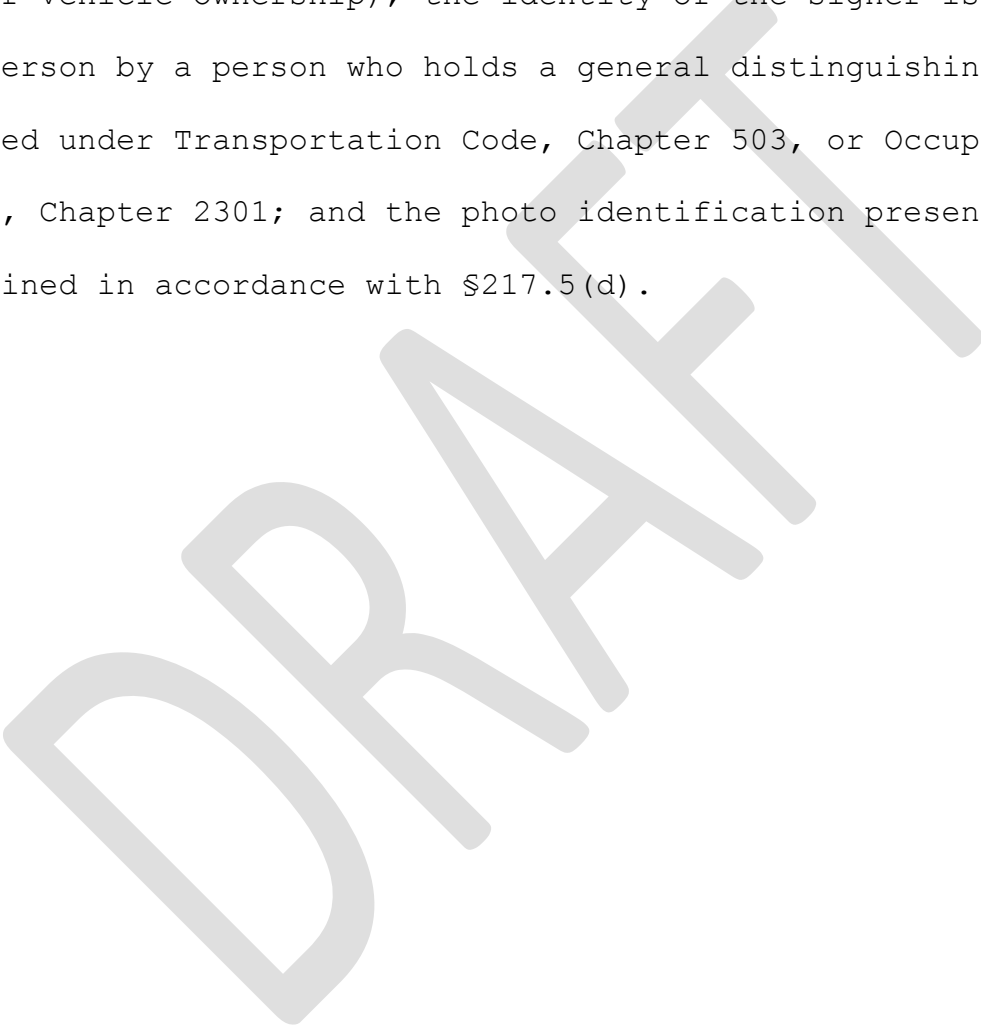
18           (3) indicate the area(s) electronically signed on any  
19 document; and

20           (4) retain all information provided to the system for  
21 a period of five years. This information must be made available  
22 to the department upon request.

23           (i) An electronic signature captured using a stylus, pen

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

1 pad, mouse, or other physical means, is exempt from subsection  
2 (h) of this section and meets the requirements of this  
3 subchapter if the signer presents a current photo identification  
4 described by §217.5(d) of this title (relating to Evidence of  
5 Motor Vehicle Ownership); the identity of the signer is verified  
6 in person by a person who holds a general distinguishing number  
7 issued under Transportation Code, Chapter 503, or Occupations  
8 Code, Chapter 2301; and the photo identification presented is  
9 retained in accordance with §217.5(d).



DATE: December 6, 2018  
Continued From: -  
Action Requested: CONSIDERATION

To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Vehicle Titles and Registration Division  
Agenda Item: 8  
Subject: Specialty Plate Design: Sons of Confederate Veterans

#### **RECOMMENDATION**

The Vehicle Titles and Registration Division (VTR) seeks board review and consideration of a plate proposed by the Sons of Confederate Veterans, a nonprofit organization. This is the organization's second plate design to bring before the board for consideration.

#### **PURPOSE AND EXECUTIVE SUMMARY**

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

TxDMV's procedure is to invite comments on all proposed plates ahead of the board's review. The department's intent is to determine popularity or any unforeseen public concerns about a plate design. The department publishes a 10-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.

The (New) Sons of Confederate Veterans design was presented to the public in a November 2018 eView. There were 380 people who liked the design with 177 of them also providing positive comments. There were also 88 people who did not like the design with 17 providing negative comments.

The comments from people who liked the plate design primarily mentioned the history of the soldiers that fought in the civil war. The remaining comments from people who liked the plate primarily commented on the artwork.

The comments from people who did not like the plate design included one negative comment from the Texas Bicycle Coalition Education Fund. This nonprofit organization benefits from the proceeds of the sales of *God Bless Texas* special plates. The complaint is pursuant to Administrative Code(s) §217.45, subsection 5(B)(v), noting that the *Sons of Confederate Veterans* design is similar enough that it may compete with sales of *God Bless Texas* plates. *God Bless Texas* is authorized by Transportation Code Section 504.648 and is administered by the Texas Department of Education. The design is on the right.

The remaining negative comments object to the subject matter as a reference to slavery and generally refer to the divisive nature of the plate.



DATE: December 6, 2018  
Continued From: -  
Action Requested: CONSIDERATION

To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Raymond Palacios, Chairman  
Agenda Item: 9  
Subject: General Counsel Reporting Structure

#### **RECOMMENDATION**

Change the reporting structure of the General Counsel of the Texas Department of Motor Vehicles (TxDMV or department) to reflect a solid line to the TxDMV board and a dotted line to the TxDMV Executive Director.

#### **PURPOSE AND EXECUTIVE SUMMARY**

Transportation Code, §1001.023(b)(6) authorizes the Chair of the TxDMV board to periodically review the department's organizational structure and submit recommendations for structural changes to the board. Transportation Code, §1001.0221 requires the board to oversee and coordinate the development of the department and ensure all components of the motor vehicle industry function as a system and to carry out its policy-making functions in a manner that protects the interests of the public and industry, maintains a safe and sound motor vehicle industry, and increases the economic prosperity of the state. Transportation Code, §1001.042 requires the board to develop and implement policies that clearly define the respective responsibilities of the Executive Director and TxDMV staff.

Having reviewed the department's organizational structure, the Chair submits this recommendation for consideration by the full board.

**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.

## Key Performance Indicator Measures Adopted by TxDMV Board 9/12/14

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.							