



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

TxDOT Board Legislative & Public Affairs Committee Meeting

2:00 p.m.

Wednesday, September 30, 2020

AGENDA
LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE MEETING
OPEN MEETING VIATELEPHONE CONFERENCE CALL*
TEXAS DEPARTMENT OF MOTOR VEHICLES
PURSUANT TO GOVERNOR'S MARCH 16, 2020, TEMPORARY SUSPENSION OF
CERTAIN OPEN MEETING PROVISIONS**
WEDNESDAY SEPTEMBER 30, 2020
2:00 P.M.

THIS MEETING WILL BE HELD REMOTELY VIA TELEPHONE CONFERENCE CALL*

Instructions for accessing the meeting via Webex:

<https://txdmv.webex.com/txdmv/onstage/g.php?MTID=e586abbcd9961dda284757e71f487a138>

Phone number for accessing the meeting via phone:

United States Toll Free: 1-844-740-1264

Event number/Access code: 133 922 6422

Event Password: 093020

You are solely responsible for your system and the installation and use of Webex software.

Link to September 30, 2020, TxDMV Legislative and Public Affairs Committee

Documents: <https://www.txdmv.gov/about-us/txdmv-board-meetings>

*The public can listen to the meeting via the Webex link or the toll-free number listed above. If you have any technical questions about accessing the meeting, please send an email to Board.Tech.Help@txdmv.gov.

**Action by Governor Greg Abbott pursuant to Texas Government Code Section 418.016

All agenda items are subject to possible discussion, questions, consideration, and action by the Legislative and Public Affairs Committee of the Board of the Texas Department of Motor Vehicles (Committee). Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Committee. The Committee reserves the right to discuss any items in executive session where authorized by the Open Meetings Act. A quorum of the Board of the Texas Department of Motor Vehicles (Board) may be present at this meeting for information-gathering and discussion. However, Board members who are not Committee members will not vote on any Committee agenda items, nor will any Board action be taken.

- 1. Roll Call and Establishment of Quorum**
- 2. Pledges of Allegiance - U.S. and Texas**
- 3. Comments and Announcements from Committee Chair, Members, and**

Executive Director

5 [House Transportation Town Hall](#) - Whitney Brewster

BRIEFINGS AND ACTION ITEMS**4. Consideration and Possible Recommendation for Action to the Full Board and Briefings:**

- 41 A. [Agency Process for Legislative Session](#) - Caroline Love (BRIEFING ONLY)
- 42 B. [Recommended Legislation to the 87th Legislature Pursuant to Transportation Code, §1001.025](#) - Caroline Love
- 48 C. [Sunset Implementation Status Update](#) - Caroline Love (BRIEFING ONLY)
- 56 D. [Driver Licensing Study Update](#) - Caroline Love (BRIEFING ONLY)

EXECUTIVE SESSION**5. The Committee 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 551.076** - Deliberation Regarding Security Devices or Security Audits; Closed Meeting.
 - the deployment, or specific occasions for implementation, of security personnel or devices; or
 - a security audit.
- **Section 551.089** - Deliberation Regarding Security Devices or Security Audits; Closed Meeting.
 - security assessments or deployments relating to information resources technology;
 - network security information as described by Section 2059.055(b); or
 - the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

6. Action Items from Executive Session

7. Public Comment

8. Adjournment

The Committee will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Committee. 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, Committee 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.

If you want to comment on any agenda item (including an open comment under Item #7), you must send an email to GCO_General@txdmv.gov with one of the following prior to the agenda item being taken up by the Committee:

1. a completed registration form (available on the TxDMV webpage for the Board and other public meetings: <https://www.txdmv.gov/about-us/txdmv-board-meetings>); or
2. the following information:
 - a. the agenda item you wish to comment on;
 - b. your name and address; and
 - c. who you are representing.

You must wait for the chairman to call on you before you verbally make your comment via the link or the toll-free number listed above. 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.

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 David Richards by telephone at (512) 465-1423.

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

CERTIFYING OFFICIAL: Tracey Beaver, General Counsel, (512) 465-5665.



Texas Department *of* Motor Vehicles

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Response to Request for Information Interim Charge 1

Prepared for the
House Committee on Transportation

September 18, 2020

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Interim Charge 1

Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 86th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation.

Summary

The regular session of the 86th Texas Legislature passed almost 40 bills directly impacting the Texas Department of Motor Vehicles. The department's sunset bill was one of them. In accordance with Transportation Code 1001.025, the board of the department made recommendations to the legislature on statutory changes to improve the operations of the department. Three bills passed that enacted some of those changes while one bill was vetoed. The remaining bills that became law affected the department's programs for dealer licensing, oversize and overweight vehicle permitting, and vehicle titles, registrations, and license plates. Bills also passed that impacted the Motor Vehicle Crime Prevention Authority (formerly known as the Automobile Burglary and Theft Prevention Authority). The implementation status of the enacted bills that were voted out by the House Committee on Transportation are summarized below.

Legislation Affecting the Department

Sunset

The TxDMV Sunset bill (**SB 604** by Buckingham) continues the department until 2031. Major elements in the bill include:

- Requiring a system to act on complaints and notify the parties to the complaint of its status.
- Ending representative and salvage vehicle agent licensing and salvage vehicle dealer license endorsements.
- Allowing the department to set salvage vehicle dealer license terms and issue cease-and-desist orders for non-licensed salvage vehicle dealing.
- Allowing the ordering of consumer refunds for violations by dealers and household goods carriers.
- Giving the department sole authority to determine access to its automated registration and titling system and requiring training about the system and identifying fraud.
- Requiring all counties to allow use of the automated titling system (webDEALER)
- Changing the name of the Automobile Burglary and Theft Prevention Authority to the Motor Vehicle Crime Prevention Authority and allowing it to fund efforts to stop motor vehicle fraud.
- Requiring independent motor vehicle dealers, if licensed less than 10 years, to take license training.
- Making information from an investigation of a licensee confidential if disclosure jeopardizes the investigation. This item was a TxDMV Board recommendation to the Legislature.

The above items have been fully implemented or soon will be after some final rule adoptions and manual updates.

There are some elements of the bill where implementation is in process. The bill requires digital license plates to be available for certain vehicles. Rules for digital plates have been adopted, and proposals are being evaluated from vendors to supply the plates. Programming department computer systems has begun and the entire program is on track to be ready ahead of the required implementation date for vendors to participate by December 31 of this year. Lastly, the bill requires a study by the department, the Department of Transportation, the Department of Public Safety, the Commission on Environmental Quality, and the Public Utility Commission on the impact of alternatively fueled vehicles on the state and alternatives for assessing fees on such vehicles. The first drafts of the

report on the study are complete with final editing and approval as the next steps. The report is on schedule to meet the December 1 statutory due date.

TxDMV Board Recommendations

HB 2620 by Martinez of Weslaco enacted several TxDMV Board recommendations to improve the department's authority and services relating to oversize and overweight vehicles. The bill includes: standards for escort vehicles and flaggers used with oversize/overweight vehicles, the ability to deny a permit if the motor carrier is out-of-service per the Federal Motor Carrier Safety Administration (or similar state rating), requiring shippers provide a certificate of weight if the person transporting the shipment requests one, and requiring the person transporting the shipment to provide the department with a certificate of weight prior to issuance of a permit if the combined weight of the vehicle and load exceeds 200,000 pounds. After some final rule adoptions and software changes, this bill will be fully implemented.

HB 3842 by King of Zavala contains the TxDMV Board recommendation to repeal a provision related to consignment sales by dealers that conflicted with other laws about dealers selling from a single licensed location. The bill also passed with the provisions from SB 1193 relating to issuing titles to vehicle buyers when a dealer goes out of business. This bill has been fully implemented.

HB 2835 by Canales creates an affirmative defense for having an expired vehicle registration if the person's tax assessor-collector's office is closed for a protracted period (such as for a natural disaster). This bill did not require any implementation steps by the department.

Other Legislation

HB 61 by White addressed lighting requirements for escort flag vehicles. Updates to department rules will be adopted soon.

HB 1262 by Bell of Kaufman allows trailers weighing up to 7,500 pounds to register for up to five years at a time. Several hundred customers are already using this new option.

HB 1548 by Springer defines "off-highway vehicles" and requires license plates on them and golf carts when used on roads as allowed by law. The plates are available to customers and more than 5100 have been purchased.

HB 1631 by Stickland ended registration blocks for red-light camera violations. A minor wording update to department rules will be made but all substantive parts of the bill were implemented in June 2019.

HB 1755 by Thompson of Brazoria defines "assembled vehicle" and allows those vehicles to be titled and registered. Almost 100 such vehicles have already received titles.

HB 2310 by Vo requires coordinating with the Federal Emergency Management Agency (FEMA) to update title records of vehicles receiving a FEMA payout. The department has identified several options to address this situation and is actively working with FEMA and the Texas Department of Emergency Management on the most efficient way to obtain the identification information for vehicles receiving a payout.

HB 3068 by Kuempel allows older-style license plates to be used on classic motor vehicles and travel trailers, custom vehicles, street rods, and certain exhibition vehicles. This bill is fully implemented.

HB 3163 by Springer requires a document explaining privileged parking be provided to customers receiving disabled license plates or parking placards. The department created the document and has distributed more than 620,000 of them to county tax offices.

HB 3760 by Guillen allows governmental agencies disposing of their surplus vehicles to issue temporary tags to the buyers. Rules will be adopted in October.

Specialty License Plates

All the military-related specialty license plates created by the 86th Legislature are available to eligible customers as is the Purple Heart license plate for law enforcement. Of the license plates requiring a deposit before being created, the “Register to Vote” and “F-35 Fighter Jet” license plates are available.



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Response to Request for Information Interim Charge 1B

Prepared for the
House Committee on Transportation

September 18, 2020

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Interim Charge 1B

Study the current mix of user fee-based funding for the state highway system, including registration fees, tolls, and fuel tax, and determine if current funding generated is sufficient to maintain cost demands. Examine whether current legislative appropriations, including projections for Proposition 1 (severance tax) and Proposition 7 (sales tax) funds, are keeping pace with Texas' highway funding needs to accommodate population and economic development growth. Make recommendations for additional methods of funding or innovative tools that the state could utilize to deliver road infrastructure projects.

Summary

Programs administered by the Texas Department of Motor Vehicles (TxDMV) provide billions of dollars in revenue to the State Highway Fund (Fund 0006) each biennium. In fiscal year (FY) 2020, the department deposited \$1.58 billion to the State Highway Fund.

The chart below illustrates the department's deposits to the State Highway Fund by fiscal year:

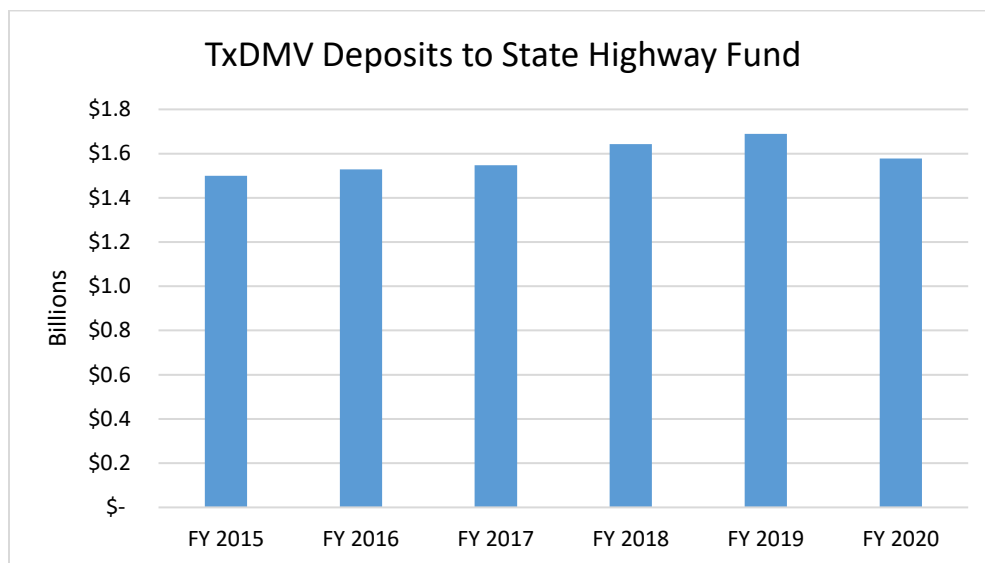


Chart 1. TxDMV Deposits to the State Highway Fund by Fiscal Year

Revenue Sources

The department administers several programs with revenue going to support the state highway system.

Vehicle Registration

Vehicle registration fees account for most of the revenue supporting the state highway system from department programs. Unless noted below, once a county retains the allowed road and bridge formula amount (see Transportation Code Section 502.198), all registration fees are deposited to the State Highway Fund. In FY 2019, vehicle registration-related fees provided \$1.46 billion to the fund.

The annual registration fee for vehicles with a gross weight of 6,000 pounds or less is \$50.75. This weight group includes nearly all passenger vehicles and accounts for more than 75% of all motor vehicles registered in Texas. Trailers in this weight group pay \$45. All motorcycles and mopeds pay \$30. The annual registration fee for vehicles with gross weights of more than 6,000 pounds varies based on the schedule below:

Gross Vehicle Weight	Fee
6,000 lbs. or less	\$50.75
6,001 to 10,000 lbs.	\$54.00
10,001 to 18,000 lbs.	\$110.00
18,001 to 25,999 lbs.	\$205.00
26,000 to 40,000 lbs.	\$340.00
40,001 to 54,999 lbs.	\$535.00
55,000 to 70,000 lbs.	\$740.00
70,001 to 80,000 lbs.	\$840.00

Table 1. Registration Fee Schedule by Gross Vehicle Weight

If a motor vehicle has a diesel motor and is not a passenger car, a truck with a gross weight of 18,000 pounds or less, or a vehicle with combination registration, the above fee is increased by 11 percent. Token trailers, fertilizer spreaders, commercial farm motor vehicles, and soil conservation vehicles pay different registration fees than above but those fees are still deposited to the State Highway Fund. The fees from various types of temporary registration permits such as 1 trip, 30-day, 72/144 hour, and excess weight permits are also deposited to the fund.

A fee of \$1 (see Transportation Code 502.357) is collected for motor vehicles required to show proof of financial responsibility at the time of registration. These fees are deposited to the State Highway Fund except for the portion deposited to the TexasSure Fund to cover costs of the Texas Department of Insurance's financial responsibility verification system. Statute allows the fees deposited to the State Highway Fund to be appropriated to support various Department of Public Safety programs.

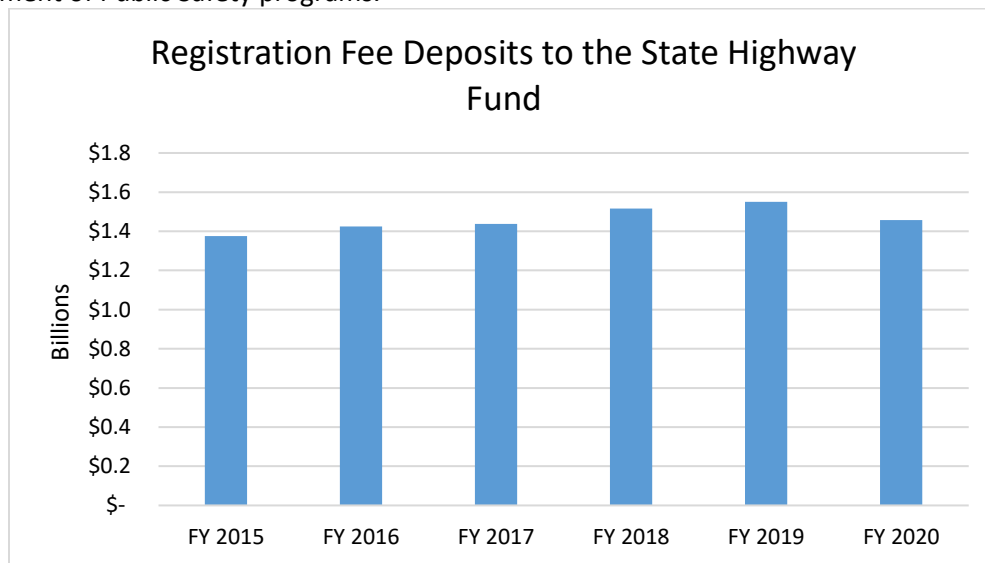


Chart 2. Registration Fee Deposits to the State Highway Fund

Vehicle Titling

State law requires most vehicles to be titled. The regular motor vehicle title application fee is \$33 in counties with non-attainment air quality and \$28 in other counties. Approximately 75% of titles issued are from non-attainment counties. In FY 2019, title-related fees provided \$7.9 million to the State Highway Fund and \$115.2 million to the Texas Mobility Fund.

Out of either title fee, \$5 remains with the county, \$5 is deposited to the General Revenue Fund, and \$3 is deposited in the Texas Department of Motor Vehicles Fund. The remaining fee amount of either \$15 or \$20 is deposited to

the Texas Mobility Fund. At regular intervals, the total amount of funds from title fees deposited to the Texas Mobility Fund is transferred from the State Highway Fund to the Texas Emissions Reduction Plan Fund.

When a vehicle with a salvage title is repaired, rebuilt, or reconstructed, the vehicle can receive a “rebuilt” title which allows the vehicle to be registered for use on public roads. In addition to the title fee described above, a “rebuilt” title must pay a \$65 rebuilder fee. Of that fee, \$50 is deposited to the State Highway Fund to be used only by the Department of Public Safety to enforce the title act, and \$15 is deposited to the General Revenue Fund.

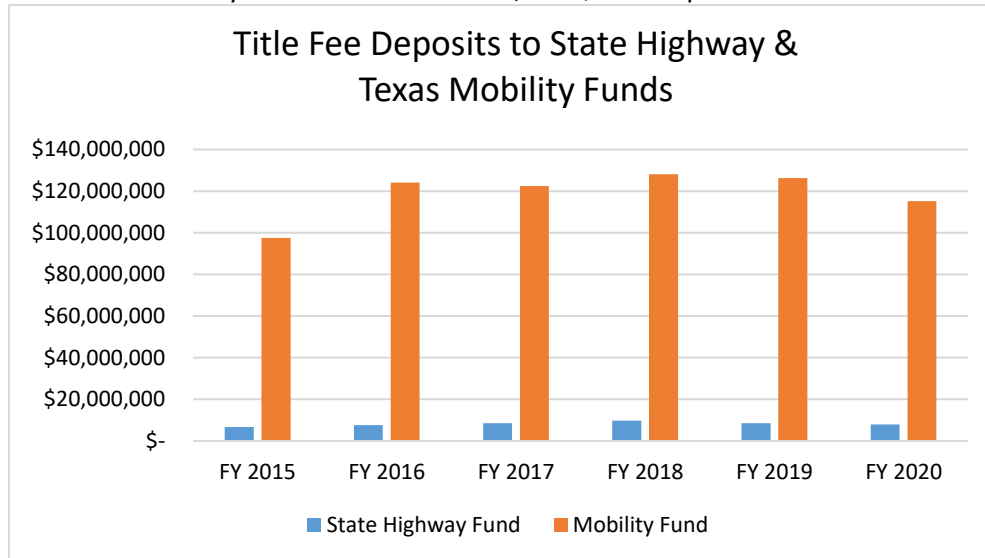


Chart 3. Title Fee Deposits to the State Highway Fund and the Texas Mobility Fund

Oversize/Overweight Permitting

State and federal law limit the size and weight of vehicles traveling on public roads. The department offers more than 30 types of oversize/overweight (OS/OW) permits that can be purchased to allow a vehicle and/or load to operate at sizes or weights that exceed legal limits. In FY 2019, oversize/overweight permitting fees provided \$112.8 million to the State Highway Fund.

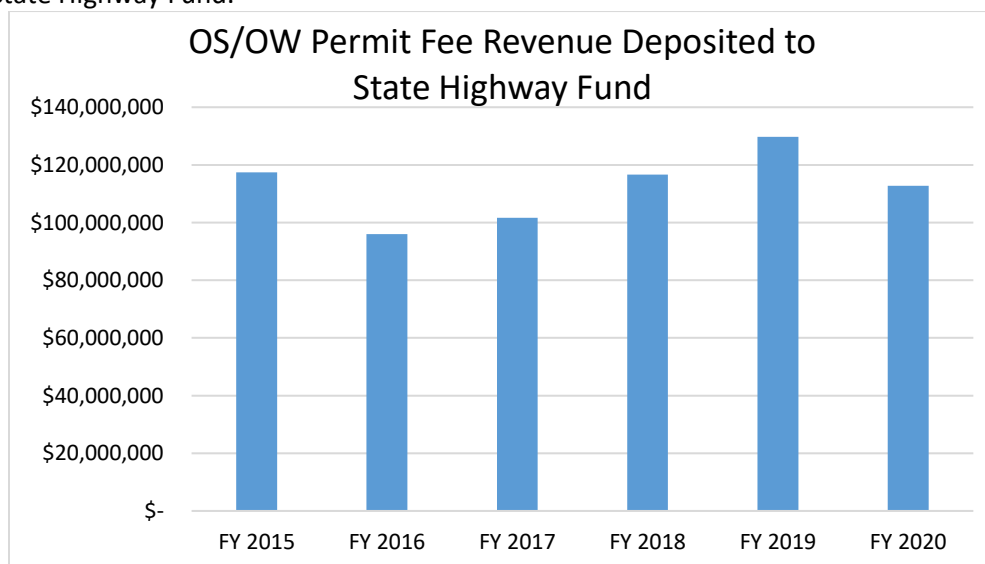


Chart 4. Oversize/Overweight Permit Fee Deposits to the State Highway Fund

The permit fee varies based on type and other factors. The State Highway Fund receives deposits from each permit fee. The General Revenue Fund receives a portion of most permit fees. All permit types except utility pole, ready-mixed concrete trucks, and annual timber deposit a portion of the total fee to the Texas Department of Motor

Vehicles Fund. Lastly counties receive a portion of the fees for over axle/over gross weight tolerance, annual timber, ready-mixed concrete trucks, intermodal shipping container port, North Texas intermodal, and fluid milk transport permits while cities receive a portion of the fee for intermodal shipping container port permits.

See *Appendix* for a list of Oversize/Overweight permits types.

Appendix

Types of Oversize/Overweight Permits

General Single-Trip <i>TRC 623 Subchapter D; 43 TAC 219.12</i> - Nondivisible load - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + Weight-based Highway Maintenance Fee (HMF) \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 480,001	Manufactured Housing (Single-Trip) <i>TRC 623 Subchapter E; 43 TAC 219.14</i> - Transport manufactured housing & industrialized buildings/housing - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only - Valid for five days Fee: \$40 Fee Distribution: \$19.70 GR, \$18.27 SHF, \$2.03 TxDMV Issued in FY 20: 90,814	Portable Building <i>TRC Subchapter F; 43 TAC 219.15</i> - Transport portable buildings & compatible cargo - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fee: \$15 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 18,391
Super Heavy <i>TRC 623 Subchapter D; 43 TAC 219.12</i> - Nondivisible load - Gross weight exceeds 254,300 lbs or 200,000 lbs w/less than 95 feet axle spacing - May exceed maximum permit weights on axle or axle group - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 to \$375 + Vehicle Supervision Fee (VSF) \$35 to \$500 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% DMV; VSF - 100% SHF Issued in FY 20: 1,722	House Move <i>TRC 623.071 Subchapter D; 43 TAC 219.12</i> - Transport houses exceeding 20-feet wide - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 1,428	Annual Length <i>TRC 623.071 Subchapter D; 43 TAC 219.13</i> - Nondivisible overlength loads - Routing by permittee, state roads only - Valid for one year Fee: \$960 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 528
Crane & Well Service Unit Mileage <i>TRC Subchapter G & J; 43 TAC 219.42 & .62</i> - Unladen lift equipment - Fixed-load machinery used to drill, service or clean oil wells - Single, continuous movement - Routing by TxDMV & TxDOT, state roads only Fee: \$31 + mileage & size/weight (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 15,922	Self-Propelled Off-Road Equipment <i>TRC 623.071 Subchapter D; 43 TAC 219.12</i> - Drive off-road equipment on state road - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 to \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 12	Annual Timber Permit <i>TRC 623 Subchapter Q; 43 TAC 219.31</i> - Transport unrefined timber, wood chips, woody biomass, or equipment used to load timber on vehicle - Routing by permittee, state roads & county roads in select counties - Valid for one year Fee: \$900 Fee Distribution: 50% Counties, 50% SHF Issued in FY 20: 447
30/60/90 Day Width or Length <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Nondivisible loads - Use width and length permits in conjunction with one another - Routing by permittee, state roads only - Select 30, 60 or 90-day effective period Fee: \$120/\$180/\$240 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 35,123	Company Specific Envelope <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Nondivisible loads - Can be used to operate any truck owned or leased by company one at a time - Routing by permittee, state roads only - Valid for one year Fee: \$4,000 (by rule) Fee Distribution: \$1000 GR, \$2700 SHF, \$300 TxDMV Issued in FY 20: 2,962	Vehicle Specific Envelope <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Nondivisible loads - Routing by permittee, state roads only - Valid for one year Fee: \$4,000 (by rule) Fee Distribution: \$1000 GR, \$2700 SHF, \$300 TxDMV Issued in FY 20: 3,183
Fracing Trailer <i>TRC 623 Subchapter G; 43 TAC 219.45</i> - Semitrailer containing a tank/pump unit - Routing by permittee, state roads only - Valid for one year Fees: Issuance \$20 + Permit (varies by axles & product) \$52 - \$104 per axle (by rule) Fee Distribution: Issuance - 90% SHF, 10% TxDMV; Permit - 90% SHF, 10% TxDMV Issued in FY 20: 16	Hay <i>TRC 623.017, 621.354; 43 TAC 219.13</i> - Transport round bales of hay - Side-by-side loading - Routing by permittee, state roads only - Valid for one year Fee: \$10 Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 640	Quarterly Hubometer <i>TRC 623 Subchapter G & J; 43 TAC 219.43 & .63</i> - Drive or transport hubometer-equipped fixed-load machinery and unladen lift equipment - Routing by permittee, state roads only - Valid for 91 days Fee: \$31 + mileage & size/weight (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 33,704
Implements of Husbandry <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Transport farm implements to till soil, transport & spread fertilizer, deliver feed to livestock - Routing by permittee, state roads only - Valid for one year Fees: Permit \$270 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 906	Manufactured Housing (Annual) <i>TRC 623 Subchapter E; 43 TAC 219.13</i> - Transport new homes to temporary storage location (20-mile radius) - May be used by multiple vehicles - Routing by permittee, state roads only - Valid for one year Fee: \$1,500 (by rule) Fee Distribution: \$1470 GR, \$26 SHF, \$4 TxDMV (by practice) Issued in FY 20: 9	Mobile Crane (Annual) <i>TRC 623 Subchapter I; 43 TAC 219.64</i> - Unladen lift equipment - Routing by permittee, state roads only - Valid for one year Fee: \$100 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 755

Well Servicing Unit (Annual) <i>TRC 623 Subchapter G; 43 TAC 219.44</i> - Transport legal size/weight units - Must have Texas "P" (Permit) plate - Routing by permittee, state roads only - Valid for one year Fee: \$52 per axle (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 117	Utility Pole <i>TRC 622.051; 43 TAC 219.13</i> - Transport poles required for electrical power transmission and line distribution - Night movement allowed for emergencies - Routing by permittee, state roads only - Valid for one year Fee: \$120 Fee Distribution: 100% GR Issued in FY 20: 302	Rig-Up Truck <i>TRC 623 Subchapter G; 43 TAC 219.44</i> - Truck equipped with winch and gin poles - Routing by permittee, state roads only - Valid for one year Fee: \$52 (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 224
Over Axle/Over Gross Weight Tolerance <i>TRC 623 Subchapter B & 621.353; 43 TAC 219.30</i> - Haul divisible commodities - Routing by permittee, state roads & county roads in select counties - Valid for one year Fees: Permit \$90 + Admin \$5 + County (based on # of counties selected) \$175 - \$1,000 Fee Distribution: Base - \$40 TxDMV, \$50 Counties; Admin - 100% TxDMV; County (based # of counties selected) - \$0 - \$125 90% SHF, 10% TxDMV, \$125 - \$1000 100% Counties Issued in FY 20: 55,303	Water Well Drilling Machinery & Equipment <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Self-propelled or mounted machinery used exclusively for drilling water wells - Routing by permittee, state roads only - Valid for one year Fees: Permit \$270 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 152	Federal Disaster Relief <i>TRC 623 Subchapter R; 43 TAC 219.33</i> - Deliver relief supplies (entire load must be relief supplies) or assist in expediting debris removal - Routing by permittee, state roads only - Expires 120 days from date of President's disaster declaration Fee: \$0 Fee Distribution: N/A Issued in FY 20: 546
Ready-Mixed Concrete Trucks <i>TRC 623.0171; 43 TAC 219.32</i> - Trucks operating on three axles - Routing by permittee, state roads & county & city roads in select counties - Valid for one year Fee: \$1,000 Fee Distribution: 50% SHF, 50% Counties Issued in FY 20: 5,572	Intermodal Shipping Container Port <i>TRC 623 Subchapter U; 43 TAC 219.36</i> - Sealed intermodal shipping containers using - 6 or 7 axle vehicle combinations - Travel within 30 miles of port authorities or ports of entry - Routing by permittee on TxDOT approved state roads, county roads, & city roads - Valid for one year Fee: \$6,000 Fee Distribution: 50% SHF, 30% Counties, 16% Cities, 4% TxDMV Issued in FY 20: 224	North Texas Intermodal <i>TRC 623.0172; 43 TAC 219.34</i> - Intermodal shipping containers using 6 axle vehicle combination - Travel within 5 miles of Texas/Arkansas border - Route fixed by TxDOT on federal/state roads only - Valid for one year Fee: \$1,000 Fee Distribution: 90% SHF, 5% Counties, 5% TxDMV Issued in FY 20: 0
Fluid Milk Transport <i>TRC 623 Subchapter V; 43 TAC 219.35</i> - Transport fluid milk - Travel on routes approved by TxDOT - 6 axle vehicle combination - Routes fixed by TxDOT on federal/state roads, county roads, & city roads - Valid for one year Fee: \$1,200 Fee Distribution: 75% SHF, 15% Counties, 10% TxDMV Issued in FY 20: 4		

Table 2. Types of Oversize/Overweight Permits



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Response to Request for Information Inquiry 1

Prepared for the
House Committee on Transportation

September 18, 2020

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Inquiry 1

How has the COVID-19 pandemic affected state agencies, interested parties, and the public as it relates to transportation matters?

Summary

The primary impact of COVID-19 on transportation matters related to the Texas Department of Motor Vehicles (TxDMV) has been financial. Waivers put in place by Governor Greg Abbott, including those allowing Texans to delay title and registration transactions, have resulted in lost and deferred revenues to the State Highway Fund (Fund 0006), the TxDMV Fund (Fund 0010), and the General Revenue Fund (Fund 0001).

Revenue Impact

Total Revenue Impact

For Fiscal Year 2020, TxDMV data reflects a total decline of \$157.49 million in previously projected revenue to the State, of which \$34.70 million is anticipated to be deposited in FY 2021.

Impact to State Highway Fund

For FY 2020, TxDMV data reflects a decline of \$127.50 million in previously projected revenue to the State Highway Fund, of which \$32.86 million is anticipated to be deposited in FY 2021.

Impact to TxDMV Fund

For FY 2020, TxDMV data reflects a decline of \$19.90 million in previously projected revenue to the TxDMV Fund, of which \$1.85 million is anticipated to be deposited in FY 2021.

Impact to General Revenue

For FY 2020, TxDMV data reflects a decline of \$10.09 million in previously projected revenue to the General Revenue Fund.

Background

On March 13, 2020, Governor Greg Abbott declared a state of disaster in all Texas counties in response to the global COVID-19 pandemic. Pursuant to Section 418.016, Government Code, the disaster declaration provided that “any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor.”

The following statutory and regulatory requirements were suspended to cope with the disaster.

Suspension of Certain Motor Carrier Requirements

Effective March 13, 2020, requirements for motor carriers to obtain temporary registration permits or apportioned registration and to obtain an oversize or overweight permit were suspended if the carrier is transporting supplies, medical equipment, and similar materials necessary for preparing for, responding to, and mitigating the spread of COVID-19.

As of the date of this report, these suspensions remain in effect.

Suspension of Certain Motor Vehicle Registration and Title and Parking Placard Requirements

Effective March 16, 2020, requirements to obtain the following were waived:

- Initial vehicle registration
- Vehicle registration renewal
- 30-day temporary permit renewal
- Vehicle title transfer
- Permanent disabled parking placard renewal

The purpose of these waivers is to prevent customers from needing to physically visit a county tax assessor-collector's office to conduct in-person transactions. The waivers remain in effect until 60 days after TxDMV notifies the public that normal services have resumed. Customers may continue to renew their vehicle registration online at www.TxDmv.gov or www.Texas.gov.

As of the date of this report, these waivers remain in effect.

Financial Impacts

Revenue Impacts Related to COVID-19

The figures shown in the tables below are the differences from FY 2020 revenue projections and actuals. The table compares the original FY 2020 forecasts to the actual collections with the impacts of the COVID-19 pandemic.

Note: Of the \$105.91 million shown as a revenue loss/variance within FY 2020 for State Highway Fund 0006 registration fees, \$32.86 million is revenue that is postponed and is expected to be deposited in FY 2021. The associated processing and handling fee on registration transactions is effectively postponed as well, with \$1.85 million of the FY 2020 \$4.26 million loss/variance (in Fund 0010) expected to be deposited in FY 2021.

Funds 0001, 0006, and 0010 Estimated FY 2020 Revenue Impact				
Combined Revenue (Funds 0001, 0006, and 0010)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ (7,020,000)	\$ -	\$ (4,027,097)	\$ (11,047,097)
Motor Vehicle Registration	\$ (16,944,000)	\$ (32,856,000)	\$ (59,476,555)	\$ (109,276,555)
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (30,942,620)	\$ (30,942,620)
Motor Carrier Credentialing	\$ -	\$ -	\$ (271,686)	\$ (271,686)
Motor Vehicle Business Licenses	\$ -	\$ -	\$ (674,169)	\$ (674,169)
Miscellaneous Revenue	\$ -	\$ -	\$ (1,026,197)	\$ (1,026,197)
Processing and Handling Fee	\$ (934,000)	\$ (1,848,000)	\$ (1,473,388)	\$ (4,255,388)
Total Combined Funds	\$ (24,898,000)	\$ (34,704,000)	\$ (97,891,711)	\$ (157,493,711)
General Revenue Fund (Fund 0001)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ -	\$ -	\$ (2,980,989)	\$ (2,980,989)
Motor Vehicle Registration	\$ -	\$ -	\$ 706,163	\$ 706,163
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (7,379,115)	\$ (7,379,115)
Motor Carrier Credentialing	\$ -	\$ -	\$ (271,686)	\$ (271,686)
Miscellaneous Revenue	\$ -	\$ -	\$ (166,459)	\$ (166,459)
Total General Revenue Fund	\$ -	\$ -	\$ (10,092,087)	\$ (10,092,087)
State Highway Fund (Fund 0006)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ -		\$ (739,000)	\$ (739,000)
Motor Vehicle Registration	\$ (16,944,000)	\$ (32,856,000)	\$ (56,113,097)	\$ (105,913,097)
Motor Carrier - Oversize/Overweight	\$ -		\$ (20,851,114)	\$ (20,851,114)
Total State Highway Fund	\$ (16,944,000)	\$ (32,856,000)	\$ (77,703,210)	\$ (127,503,210)
TxDMV Fund (Fund 0010)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ (7,020,000)	\$ -	\$ (307,108)	\$ (7,327,108)
Motor Vehicle Registration	\$ -	\$ -	\$ (4,069,622)	\$ (4,069,622)
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (2,712,391)	\$ (2,712,391)
Motor Vehicle Business Licenses	\$ -	\$ -	\$ (674,169)	\$ (674,169)
Miscellaneous Revenue	\$ -	\$ -	\$ (859,738)	\$ (859,738)
Processing and Handling Fee	\$ (934,000)	\$ (1,848,000)	\$ (1,473,388)	\$ (4,255,388)
Total TxDMV Fund	\$ (7,954,000)	\$ (1,848,000)	\$ (10,096,414)	\$ (19,898,414)

Table 1. Revenue Impacts Related to COVID-19

Estimated FY 2020 Revenue Impact of TxDMV Fees Waived or Postponed						
Fee	Statutory Citation	Fund	Payer of Fee	Waived/Postponed	Fee-Loss Estimate	Postponed until FY 2021
Delinquent Title Transfer Penalty	501.146(a)	0010	Dealer	waived	\$ (1,283,000)	\$ -
Delinquent Title Transfer Penalty	501.146	0010	Individual	waived	\$ (5,737,000)	\$ -
Temporary Permit (72-hour)	502.094(c)(2)	0006	Motor Carrier	waived*	\$ (2,633,000)	\$ -
Temporary Permit (144-hour)	502.094(c)(2)	0006	Motor Carrier	waived*	\$ (6,791,000)	\$ -
Temporary Permit (30-Day)	502.095(e)(2)(B)	0006	Individual	waived*	\$ (7,520,000)	\$ -
Processing and Handling Fee	502.1911(b)	0010	Individual	postponed/waived	\$ (934,000)	\$ (1,848,000)
Annual-Registration Fee	502.252-502.256	0006	Individual	postponed	\$ -	\$ (32,856,000)
					\$ (24,898,000)	\$ (34,704,000)

Table 2. Revenue Impact of TxDMV Fees Waived or Postponed

Expenditures Related to COVID-19

The Fiscal Year 2020 cost of the department's COVID-19 response is \$1,750,327. These costs are primarily the result of staff time for planning and preparation of the department's COVID-19 response activities, the acquisition of personal protective equipment (PPE) for employees and customers and cleaning supplies, and facility-related expenses such as cleaning, defogging, and the installation of plexiglass partitions for public areas.

The following table provides monthly actuals for March through June by Object of Expense and expenditure estimates for the remaining months of FY 2020.

TxDMV COVID 19 Obligations by Month							
Description	Actuals						Total
	March	April	May	June	July	August	
Salaries and Wages	\$ 238,247.50	\$ 262,130.47	\$ 184,298.49	\$ 131,119.04	\$ 134,447.68	\$ 105,162.21	\$ 1,055,405.39
Other Personnel costs	\$ 1,191.24	\$ 1,310.65	\$ 694.65	\$ 347.32	\$ 672.24	\$ 525.81	\$ 4,741.91
Professional Fees and Services	\$ -	\$ 114,889.58	\$ (72,674.12)	\$ 9,625.30	\$ -	\$ -	\$ 51,840.76
Consumable Supplies	\$ 898.62	\$ 12,802.14	\$ 123,391.90	\$ 15,008.29	\$ 153.37	\$ 250.82	\$ 152,505.14
Utilities	\$ 3,762.44	\$ 20,533.02	\$ 3,502.31	\$ 1,417.20	\$ 1,574.93	\$ 976.76	\$ 31,766.66
Other Operating Expense	\$ (4,969.82)	\$ 40,981.23	\$ 324,362.87	\$ 28,289.91	\$ 63,486.38	\$ 1,916.81	\$ 454,067.38
	\$ 239,129.98	\$ 452,647.09	\$ 563,576.10	\$ 185,807.06	\$ 200,334.60	\$ 108,832.42	\$ 1,750,327.24
General Revenue Fund	\$ 1,589.82	\$ 879.53	\$ 29,353.24	\$ 293.18	\$ 542.37	\$ 351.81	\$ 33,009.95
Texas Department of Motor Vehicles Fund	\$ 237,540.16	\$ 451,767.57	\$ 534,222.86	\$ 185,513.89	\$ 199,792.23	\$ 108,480.60	\$ 1,717,317.30
	\$ 239,129.98	\$ 452,647.09	\$ 563,576.10	\$ 185,807.06	\$ 200,334.60	\$ 108,832.42	\$ 1,750,327.24

Table 3. COVID-19-Related Expenditures

MVCPA Grantee Expenditures

The Motor Vehicle Crime Prevention Authority (MVCPA), which is administratively attached to TxDMV, fosters a statewide cooperative network of law enforcement groups, prosecutors, insurance industry representatives, tax assessor-collectors, and concerned citizens to combat vehicle theft and burglary through enforcement, prevention, public information, and other initiatives.

MVCPA awards financial grants to law enforcement to curtail auto theft and burglary. MVCPA grants are funded by General Revenue appropriations. MVCPA grantees report expending \$145,000 in grant funding on expenses directly related to COVID-19.



Texas Department *of* Motor Vehicles

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Response to Request for Information Inquiry 2

Prepared for the
House Committee on Transportation

September 18, 2020

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Inquiry 2

What transportation issues are anticipated to arise in the future as a result of the COVID-19 pandemic?

Summary

As mentioned in the Texas Department of Motor Vehicles (TxDMV) response to Inquiry 1, the primary impact of COVID-19 on transportation matters related to the department has been financial.

Waivers put in place by Governor Greg Abbott, including those allowing Texans to delay title and registration transactions, have resulted in lost and deferred revenues to the State Highway Fund (Fund 0006), the TxDMV Fund (Fund 0010), and the General Revenue Fund (Fund 0001).

If the pandemic persists and these waivers remain in place for an extended period, it is likely that revenue currently considered deferred will become lost altogether. This is particularly true with respect to registration fees.

The department is preparing for the resumption of normal operations which will end the registration and title related waivers and begin the 60-day period for customers to complete transactions without facing penalties.

Revenue Impact

The department anticipates that much of the Fiscal Year 2020 revenue declines outlined below will be deposited in FY 2021. It is important to note, however, that if the state waivers remain in effect for an extended period, some of the revenue the department anticipates as deferred may not materialize.

Total Revenue Impact

For Fiscal Year 2020, TxDMV anticipates a total decline of \$157.49 million in previously projected revenue to the state, of which \$34.70 million is anticipated to be deposited in FY 2021.

Impact to State Highway Fund

For FY 2020, TxDMV anticipates a decline of \$127.50 million in previously projected revenue to the State Highway Fund, of which \$32.86 million is anticipated to be deposited in FY 2021.

Impact to TxDMV Fund

For FY 2020, TxDMV anticipates a decline of \$19.90 million in previously projected revenue to the TxDMV Fund, of which \$1.85 million is anticipated to be deposited in FY 2021.

Impact to General Revenue

For FY 2020, TxDMV anticipates a decline of \$10.09 million in previously projected revenue to the General Revenue Fund.

Explanation

Registration Fees

Vehicle registration fees account for most of the department's revenue that supports the state highway system. In general, after a county retains its allowed amount under the road and bridge formula, all registration fees are deposited to the State Highway Fund. In Fiscal Year 2019, vehicle registration and related fees provided \$1.55

billion to the State Highway Fund. *For a full discussion on registration fees, please see the department's response to Interim Charge 1.*

Unrealized Registration Fees

Registration expiration dates do not change. For example, if a person whose registration expired in March 2020 took advantage of the registration waiver and did not renew their registration until September 2020, their new registration will expire in March 2021 – not September 2021.

As the pandemic persists and the waiver remains in effect, the possibility of some Texans missing an entire year of registration increases.

Online Registration Renewals

The department has seen an unprecedented increase in the number of Texans renewing their registration online at www.TxDMV.gov or www.Texas.gov. It is reasonable to expect a sustained increase in the number of Texans renewing their registration online, particularly if the pandemic continues. *See the department's response to Inquiry 3 for a full discussion on online registration renewals.*

Expenditures Related to COVID-19

The total Fiscal Year 2020 projected cost for the department's response to the COVID-19 pandemic is \$1,750,327. Slightly more than \$1 million of that figure covers staff salaries the department would have otherwise paid, but with a focus on pandemic-related activities. The remaining costs were absorbed within the department's operating budget through re-prioritizing projects and other cost saving measures, such as reduced travel budgets. *For a full discussion on COVID-19 expenditures, please see the department's response to Inquiry 1.*

Continuing Expenses

Additional cleaning services and replenishment of cleaning supplies and personal protective equipment have continued past the end of FY 2020. This will be an ongoing expense to the department throughout FY 2021.

Resumption of Normal Operations

Since March 16, 2020, requirements to obtain vehicle registration and title were waived by order of Governor Greg Abbott. The waivers remain in effect until 60 days after TxDMV notifies the public that normal services have resumed. As of the date of this report, these waivers remain in effect. However, the department is working hard to prepare for the announcement to the public of the resumption of normal operations and the beginning of the 60-day period for people register and title any vehicles that did not do so during the waiver.

The expectation is there are more than 630,000 delinquent title applications for vehicles purchased during the waiver. Those vehicles were not subject to the delinquent transfer penalty, so the time in which to apply for title effectively starts once the waiver ends. The department anticipates half of the remaining delinquent title applications to be filed within 30 days of the waiver ending. The remaining delinquent title applications will be subject to the delinquent transfer penalty if not title by 60 days after the resumption of normal operations. It is likely the need for vehicle registration will be the driving factor that determines when the applicant applies for title.

To help with the resumption of normal operations and the 60-day period, the department is hiring 12 temporary, part-time Customer Service Representatives to assist with responding to customer inquiries during peak customer calling times. If needed, these temporary Customer Service Representatives will work through summer of 2021 to assist with any additional workloads.

Public Outreach Efforts

The department's website will have a dedicated page of content that provides information specifically about what to do during the 60 days after the waiver ends. Similar information will also be added to the existing COVID-19 page since that page's address has been shared many times and continues to be used by the public. A downloadable and printable document will be created for use by the public and county tax assessor collectors.

Postings on social media (Twitter, Facebook, and Instagram) will increase in frequency and will be coordinated across the various platforms. A video, with both a short and long version, will be placed on YouTube and shared across platforms. The videos will address both the 60-day waiver expiration period and registration renewals options in general.

Press releases will be issued at the initial announcement that the waiver has ended, at 30 days after the end, and then 60 days after the end. Similar information will also be distributed at the same intervals through the message distribution system used by the department (known as GovDelivery).

All the information above will also be available in Spanish and possibly other languages.



Texas Department *of* Motor Vehicles

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Response to Request for Information Inquiry 3

Prepared for the
House Committee on Transportation

September 18, 2020

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Inquiry 3

How has the COVID-19 pandemic impacted the ability of the transportation state agencies to accomplish their mission and to serve the public in an effective and efficient manner?

Summary

Although the requirements to obtain some services from the Texas Department of Motor Vehicles (TxDMV) have been waived during the ongoing COVID-19 pandemic – most notably certain title and registration services – the department has continued to serve Texans.

Availability of services has been affected in several ways, including by the temporary closure of the department's Regional Service Centers and by the various closures and other service limitations at county tax offices. These fluctuations in service availability are outlined in this report.

Background

On March 13, 2020, Governor Greg Abbott declared a state of disaster in all Texas counties in response to the global COVID-19 pandemic. Pursuant to Section 418.016, Government Code, the disaster declaration provided that "any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor."

The following statutory and regulatory requirements were suspended to cope with the disaster.

Suspension of Certain Motor Carrier Requirements

Effective March 13, 2020, requirements for motor carriers to obtain temporary registration permits or apportioned registration and to obtain an oversize or overweight permit were suspended if the carrier is transporting supplies, medical equipment, and similar materials necessary for preparing for, responding to, and mitigating the spread of COVID-19.

As of the date of this report, these suspensions remain in effect.

Suspension of Certain Motor Vehicle Registration and Title and Parking Placard Requirements

Effective March 16, 2020, requirements to obtain the following were waived:

- Initial vehicle registration
- Vehicle registration renewal
- 30-day temporary permit renewal
- Vehicle title transfer
- Permanent disabled parking placard renewal

The purpose of these waivers is to provide relief to Texans and prevent customers from needing to physically visit a county tax assessor-collector's office to conduct in-person transactions. The waivers remain in effect until 60 days after TxDMV notifies the public that normal services have resumed. Customers may continue to renew their vehicle registration online at www.TxDmv.gov or www.Texas.gov.

As of the date of this report, these waivers remain in effect.

Title Transactions

The department has seen a decline in the overall number of title applications submitted during the pandemic. This is likely due in part to the waiver of the requirement to timely transfer title. The number of title applications submitted has been rebounding in recent months.

Registration Transactions

Although the requirement to renew motor vehicle registrations has been waived, many Texans have continued to register their vehicles. While the cumulative number of registrations remains down year-over-year, the department is processing increasingly higher numbers of registrations in each successive month since March 2020. For example, in April 2020, only 28.4% of registrations were renewed on-time, as compared to 48.1% in April 2019. In August 2020, the on-time renewal gap narrowed to only 5.3%, with 46.8% renewing on-time.

Online Registration Renewals

The department has seen an unprecedented increase in the number of Texans renewing their registration online at www.TxDMV.gov or www.Texas.gov. For example, in June 2020 the department processed more than double the number of online registration renewals than it did in February 2020. The number of registration renewals the department is processing online has fallen from its June record, but remains higher than normal.

Typically, to be eligible for online registration renewal, the registration must not be expired for more than six months. An upcoming release of the department's Registration and Title System (RTS) will extend the six-month period to nine months.

Vehicle Inspections

Although TxDMV does not oversee the vehicle inspection program, the department has received incidental reports of inspection station closures and some confusion regarding whether the vehicle inspection requirement has been waived.

It is important to note that although the requirement to obtain initial registration or registration renewal is currently waived, the vehicle inspection requirement has **not** been waived. For Texans wanting to obtain initial registration or registration renewal during the waiver period, a passing vehicle inspection report is still required.

The vehicle inspection program is overseen by the Texas Department of Public Safety.

Continuity of Services

Tax Assessor-Collector Offices

Most in-person motor vehicle title and registration transactions take place at county tax assessor-collector offices (TACs). The decision to close or otherwise limit service at TACs during the COVID-19 pandemic is made on the local level in each of Texas' 254 counties. Some counties opted to temporarily close their TACs entirely, while others opted to limit capacity or provide services via phone, email, and mail only.

Out-of-County Transactions

In response to multiple TAC closures, RTS was updated to identify transactions processed outside of an applicant's county of residence to make sure funds were handled appropriately. Texans may title and register their vehicles at a TAC outside their county of residence. TxDMV provided training to assist TACs with this feature in RTS.

This change does not affect online registration renewals, which may be processed at www.TxDMV.gov or www.Texas.gov.

Department Website

Throughout the course of the pandemic, the TxDMV website is frequently updated with contact information and the current operational status of the TACs in each of Texas' 254 counties. Texans may visit www.TxDMV.gov/COVID-19 for additional information and updates on counties' TAC operations.

TxDMV Operations

Transition to Remote Workforce

Prior to the COVID-19 pandemic, most of the TxDMV workforce reported to work onsite at the department's Austin headquarters or in one of 16 Regional Service Centers (RSCs). Beginning the week of March 16, 2020, the department began transitioning as many employees as possible to remote work (telecommuting).

Approximately 75% of the TxDMV workforce continues to telecommute successfully, with the remaining staff reporting to work at the department's Austin headquarters or to provide in-person services to customers at RSCs.

New Employees

The department continues to recruit and hire new employees as necessary to ensure Texans' continued access to quality services. New hires are recruited, onboarded, and trained remotely.

The department has approved the hiring of 12 temporary, part-time Customer Service Representative through an employment agency to assist with peak customer calling times in the department's Consumer Relations Division. If the pandemic-level volumes continue as expected, these temporary Customer Service Representatives will work through June 2021. If needed, the temporary employees may continue to work through August 2021 in the Vehicle Titles and Registration Division to assist with customer workload.

Virtual Meetings

On March 16, 2020, Governor Abbott suspended certain portions of the Texas Open Meetings Act to allow state agencies to hold public meetings virtually, provided certain public accessibility requirements were met. Beginning with the TxDMV Board meeting on April 2, 2020, the department has held all public meetings virtually while ensuring public access. This includes TxDMV Board subcommittee meetings and department advisory committee meetings. As of the date of this report, the department continues to hold public meetings virtually.

Virtual Training Seminars

TxDMV training for motor vehicle dealers and motor carriers has traditionally been offered in person only. Over the course of the pandemic, the department has adapted its training to be offered online.

Regional Service Centers

On March 17, 2020, TxDMV closed its 16 RSCs to in-person transactions by the public in an effort reduce customers' exposure to COVID-19. TxDMV services and support continued to be available by mail, email, and phone. The department utilized this time to install plexiglass barriers between staff and customer areas and to acquire additional cleaning supplies and personal protective equipment for staff, including masks, gloves, and hand sanitizer.

By May 29, 2020, all regional service centers were re-opened to the public for in-person transactions by appointment only. The department is utilizing an online queueing system that allows customers to select services and schedule appointments in advance. Customers arriving for scheduled appointments wait in their vehicles rather than inside the RSC waiting area. Customers will receive a text message when it is their turn to enter the building for their appointment.

Customer Interaction

The department has been responding to a significant increase in customer call and email volume and social media interaction since March.

Phone Calls

The department has seen a marked increase in the number of phone calls received from customers since March 2012. In the six-month period immediately preceding the pandemic, the department received an average of 48,670 phone calls per month. In the six-month period since the pandemic began in March, the department received an average of 70,331 phone calls per month. The department received 80,133 phone calls in the month of July 2020. The table below illustrates the increase in call volume in Fiscal Year 2020.

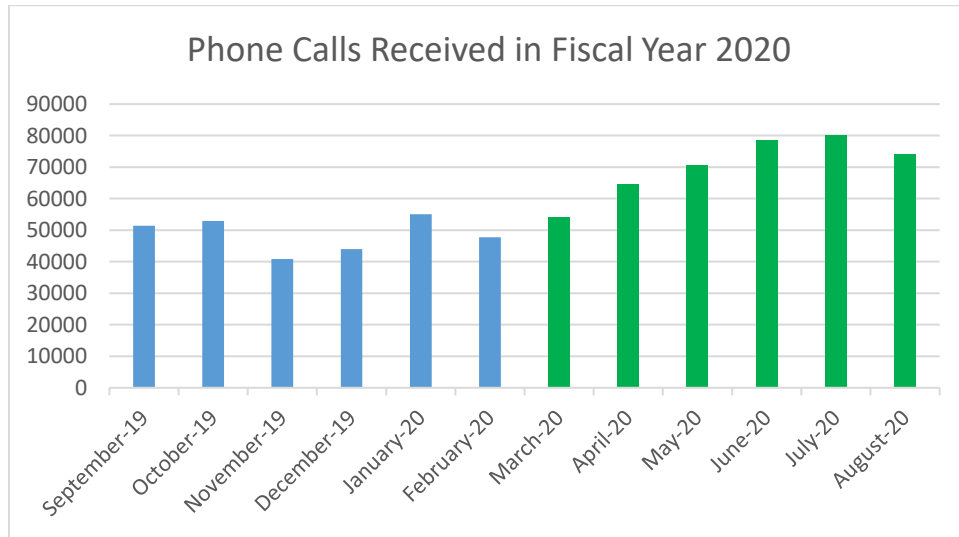


Chart 1. Customer Phone Calls Received in Fiscal Year 2020

Emails

In the six-month period preceding the pandemic, the department received an average of 5,220 customer emails per month. In the six-month period since the pandemic began in March, the department has received an average of 10,082 customer emails per month. The table below illustrates the increase in email volume in Fiscal Year 2020.

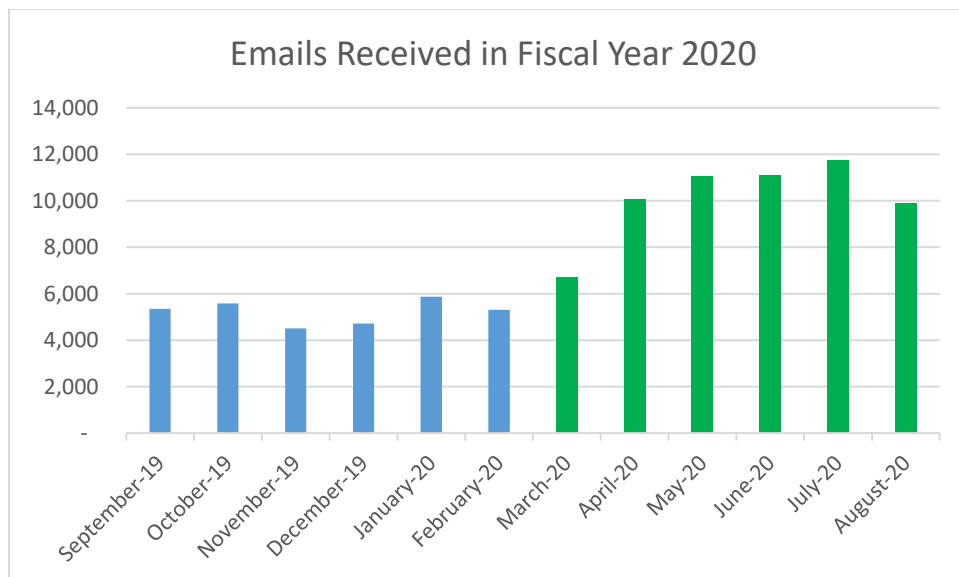


Chart 2. Customer Emails Received in Fiscal Year 2020

Social Media

The department's use of social media has played an important role in communicating with and providing guidance to the public throughout the COVID-19 pandemic. For example, a routine post on the department's Facebook page could ordinarily be expected to reach 4,000 people over the course of a month. A post on April 1, 2020, reached 379,692 people within the first 18 hours. By 36 hours, the post had reached more than one million people. Less than 48 hours later the post had reached nearly 1.3 million people.

The chart below demonstrates the rapid growth in the number of people following the department on Facebook since the pandemic began in March.

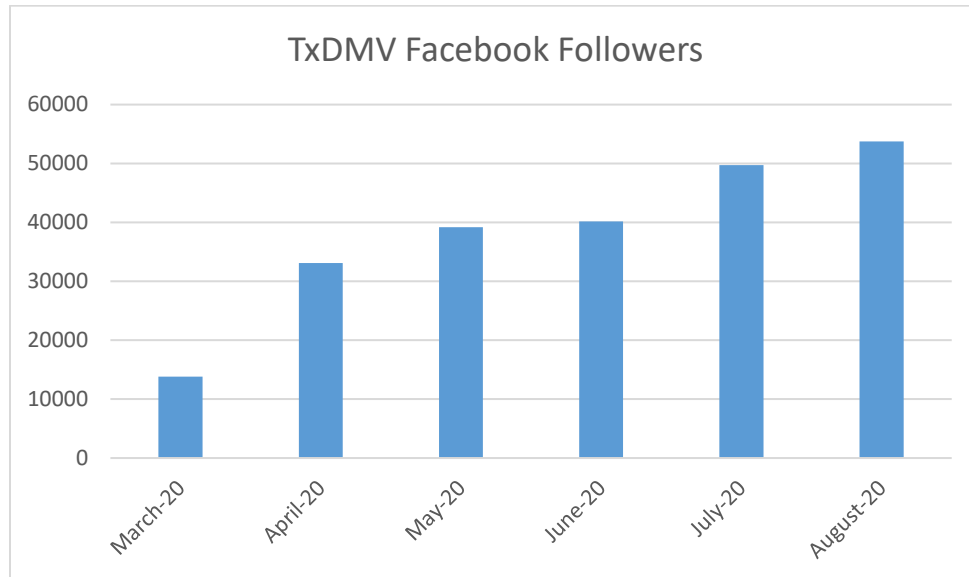


Chart 3. TxDMV Facebook Followers Growth



Texas Department of Motor Vehicles

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Board Meeting Date: 9/30/2020
BRIEFING

To: Legislative & Public Affairs Committee, Texas Department of Motor Vehicles Board
From: Caroline Love, Government & Strategic Communications Division Director
Agenda Item: 4.A
Subject: Agency Process for Legislative Session

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This briefing will cover the key dates for the 87th Legislative Session, as well as the responsibilities of the Government & Strategic Communications Division as it relates to the department's review and analysis of legislation, coordination of the department in legislative hearings and meetings, and providing updates to department leadership and the TxDMV Board.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

The Government & Strategic Communications Division will be providing regular updates throughout the session on the status of legislation impacting the department.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/30/2020**ACTION ITEM**

To: Legislative & Public Affairs Committee, Texas Department of Motor Vehicles Board
From: Caroline Love, Government & Strategic Communications Division Director
Agenda Item: 4.B
Subject: Recommended Legislation to the 87th Legislature Pursuant to Transportation Code, §1001.025

RECOMMENDATION

Section 1 of the document includes recommendations for adoption. Section 2 of the document includes recommendations for further consideration and future adoption.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) Board is charged with considering opportunities to improve the operations of the department and recommending statutory changes to the Texas Legislature under Texas Transportation Code, Section 1001.025.

Upon adoption, recommendations shall be submitted to the Governor, Lieutenant Governor, Speaker of the House, and the presiding officers of relevant legislative committees for further potential handling in during the 87th Legislative Session.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

Earlier this year TxDMV's Government and Strategic Communications Division worked with all the department's divisions and offices and external stakeholders to begin identifying potential statutory changes to bring for the board to consider.

Additionally, the TxDMV Board established advisory committees comprised of members from the public and stakeholder groups. It is noted where these committees have provided recommendations through this process.

The following recommendations are presented to the Legislative & Public Affairs Committee on September 30, 2020 for discussion. Those recommendations adopted by the committee will be presented to the TxDMV Board on October 1, 2020 for further consideration of adoption.

Section 1 of the potential statutory changes for the board to consider includes only those recommendations that have been fully developed by the department in consultation with stakeholders and advisory committees that are recommended for adoption. Section 2 of the potential statutory changes for the board to consider includes those recommendations that are in initial phases of development with department staff, external stakeholders, and the public. When fully developed, the recommendations in Section 2 will be brought before the board again at a future board meeting for consideration before adoption.

Timeline of Events

- September 30:** TxDMV staff will present legislative recommendations for the committee to consider adopting as an action item. TxDMV staff will also give a briefing update on those legislative recommendations that are still under initial development and discussion at the department that may be brought for the board to consider at a future board meeting. Those items adopted by the Legislative and Public Affairs Committee will be considered by the TxDMV Board at the October 1, 2020 meeting for further consideration.
- October 1:** The TxDMV Board will consider recommendations adopted by the Legislative and Public Affairs Committee for adoption. The TxDMV Board will receive an update on the items not adopted and the department's plan to obtain additional feedback.
- October - November:** Department staff will more fully develop the recommendations and solicit input from stakeholders and the public on potential recommendations to bring to the board for consideration at a future board meeting.
- December 3:** The TxDMV Board may consider any additional recommendations for adoption.

87th Legislature - Recommendations for Statute Changes

Section 1: Items Recommended for Adoption

Enforcement (ENF) Related

- **Tax appraiser optional reporting of dealers not filing vehicle inventory**
 - **Stakeholders:** Chief Appraisers, Tax Assessor Collectors, Motor Vehicle Dealers
 - **Quick Summary:** Clarifies how appraisers report dealers on property tax inventory declarations and provide more flexibility with the process. Streamlines efficiencies within TxDMV.
 - **Additional Detail:** Current law requires tax appraisers to report vehicles to TxDMV in two instances: 1) when a dealer does not file the motor vehicle inventory declaration; and 2) when the declaration to the appraiser shows the dealer sold fewer than five vehicles in the prior year. The proposed change still requires appraisers to report to TxDMV when a dealer sells fewer than five vehicles but makes reporting optional in cases when a dealer does not file the declaration. This will provide more flexibility to appraisers. Rather than requiring reports for all non-filing dealers to TxDMV, the change would allow appraisers to work with their local dealers to obtain any missing declarations filed and ensure their dealers know what is expected when reporting. An appraiser may optionally report a non-filing dealer to TxDMV.
- **Hearing Procedures: Statutory Cleanup**
 - **Stakeholders:** N/A
 - **Quick Summary:** During the 84th Legislative Session in 2013, HB 2741 and HB 1692 both passed and amended the same subsection differently. This change replaces the differing subsections with language reflecting current practice of hearings under Transportation Code Chapter 503 (GDNs, dealer plates, & temp tags) following the same procedures used in Occupations Code Chapter 2301 (dealer licensing) and the Administrative Procedures Act, *see HB 2701 (84R)*.

Motor Carrier (MCD) Related

- **Remove outdated oversize and overweight permit bond requirements and align notice requirements with current processes**
 - **Stakeholders:** Motor Carrier Industry, the Texas Department of Transportation (TxDOT), Counties
 - **Quick Summary:** Certain oversize and overweight (OS/OW) permits require a bond. In practice the bonds are of little value to the state and counties but create extra processes and costs for motor carriers. This proposal will streamline department processes and help carriers with obtaining OS/OW permits.
 - **Additional Detail:** Eliminate the unnecessary OS/OW permit bonds because TxDMV is not aware of any cases in which TxDOT and counties have recovered losses from an accident by suing for the bond amount. Because liability is not limited to the bond, losses have been recovered through other means. Therefore, the OS/OW permit bonds increase stakeholder costs and time. Eliminating these bonds would also save TxDMV the time needed to review and maintain bond files. However, OS/OW permit bonds for certain permits would continue for operators not required to register as a motor carrier. This recommendation would also align statute with practice for permit notice requirements being done through online posting of relevant information. Before TxDMV was created in 2009, it was agreed a web page would provide each county with information on certain permits issued for use in that county, rather than providing actual copies of all the permits to the counties which would be labor intensive and expensive. In practice, counties contact TxDMV to obtain a copy of any requested permits.

87th Legislature - Recommendations for Statute Changes

- **Remove requirement for motor transportation brokers to file a bond with TxDMV**
 - **Stakeholders:** Motor Transportation Brokers
 - **Quick Summary:** Motor transportation brokers must file a \$10,000 bond with the department. Only four brokers are currently filing with the department. To help streamline department operations and eliminate an unnecessary regulation, repeal the chapter of code requiring motor transportation brokers file a small bond with the department.
- **Clarify provisions for motor carriers previously approved by the TxDMV Board and included in HB 2701 (84R)**
 - **Stakeholders:** Motor Carrier Industry, TxDOT
 - **Quick Summary:** Adds truck tractor to the exclusions from the two-plate requirement since they only display one plate. Updates the definition of “weight tolerance permit” to match TxDOT’s grant program language. Clarifies the carrying of registration receipts for certain token trailer plates. Aligns ready-mix concrete truck permit axle counts with legal limits.
- **Align Texas size and weight statutes with federal standards and current practice, previously approved by the TxDMV Board and included in HB 1789 (85R)**
 - **Stakeholders:** Motor Carrier Industry, TxDOT, Commercial Vehicle Law Enforcement
 - **Quick Summary:** Updates statutes to federal standards for the following: increases idle reduction technology weight allowances (changing to not greater than 500 pounds, instead of current 400 pounds); matches federal standards for the annual overlength permit being only for non-divisible loads, emergency vehicle weights, automobile transporter lengths and towaway trailer transporter combination lengths. Conforming state statutes to federal standards will reduce the risk of the potential loss of federal highway funds or a federal lawsuit. Update statute to match the current practice of allowing both OS/OW equipment and loads under certain permits.

Motor Vehicle Crime Prevention Authority (MVCPA) Related

- **Remove MVCPA grants from outdated TxDOT reporting requirement**
 - **Stakeholders:** TxDOT
 - **Quick Summary:** TxDOT provides a Districts and Counties Statistics (DISCOS) report that includes MVCPA information from when that program was part of TxDOT. MVCPA provides similar reporting under its own statutes, therefore the DISCOS reporting requirement is no longer necessary; *see HB 3915 (85R)*.
- **Allow for recovery of costs and clarify statutes**
 - **Stakeholders:** Texas Comptroller of Public Accounts, Insurance Companies
 - **Quick Summary:** Align the statute with long-standing rules allowing for recovery of costs related to denied refunds. Align the statute with the Comptroller’s statutory authority to collect penalties and interest on late fee payments and reporting. Excludes salary costs related to fee collections from the administrative expense limit (aligns with the department’s exceptional item request for three new employees for a new fee collection unit).

Motor Vehicle (MVD) Related

- **Statutory corrections for references to the Motor Vehicle Board**
 - **Stakeholders:** N/A
 - **Quick Summary:** Updates references to Motor Vehicle Board to Texas Department of Motor Vehicles Board.

87th Legislature - Recommendations for Statute Changes

Office of Administrative Hearings (OAH) Related

- **Provide more efficiency in Lemon Law/warranty performance cases**
 - **Stakeholders:** Manufacturers, Motor Vehicle Dealers
 - **Quick Summary:** Reinstates the Public Information Act exception that was repealed in SB 604 (86R). Clarifies who issues final orders. Provides for fee reimbursement by statute. Allows rehearing motions to be decided by someone other than chief hearings examiner.
 - **Additional Detail:** For Lemon Law/warranty performance cases, this recommendation reinstates the inadvertently repealed (in SB 604 (86R)) public information act exception, which states information is exempt from release until there is a final order. This recommendation also clarifies that hearings examiners issue final orders in Lemon Law/warranty performance cases and makes the reimbursement of the filing fee a requirement directly in statute as opposed to a requirement of a final order. This allows for a streamlined process within TxDMV. This recommendation also allows rehearing motions to be decided by someone other than chief hearings examiner, which was recommended through an internal TxDMV Lemon Law Investigation & Resolution Audit from January 2019. Some of these recommendations were included in *HB 2701 (84R)* & *HB 3988 (86R)*.

Registration Related

- **Align effective date of local fee changes with registration expiration month**
 - **Stakeholders:** Tax Assessor-Collectors, Comptroller of Public Accounts
 - **Quick Summary:** Local option fees assessed at the county level take effect January 1 of any given year. This recommendation changes statute for the fee be effective for a registration with an expiration month in the year the fee takes effect. This will reduce confusion about when a fee is due for customers, TACs, and the department.
- **Provide clean-up language for various license plate references.**
 - **Stakeholders:** Tax Assessor-Collectors
 - **Quick Summary:** Aligns the Legion of Merit license plates with other military plates to be charged no registration fee for the first set of plates. Allows all military license plate emblem options to be on a disabled veteran license plate. Strikes statutes for specialty license plates that did not receive a request for manufacture before the 5-year statutory deadline expired.

Title Related

- **Clarifying that holds are placed on titles during lawsuits and that salvage and non-repairable motor vehicles are not eligible for title hearings or bonds**
 - **Stakeholders:** Salvage Dealers, Select Customers, Tax Assessor-Collectors
 - **Quick Summary:** Clarify in statute that salvage and non-repairable motor vehicles are not eligible for hearings or bonded titles. This recommendation would also clarify that holds are placed on titles during lawsuits. Both align with long-standing practice.

87th Legislature - Recommendations for Statute Changes

Section 2: Items in initial stages of development - Need further discussion before staff recommend for adoption at a future board meeting

- **Evaluate methods to help stop temporary tag abuse. Clarify the display of temporary permits methods to assist with tag identification. Evaluate feedback from the Consumer Protection Advisory Committee (CPAC).**
 - **Stakeholders:** Motor Vehicle Dealers, Law Enforcement, public
- **Identify statutory changes that would help consumers with title, financial, and other issues when a franchise or independent dealer goes out of business, including options for requiring dealer insurance or increased mandatory surety bond amounts. Evaluate CPAC recommendations.**
 - **Stakeholders:** Motor Vehicle Dealers, public
- **Recommendations for managing data privacy and external access to confidential motor vehicle records at TxDMV, CPAC recommendation**
 - **Stakeholders:** Organizations purchasing/using motor vehicle records, public
- **Evaluate methods to help consumers efficiently receive refunds by allowing Tax Assessor-Collectors (TACs) to directly issue refunds to customers for all motor vehicle related fees and taxes**
 - **Stakeholders:** Tax Assessor-Collectors, Comptroller of Public Accounts, public
- **Evaluate statutory changes to clarify out-of-state titled salvage vehicles can directly receive a rebuilt title**
 - **Stakeholders:** Salvage Dealers, Tax Assessor-Collectors, public
- **Clarify that electronic titles and printed titles have the same value**
 - **Stakeholders:** Tax Assessor-Collectors, Motor Vehicle Dealers, Motor Vehicle Auctions, public
- **Clarify that insurance companies can use the deficient ownership document process for vehicles on a Manufacturer Certificate of Origin (MCO)**
 - **Stakeholders:** Insurance Companies
- **Review options to deposit MVCPA appropriation to the TxDMV Fund, allowing for all TxDMV programs to be appropriated out of the same fund**
 - **Stakeholders:** Texas Comptroller of Public Accounts, public

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/30/2020
BRIEFING

To: Legislative & Public Affairs Committee, Texas Department of Motor Vehicles Board
From: Caroline Love, Government & Strategic Communications Division Director
Agenda Item: 4.C
Subject: Sunset Implementation Status Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The Sunset Advisory Commission reviewed TxDMV, resulting in several management recommendations and statutory recommendations. This update will outline the status of the department's implementation efforts on all recommendations.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

Before the 87th Legislature begins, Sunset staff will review implementation efforts for those statutory recommendations included in SB 604, 86th Legislature, the TxDMV continuing legislation. The State Auditor's Office has requested a status of management recommendations from the Sunset review, which was provided on September 21, 2020. This item will provide the committee with a briefing on the status of those implementation efforts.

Implementation Chart
Texas Department of Motor Vehicles

S.B. 604 Buckingham (Paddie)**Staff Report with Final Results**

Bill Reference	Recommendation Number	Bill Provision	Implementation Status
Page 3, Line 27 to Page 4, Line 18	Added by Commission	Update the Sunset across-the-board requirement that requires agencies to adopt policies clearly delineating the policymaking functions of the board from the day-to-day administration of the agency, to clarify the division of responsibilities between the DMV board and its executive director.	TxDMV already complies with this amendment: 1) 43 TAC Sections 206.1 and 206.2; 2) TxDMV Board Governance Policy; 3) TxDMV Strategic Planning Policy; 4) TxDMV Goals and Objectives; and 4) Agency Operational Boundaries as Defined by Department Policies of the TxDMV Board.
Page 1, Line 9–12	5.1	Continue the DMV until September 1, 2031.	Implemented on 9/1/2019
Page 1, Line 15 to Page 3, Line 24; Page 6, Line 16 to Page 7, Line 4	1.4	Updates and modifies the standard Sunset across-the-board requirement related to board member training, including an annual attestation that the board member receives training that includes information and guidance about the board's rulemaking authority. Requires training to include information on the board's authority and limits on PFDs from SOAH.	Implemented on 1/22/2020
Page 2, Lines 7–22	Added by Legislature	Updates anti-competitive board member training requirements.	Implemented on 9/1/2019, board member trainings are complete.
Page 3, Lines 21–24	Added by Legislature	Requires annual attestation of reception and review of board member training manual.	Implemented on 11/2019, board member trainings are complete.
Page 4, Line 21 to Page 5, Line 6	5.3	Adds standard Sunset language requiring DMV to maintain information on all complaints and notify the parties about policies for and status of complaints.	Implemented on 9/1/2019

Implementation Chart
Texas Department of Motor Vehicles

S.B. 604 Buckingham (Paddie)**Staff Report with Final Results**

Bill Reference	Recommendation Number	Bill Provision	Implementation Status
Page 5, Line 7 to Page 6, Line 1	1.6	Adds standard Sunset language requiring the policymaking body to develop a policy that encourages the use of negotiated rulemaking and alternative dispute resolution.	<p>Completed 6/11/20 Board Meeting: the board adopted a policy for board adoption encouraging the use of negotiated rulemaking procedures under Government Code Chapter 2008.</p> <p>Completed 6/11/20 Board Meeting: the board adopted a policy for board adoption encouraging the use of appropriate alternative dispute resolution procedures that conform, to the extent possible, to model guidelines issued by SOAH for internal and external disputes – obtained a copy of the SOAH model guidelines.</p> <p>Ongoing: Provide training as needed to implement the procedures for negotiated rulemaking and alternative dispute resolution.</p> <p>Collect data on the effectiveness of those procedures.</p> <p>Policy saved at T:\DMV\OGC\Policies & Procedures\Policy\Rulemaking</p>
Page 6, Lines 4–11; Page 6, Line 14	Added by Legislature	Provides that complaint investigations related to the sale or lease of automobile, salvage vehicle dealers, dealer's and manufacturer's vehicle license plates, and motor carrier registrations are confidential until the investigation is dismissed or finally resolved but only if the disclosure of the information would interfere with or jeopardize the investigation. Repeals existing confidentiality provisions related to investigations related to the sale of an automobile under Occupations Code 2301.612.	Implemented on 9/1/2019
Page 6, Lines 13 and 15	1.5	Removes the board's exemption from providing balanced representation on its advisory committees.	Implemented: Effective date: 8/29/2019; Rules approved for adoption at 8/8/19 board meeting
Page 7, Line 8 to Page 9, Line 27; Page 13, Lines 15–17; Page 14, Lines 26–27; Page 15, Lines 1–23	4.2	Eliminates the motor vehicle representative and salvage agent licenses.	Implemented: Effective date: 1/2/2020; Rules approved for adoption at 12/5/2019 board meeting

Implementation Chart Texas Department of Motor Vehicles

S.B. 604 Buckingham (Paddie)

Staff Report with Final Results

Bill Reference	Recommendation Number	Bill Provision	Implementation Status
Page 10, Lines 1–14	Added by Legislature	Reinstates the department's shows and exhibition notice and approval process for all vehicle types, but does not require TxDMV to grant written approval.	Implemented on 9/1/2019, updated information/form available on the department's website
Page 10, Line 18 to Page 11, Line 8	1.3	Requires the board to adopt rules and policies to establish clear standards for conduct and handling of contested cases coming before the board for final decisions. Requires the adopted rules and policies to specify the role of DMV personnel in managing contested protest cases before the board, limit arguments and discussion to evidence in the record from SOAH, address ex parte communications, and distinguish between industry expertise and representing or advocating for an industry.	Partially implemented. Rules were approved for proposal at the August 2020 board meeting.
Page 11, Lines 11–16; Page 14, Lines 21–25	3.2	Authorizes DMV to order a motor vehicle licensee to pay a refund to a buyer or lessee. Authorizes DMV to order a motor carrier licensee to pay a refund to a consumer who paid the licensee to transport household goods.	Partially implemented. Rule proposal approved at 8/6/2020 board meeting. Consumer Protection Advisory Committee (CPAC) recommendations adopted by board 8/6/2020.
Page 11, Line 19 to Page 13, Line 2; Page 14, Lines 26–27; Page 15, Lines 1–11	4.3	Eliminates the salvage license endorsements and establish a single, streamlined salvage license.	Partially implemented. Rule proposal approved at 6/11/2020 board meeting.
Page 12, Lines 1–10	Added by Legislature	Specifies that a salvage vehicle dealer license allows the license holder to buy or sell salvage motor vehicles and non-repairable motor vehicles that have been issued a salvage vehicle title or non-repairable vehicle title.	Implemented 9/1/2019.
Page 13, Lines 6–12	4.4	Authorizes the department to set salvage license terms in rule.	Implemented January 2, 2020
Page 13, Line 24 to Page 14, Line 2	3.3	Authorizes DMV to issue a cease and desist order for unlicensed salvage activity.	Partially implemented. Rule proposal approved at 8/6/2020 board meeting.
Page 14, Lines 5–18; Page 15, Line 24 to Page 16, Line 5	Added by Legislature	Requires training before licensure for independent auto dealers.	Implemented: Effective date: 3/1/2020; Rule approved at 2/6/2020 board meeting. Training has started for those needing it for licensure.
Page 16, Line 9 to Page 21, Line 16	Added by Legislature	Requires the department to adopt rules to issue and regulate the use of digital license plates.	Rules were implemented July 2020, technological interface with provider anticipated to be available by December 31, 2020. Effective on 7/12/20; Rule adopted at 6/11/2020 board meeting.

Implementation Chart Texas Department of Motor Vehicles

S.B. 604 Buckingham (Paddie)

Staff Report with Final Results

Bill Reference	Recommendation Number	Bill Provision	Implementation Status
Page 21, Line 20 to Page 22, Line 7	2.4	Requires DMV to create a risk-based system of monitoring and preventing fraud related to vehicle registration and titling.	Partially implemented. Rules were proposed at the August 2020 board meeting. The Management action to share best practice protocol with county tax-assessor-collectors was implemented on 3/5/2019.
Page 22, Lines 10–14; Page 26, Lines 3–6	5.2	Requires county tax assessor-collectors to ensure webDEALER is available online to dealers in all Texas counties. Requires webDEALER to be available online to dealers in all Texas counties by September 1, 2020.	Process implemented on 9/1/2020, guidance shared with counties. Accompanying rules anticipated to be brought to the board for adoption at 10/1/2020 at board meeting; rules were proposed at 6/11/2020 board meeting.
Page 22, Lines 18–21	Added by Legislature	Specifies that contracting standards apply only to full service deputies.	Implemented. The Policy Review Routing Document for State Contracting Guidelines for tax assessor-collectors was completed 11/8/2019. Guidance was sent to counties on 11/13/2019 via GovDelivery Notice.
Page 22, Line 22 to Page 23, Line 18; Page 25, Lines 6–10	2.1	Requires counties to follow standard contracting practices when outsourcing state services to full-service deputies. Requires standard best practices to include purchase methods and competitive bidding, determining the best value for a county, contracting standards and oversight, and contract management. Requires a county tax-assessor collector to monitor and evaluate the performance of a deputy awarded a contract and use that information when determining whether to renew or extend the contract. Requires each county tax assessor-collector entered into a contract before the effective date of the act to rebid the contract before December 1, 2019.	Implemented. The Policy Review Routing Document for State Contracting Guidelines for tax assessor-collectors was completed 11/8/2019. Guidance was sent to counties on 11/13/2019 via GovDelivery Notice.
Page 23, Line 19 to Page 24, Line 8	2.5	Authorizes DMV to audit or perform a compliance review of anyone performing registration or titling services, investigate, and access any records to conduct such activity. Authorizes a county tax assessor collector audit or perform a compliance review of anyone performing registration or titling services in their county and access any records needed to conduct such activity.	Implemented. Effective on 3/1/2020;

Implementation Chart
Texas Department of Motor Vehicles

S.B. 604 Buckingham (Paddie)**Staff Report with Final Results**

Bill Reference	Recommendation Number	Bill Provision	Implementation Status
Page 24, Lines 17–23; Page 25, Line 20 to Page 26, Line 2	2.2	Authorizes DMV to adopt rules and policies for the maintenance and use of the RTS system and specifies that DMV has the sole authority to determine access to the system. Directs the department to adopt rules in coordination with county tax assessor-collectors regarding criteria to suspend access to the registration and title system by March 1, 2020.	Implemented on 03/01/2020
Page 24, Lines 9–14	NR	Authorizes DMV to coordinate with the comptroller of public accounts and authorizes the comptroller of public accounts to include, at the comptroller's discretion and as part of its ongoing audits of state revenue collections by county tax assessor-collector offices, a review of processes relating to a county's collection and remittance of revenues included in the audit.	Implemented 9/1/2019
Page 24, Lines 24 to Page 25, Line 5; Page 25, Lines 16–19	2.3	Requires DMV to implement mandatory fraud training for anyone performing registration or titling services. Requires DMV to implement rules for the training program by December 1, 2019.	Implemented on 12/16/2019
Page 25, Line 11–15	Added by Legislature	Requires DMV to assist with contract rebidding.	Implemented. The Policy Review Routing Document for State Contracting Guidelines for tax assessor-collectors was completed 11/8/2019. Guidance was sent to counties on 11/13/2019 via GovDelivery Notice.
Page 25, Line 10	Added by Legislature	Extends deadline for contract rebidding to March 31, 2020.	Implemented 11/13/2019 via GovDelivery notice to impacted stakeholders.
Page 26, Line 11 to Page 43, Line 16; Page 46, Line 5 to Page 47, Line 17	2.6	Authorizes ABTPA grant recipients to use funds to combat a broader range of crimes, such as title and odometer fraud, beyond just automobile burglary and theft. Codifies ABTPA laws and make corresponding clarifying changes.	Implemented 9/1/2019
Page 46, Line 18	Added by Legislature	Removes board member from ABTPA member description.	Implemented 9/1/2019
Page 46, Line 20	Added by Legislature	Changes reference from board to authority.	Implemented 9/1/2019
Page 47, Line 18 to Page 49, Line 27	Added by Legislature	Requires DMV to conduct a study on fee collection for alternatively fueled vehicles.	Due to the Legislature December 1, 2020, internal draft will be available for review by 9/30/20.

Implementation Chart Texas Department of Motor Vehicles

Management Action Recommendations

Recommendation Number	Management Actions	Implementation Status
1.1	Direct the Sunset Commission to request that the Legislature examine all state boards, including the Texas Department of Motor Vehicles board, for any legislation needed to mitigate the potential liability of boards controlled by active market participants.	Not Applicable as the action was directed to the Sunset Commission.
1.7	Direct the board to establish advisory committees to provide expertise for rulemaking and other issues and adopt rules regarding standard committee structure and operating criteria.	Implemented on 08/23/2019
2.2	Direct the department to adopt rules to formalize its current 'red flag' fraud warning system further developing and implementing a clear and efficient path for county tax assessor-collectors to report suspected fraud, waste, or abuse of the registration and title system by employees, dealers, and full-service deputies and provide an option for a county to request action for suspected fraud or abuse, such as immediately suspending access to the registration and title system.	Implemented on 03/01/2020
3.4	Direct the department to identify and implement methods to reduce its complaint resolution timeframes.	Implemented on 11/29/2018
3.5	Direct the department to develop clear guidance and criteria for prioritizing investigations and inspections.	Implemented on 11/29/2018
3.6	Direct the department to improve enforcement data tracking in its existing systems.	In Progress.
3.7	Direct the department to revise and expand key performance indicators and annual enforcement reports to better assess effectiveness and efficiency and provide more visibility of its enforcement program.	Implemented on 03/26/2020
3.8	Direct the department to publish penalty matrices	Implemented on 5/22/2018
3.9	Direct the department to publish more detailed enforcement histories of regulated motor vehicle and motor carrier businesses.	Implemented on 03/26/2020
4.5	Direct the department to conduct criminal history checks for all motor vehicle license renewals.	Implemented on 05/22/2018
4.6	Direct the department to adopt criminal history evaluation rules and guidelines consistent with Chapter 53, Texas Occupations Code for salvage industry regulation.	Partially implemented. Rules approved for proposal at June 11, 2020 board meeting
4.7	Remove unnecessary application requirements for salvage licenses.	Implemented on 5/24/2018
5.4	Direct the department to develop a comprehensive approach to developing, maintaining, and updating its IT infrastructure.	Mostly implemented.
5.5	Direct the department to evaluate and identify further opportunities to consolidate and modernize its customer service functions to improve efficiency and customer experience.	Implemented on 4/20/2020

Implementation Chart
Texas Department of Motor Vehicles

Management Action Recommendations

Recommendation Number	Management Actions	Implementation Status
Added by Commission	Direct the department to conduct the existing contracted study to identify and assess alternative technologies for registering commercial vehicles to replace license plates, permits, and other documentation and registration methods currently in use by the state, and evaluate the safety and suitability for identified technologies for use on roadways, as required under House Bill 1959 (85th Legislature, Regular Session) by March 31, 2019 instead of December 1, 2021. Also, direct the department to include an analysis of any statutory impediments to conducting a pilot program as described in H.B. 1959 as part of this study.	Implemented on 03/01/2019
Added by Commission	As part of the license application process for a salvage vehicle dealer, direct the department to consider the criminal background of an applicant's partner, company principal, officer, or general manager as a qualifying factor when determining whether to issue a license.	Implemented on 10/1/2019
Added by Commission	Direct the department to establish a risk-based approach to its salvage vehicle dealer inspections. As part of the risk-based inspections, the department should consider factors including inspection history, complaint history, and any other factors determined by department rule.	Implemented on 10/31/2019

**Texas Department of Motor Vehicles**

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Board Meeting Date: 9/30/2020
BRIEFING

To: Legislative & Public Affairs Committee, Texas Department of Motor Vehicles Board
From: Caroline Love, Government & Strategic Communications Division Director
Agenda Item: 4.D
Subject: Driver Licensing Study Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The Sunset Advisory Commission reviewed the Texas Department of Public Safety (DPS) in the last legislative cycle. The continuing legislation for DPS, SB 616 (86R), included a provision for a third party to make recommendations on the management and operating structure of the DPS Driver License program, including the opportunities and challenges of transferring the program. The General Appropriations Act further defined the study was to be completed by an institution of higher education.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

The University of Texas at Austin Center for Transportation Research conducted the study for DPS, and it was delivered to the legislature by the September 1, 2020 deadline outlined in SB 616 (86R). The legislation stated a transfer of the driver license program to TxDMV would occur automatically as of September 1, 2021 if the above study was not delivered by the September 1, 2020 deadline. This briefing will provide a summary and update on the study.



EXECUTIVE SUMMARY

The University of Texas at Austin

Prepared for the Texas Department of Public Safety
at the direction of the Texas Legislature

Management, Operating Structure, Efficiencies, and Opportunities and Challenges of Transferring the Driver License Program

Background

In 2019, the 86th Texas State Legislature passed Senate Bill 616 and a similar provision in the General Appropriations Act requiring a study to evaluate the Driver's License Program operated by the Department of Public Safety's (DPS) Driver License Division (DLD). DPS contracted with the Study Team to investigate three options for optimal operation of the Driver License Program:

1. leave DLD at DPS,
2. move DLD to the Department of Motor Vehicles (DMV), or
3. create a new stand-alone state agency for DLD.

Recommendations

After conducting a thorough investigation of management, operating structure, efficiencies, and opportunities and challenges of transferring the Driver License Program, the Study Team provides the following recommendations:

- DLD should form a new stand-alone state agency. The Study Team created a 12-year timeline to facilitate a smooth transition.
- Regardless of where DLD ultimately resides, certain mission-critical practices and enhancement should be implemented to meet the needs of the growing Texas population.

Study Methodology

The Study Team developed tasks to logically guide the work and address the following objectives:

- Perform a comprehensive literature review and gather information to document DLD practices in Texas and in other states and countries.
- Conduct a thorough study of the management and operating structure of the DPS DLD.
- Assemble expert working groups and conduct fact-finding through workshops, interviews, and surveys.
- Obtain data and prepare summaries of fiscal analyses for three options: leaving the function at DPS, moving it to the Department of Motor Vehicles (DMV), or moving it to a new stand-alone state agency.
- Evaluate benefits, challenges, and costs for each of the three options.
- Develop proposed timelines associated with transferring DLD to either DMV or a stand-alone agency.
- Investigate methods to enhance operations in general, such as incentivizing online renewal for eligible individuals.
- Make a recommendation as to whether to leave the DLD at DPS, move it to DMV, or move it to a new stand-alone state agency.

Please see the full report for all study details, available at this link: www.dps.texas.gov.

Key Findings

To address the study objectives, the Study Team performed a literature search; analyzed data provided by DPS, DLD, DMV, and others; conducted multiple surveys for multiple audiences; organized focus groups; interviewed subject matter experts; and performed fiscal analyses to develop the following findings.

- Driver license programs and other vehicle services are housed in a variety of organizational structures in other states, as Figure E.1 shows. Given the diversity of states' needs, there is no one-size-fits-all standard and the driver license function should be located where it makes the most sense in a state.
- In Texas, vehicle services are provided by DLD and DMV.
 - DLD issues new and renewal driver licenses; identification cards; Election Identification Certificates; and suspensions and reinstatements of driver licenses.
 - DMV regulates vehicle manufacturers, dealers, moving companies, and other motor vehicle-related businesses; issues oversize and overweight permits for the trucking industry; administers the state's Lemon Law; and issues motor vehicle titles, registration, and license plates.
- To address staffing and customer wait time issues, DPS submitted a "Driver License Plan—Exceptional Item and Statutory Change Requests" to the 86th Legislature. The budget portion included funding for more staff, additional salary for frontline staff, and opening additional DLD offices. The request totaled \$420 million. The legislature approved increasing the driver license terms to eight years and increased funding of \$212.4 million to increase salaries, hire additional staff, and open two more driver license offices (DLOs).
- DLD has hired staff and increased the salary of frontline staff. Wait times have decreased some and turnover, as measured by voluntary resignations, has decreased.
- Wait times, which have been a focus of the legislature and complaints from the public, are being addressed by DLD with several newly initiated changes. Besides added FTEs, a new appointment system allowing appointments up to six months in advance and new IT equipment have been deployed in DLOs. Since these changes are only now being implemented, their effect on wait times cannot be evaluated yet. For example, the appointment system was scheduled for implementation just as COVID-19 spurred closure of DLOs; the system is only now being used by the public in DLD's phased re-opening of DLOs.
- Customers in focus groups and surveys pointed out a need for website improvements. They want information that guides them to the method of renewal best for their situation, improved guidance on required documents to take to the DLO, and easier site navigation.
- Increasing the rate of transactions conducted online can help the state save money and improve customer satisfaction. The Study Team estimates up to an additional 27 percent of in-person renewals could have been conducted online; only 25 percent of the eligible 52 percent currently renew online.
- The DLD call center can answer only about 10 percent of calls because of the high volume (7 million calls received annually) and the number of staff dedicated to this task.
- In evaluating the fiscal funding for a transfer of DLD to DMV or a stand-alone agency, the Study Team found that:
 - Based on how the legislature historically has funded agency transfers, transferring the program to DMV would be cost-neutral to the state budget overall. The \$594.4 million currently appropriated to DPS to support the program would transfer to DMV.
 - Creating a new stand-alone agency would cost an estimated additional \$12.7 million to the state, for a total biennial cost of \$607.1 million.
- The legislature has directed, and state agencies have accomplished, numerous program transfers with limited problems and, often, improvements.

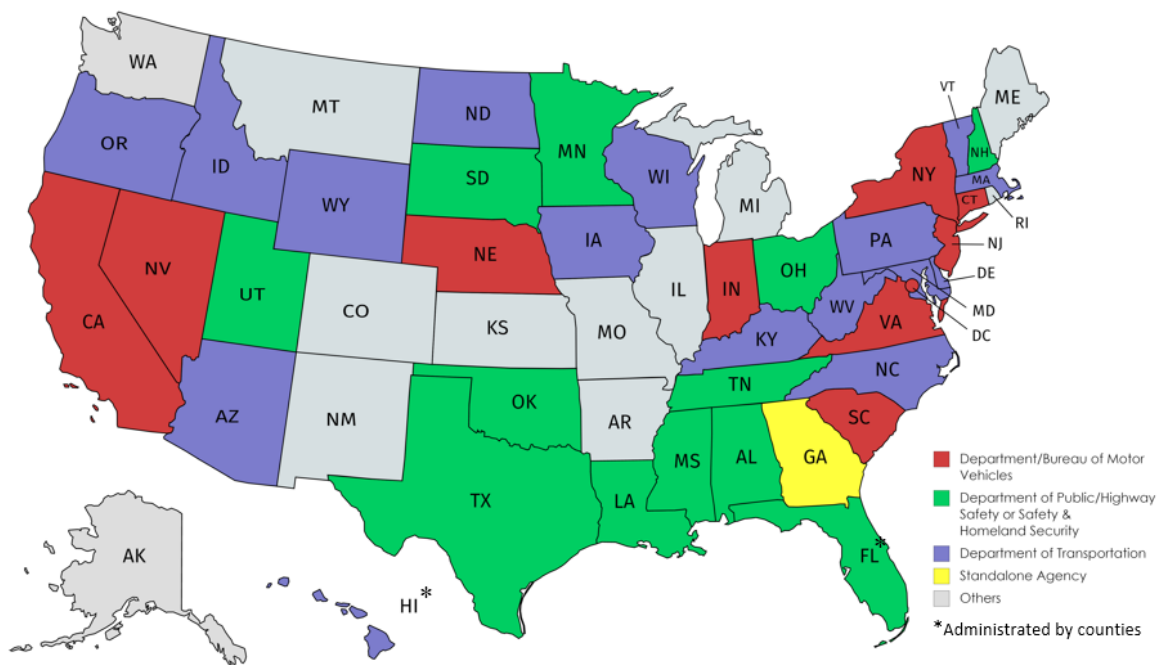


Figure E.1 Driver License Programs by State

Key Recommendations

The Study Team provides the following recommendations in two areas. Some recommendations may require additional resources in funding, staffing, and technology.

Management and Operating Structure Recommendations

The Study Team developed the matrix shown in Table E.1 using a five-point Likert scale to aid in determining the optimal location of the Driver License Program. Following a rigorous investigation, the Study Team recommends that DLD form a new stand-alone state agency.

Table E.1 Decision Matrix.

Criteria	DPS – Baseline	DPS – Future	Transfer to DMV	Create stand-alone agency
Customer Service	Very Poor	Average	Good	Good
Compliance/Security	Good	Good	Average	Good
Accountability/Trust	Very Poor	Poor	Good	Very Good
Efficiency/Cost	Very Poor	Average	Good	Good
Culture/Staffing	Poor	Average	Average	Good
Disruption	N/A	Good	Very Poor	Poor

For each criterion, current or projected performance is defined as:

Very Poor	Poor	Average	Good	Very Good
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This matrix shows rankings for each of the three options: keep DLD at DPS, move it to DMV, or create a stand-alone agency. Rankings for each of the three options are split into six categories: Customer Service, Compliance/Security, Accountability/Trust, Efficiency/Cost, Culture/Staffing, and Disruption. The Study Team did not assign numeric weights to these six criteria. The legislature may choose to evaluate the three options based on specific subsets of criteria or by weighting each of the six criteria as preferred.

Additionally, a DPS Baseline ranking is included for comparison purposes. The 86th Legislature required this study because of the legislature's perception of DLD's poor performance at DPS. The DPS Baseline rankings, therefore, attempt to quantify DLD's performance issues as of June

2019, which is when the legislature formally required this study. Note that improvements made to DLD during the 86th Legislative Session are not included in DPS Baseline because data is not yet available to quantify the impact of these changes. For example, DPS Baseline does not include the \$212.4 million additional funds earmarked for DLD enhancements in FY 2020–21.

In refining recommendations for DLD's transition to a new agency, the Study Team developed a multi-year transition timeline. The first several years comprise the bulk of the transition activity. The following years afford the legislature check-in points to address any oversight and provide course corrections, with the timeline extending to encompass the first full Sunset and LBB reviews.

Operational Recommendations

The Study Team developed a set of recommendations that do not depend on where the Driver License Program resides; these recommendations are critical to the program's success in general, with the most critical shown here. The rest appear in the full report.

- Redesign the website using a modern, user-friendly, fully functional design that displays well on mobile devices and supports multiple languages. Well-defined navigation should guide the user, with prominent placement of the documents needed for in-person visits and a clear explanation of whether a user is eligible to renew online.
- Reduce limitations to renewing online.
- Incentivize online transactions by offering discount instead of charging convenience fee.

- Create a dedicated Public Information Office (PIO) with an active staff providing education on and awareness of DLD programs and activities.
- Ensure that the PIO uses all social media available to distribute agency information in multiple languages.
- Develop a modern contact center to boost call center deflections by strategically opening up less expensive digital channels to customers.
- Review salary levels at least every two years for competitiveness.
- Review all operations at least every two years for optimum number and placement of FTEs in all areas of DLD. Adjust staffing where needed and ask the legislature for additional FTEs where warranted to meet performance measures.

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Board Policy Documents

Governance Process (10/13/11)

Strategic Planning (10/13/11)

Board Vision (4/7/16)

Agency Boundaries (9/13/12)

KPIs (9/12/14)

Texas Department of Motor Vehicles TxDMV Board Governance Policy

1. PURPOSE

The directives presented in this policy address board governance of the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. The TxDMV Board Governance Policy shall be one that is comprehensive and pioneering in its scope.

3. POLICY

3.1. TxDMV Board Governing Style

The Board shall govern according to the following general principles: (a) a vision for the agency, (b) diversity in points of view, (c) strategic leadership, providing day-to-day detail as necessary to achieve the agency vision, (d) clear distinction of Board and Executive Director roles, (e) collective decision making, (f) react proactively rather than reactively and with a strategic approach. Accordingly:

3.1.1. The Board shall provide strategic leadership to TxDMV. In order to do this, the Board shall:

3.1.1.1. Be proactive and visionary in its thinking.

3.1.1.2. Encourage thoughtful deliberation, incorporating a diversity of viewpoints.

3.1.1.3. Work together as colleagues, encouraging mutual support and good humor.

3.1.1.4. Have the courage to lead and make difficult decisions.

3.1.1.5. Listen to the customers and stakeholders needs and objectives.

3.1.1.6. Anticipate the future, keeping informed of issues and trends that may affect the mission and organizational health of the TxDMV.

3.1.1.7. Make decisions based on an understanding that is developed by appropriate and complete stakeholder participation in the process of identifying the needs of the motoring public, motor vehicle industries,

and best practices in accordance with the mission and vision of the agency.

- 3.1.1.8. Commit to excellence in governance, including periodic monitoring, assessing and improving its own performance.
- 3.1.2. The Board shall create the linkage between the Board and the operations of the agency, via the Executive Director when policy or a directive is in order.
- 3.1.3. The Board shall cultivate a sense of group responsibility, accepting responsibility for excellence in governance. The Board shall be the initiator of policy, not merely respond to staff initiatives. The Board shall not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
- 3.1.4. The Board shall govern the agency through the careful establishment of policies reflecting the board's values and perspectives, always focusing on the goals to be achieved and not the day-to-day administrative functions.
- 3.1.5. Continual Board development shall include orientation of new Board members in the board's governance process and periodic board discussion of how to improve its governance process.
- 3.1.6. The Board members shall fulfill group obligations, encouraging member involvement.
- 3.1.7. The Board shall evaluate its processes and performances periodically and make improvements as necessary to achieve premier governance standards.
- 3.1.8. Members shall respect confidentiality as is appropriate to issues of a sensitive nature.

3.2. TxDMV Board Primary Functions/Characteristics

TxDMV Board Governance can be seen as evolving over time. The system must be flexible and evolutionary. The functions and characteristics of the TxDMV governance system are:

- 3.2.1. Outreach
 - 3.2.1.1. Monitoring emerging trends, needs, expectations, and problems from the motoring public and the motor vehicle industries.
 - 3.2.1.2. Soliciting input from a broad base of stakeholders.
-

3.2.2. Stewardship

3.2.2.1. Challenging the framework and vision of the agency.

3.2.2.2. Maintaining a forward looking perspective.

3.2.2.3. Ensuring the evolution, capacity and robustness of the agency so it remains flexible and nimble.

3.2.3. Oversight of Operational Structure and Operations

3.2.3.1. Accountability functions.

3.2.3.2. Fiduciary responsibility.

3.2.3.3. Checks and balances on operations from a policy perspective.

3.2.3.4. Protecting the integrity of the agency.

3.2.4. Ambassadorial and Legitimizing

3.2.4.1. Promotion of the organization to the external stakeholders, including the Texas Legislature, based on the vision of the agency.

3.2.4.2. Ensuring the interests of a broad network of stakeholders are represented.

3.2.4.3. Board members lend their positional, professional and personal credibility to the organization through their position on the board.

3.2.5. Self-reflection and Assessment

3.2.5.1. Regular reviews of the functions and effectiveness of the Board itself.

3.2.5.2. Assessing the level of trust within the Board and the effectiveness of the group processes.

3.3. Board Governance Investment

Because poor governance costs more than learning to govern well, the Board shall invest in its governance capacity. Accordingly:

3.3.1. Board skills, methods, and supports shall be sufficient to ensure governing with excellence.

- 3.3.1.1. Training and retraining shall be used liberally to orient new members, as well as maintain and increase existing member skills and understanding.
 - 3.3.1.2. Outside monitoring assistance shall be arranged so that the board can exercise confident control over agency performance. This includes, but is not limited to, financial audits.
 - 3.3.1.3. Outreach mechanisms shall be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.
 - 3.3.1.4. Other activities as needed to ensure the Board's ability to fulfill its ethical and legal obligations and to represent and link to the motoring public and the various motor vehicle industries.
- 3.3.2. The Board shall establish its cost of governance and it will be integrated into strategic planning and the agency's annual budgeting process.

3.4. Practice Discipline and Assess Performance

The Board shall ensure the integrity of the board's process by practicing discipline in Board behavior and continuously working to improve its performance. Accordingly:

- 3.4.1. The assigned result is that the Board operates consistently with its own rules and those legitimately imposed on it from outside the organization.
 - 3.4.1.1. Meeting discussion content shall consist solely of issues that clearly belong to the Board to decide or to monitor according to policy, rule and law. Meeting discussion shall be focused on performance targets, performance boundaries, action on items of Board authority such as conduct of administrative hearings, proposal, discussion and approval of administrative rule-making and discussion and approval of all strategic planning and fiscal matters of the agency.
 - 3.4.1.2. Board discussion during meetings shall be limited to topics posted on the agenda.
 - 3.4.1.3. Adequate time shall be given for deliberation which shall be respectful, brief, and to the point.
- 3.4.2. The Board shall strengthen its governing capacity by periodically assessing its own performance with respect to its governance model. Possible areas of assessment include, but are not limited to, the following:
 - 3.4.2.1. Are we clear and in agreement about mission and purpose?

- 3.4.2.2. Are values shared?
- 3.4.2.3. Do we have a strong orientation for our new members?
- 3.4.2.4. What goals have we set and how well are we accomplishing them?
- 3.4.2.5. What can we do as a board to improve our performance in these areas?
- 3.4.2.6. Are we providing clear and relevant direction to the Executive Director, stakeholders and partners of the TxDMV?
- 3.4.3. The Board Chair shall periodically promote regular evaluation and feedback to the whole Board on the level of its effectiveness.

Texas Department of Motor Vehicles Strategic Planning Policy

1. PURPOSE

The directives presented in this policy address the annual Strategic Planning process at the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. TxDMV Strategic Planning Policy attempts to develop, document and expand its policy that is comprehensive in its scope in regards to the strategic planning process of the Board and the Department beyond that of the state strategic planning process.

3. POLICY

3.1. TxDMV Board Strategic Planning

This policy describes the context for strategic planning at TxDMV and the way in which the strategic plan shall be developed and communicated.

- 3.1.1. The Board is responsible for the strategic direction of the organization, which includes the vision, mission, values, strategic goals, and strategic objectives.
- 3.1.2. TxDMV shall use a 5-year strategic planning cycle, which shall be reviewed and updated annually, or as needed.
- 3.1.3. The 5-year strategic plan shall be informed by but not confined by requirements and directions of state and other funding bodies.
- 3.1.4. In developing strategic directions, the Board shall seek input from stakeholders, the industries served, and the public.
- 3.1.5. The Board shall:
 - 3.1.5.1. Ensure that it reviews the identification of and communication with its stakeholders at least annually.
 - 3.1.5.2. Discuss with agency staff, representatives of the industries served, and the public before determining or substantially changing strategic directions.

-
- 3.1.5.3. Ensure it receives continuous input about strategic directions and agency performance through periodic reporting processes.
 - 3.1.6. The Board is responsible for a 5-year strategic plan that shall identify the key priorities and objectives of the organization, including but not limited to:
 - 3.1.6.1. The creation of meaningful vision, mission, and values statements.
 - 3.1.6.2. The establishment of a Customer Value Proposition that clearly articulates essential customer expectations.
 - 3.1.6.3. A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, to be updated annually.
 - 3.1.6.4. An assessment of external factors or trends (i.e., customer needs, political factors, economic factors, industry trends, technology factors, uncertainties, etc.)
 - 3.1.6.5. Development of the specific goals and objectives the Department must achieve and a timeline for action.
 - 3.1.6.6. Identification of the key performance indicators to measure success and the initiatives that shall drive results.
 - 3.1.6.7. Engage staff at all levels of the organization, through the executive director, in the development of the strategic plan through surveys, interviews, focus groups, and regular communication.
 - 3.1.6.8. Ensure the strategic planning process produces the data necessary for LBB/GOBPP state required compliance while expanding and enhancing the strategic plan to support the needs of the TxDMV. The overall strategic plan shall be used as a tool for strategic management.
 - 3.1.7. The Board delegates to the Executive Director the responsibility for **implementing** the agency's strategic direction through the development of agency wide and divisional operational plans.
-

Texas Department of Motor Vehicles TxDMV Goals and Objectives

1. PURPOSE

The information presented in this policy addresses the goals and key objectives of the Board of the Texas Department of Motor Vehicles (TxDMV) as they relate to the mission, vision, and values of the TxDMV.

2. SCOPE

The scope of this policy is to define the desired state the TxDMV Board is working to achieve. This policy is designed to be inspirational in outlining the desired state of the agency that supports the TxDMV Board vision and meeting agency goals.

3. TxDMV MISSION

To serve, protect and advance the citizens and industries in the state with quality motor vehicle related services.

4. TxDMV VISION

The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.

5. TxDMV VALUES

To earn the trust and faith of all citizens of Texas with transparency, efficiency, excellence, accountability, and putting stakeholders first.

- 5.1. **Transparency** – Being open and inclusive in all we do.
- 5.2. **Efficiency** – Being good stewards of state resources by providing products and services in the most cost-effective manner possible.
- 5.3. **Excellence** – Working diligently to achieve the highest standards.
- 5.4. **Accountability** – Accepting responsibility for all we do, collectively and as individuals.
- 5.5. **Stakeholders** – Putting customers and stakeholders first, always.

6. TxDMV GOALS

6.1. GOAL 1 – Performance Driven

The TxDMV shall be a performance driven agency in its operations whether it is in customer service, licensing, permitting, enforcement or rule-making. At all times the TxDMV shall mirror in its performance the expectations of its customers and stakeholder by effective, efficient, customer-focused, on-time, fair, predictable and thorough service or decisions.

6.1.1. Key Objective 1

The TxDMV shall be an agency that is retail-oriented in its approach. To accomplish this orientation TxDMV shall concentrate the focus of the agency on:

- 6.1.1.1. Delivering its products and services to all of its customers and stakeholders in a manner that recognizes that their needs come first. These needs must be positively and proactively met. TxDMV works for and with its customers and stakeholders, not the other way around.
- 6.1.1.2. Operating the agency's licensing and registration functions in a manner akin to how a private, for-profit business. As a private, for-profit business, TxDMV would have to listen to its customers and stakeholders and implement best practices to meet their needs or its services would no longer be profitable or necessary. Act and react in a manner that understands how to perform without a government safety net and going out of business.
- 6.1.1.3. Simplify the production and distribution processes and ease of doing business with the TxDMV. Adapting and maintaining a business value of continuous improvement is central to TxDMV operations and processes.
- 6.1.1.4. All operations of the TxDMV shall stand on their own merits operationally and financially. If a current process does not make sense then TxDMV shall work within legislative and legal constraints to redesign or discard it. If a current process does not make or save money for the state and/or its customers or stakeholders then TxDMV shall work within legislative and legal constraints to redesign or discard it. TxDMV shall operate as efficiently and effective as possible in terms of financial and personnel needs. Divisions should focus on cost savings without sacrificing performance. Division directors are accountable for meeting these needs and applicable measures. All division directors are collectively responsible for the performance of TxDMV as a whole.
- 6.1.1.5. Focus on revenue generation for transportation needs as well as the needs of its customers.
- 6.1.1.6. Decisions regarding the TxDMV divisions should be based on the overriding business need of each division to meet or provide a specific service demand, with the understanding and coordination of overarching agency-wide needs.

- 6.1.1.7. Developing and regularly updating a long-range Statewide Plan describing total system needs, establishing overarching statewide goals, and ensuring progress toward those goals.
- 6.1.1.8. The TxDMV shall establish a transparent, well-defined, and understandable system of project management within the TxDMV that integrates project milestones, forecasts, and priorities.
- 6.1.1.9. The TxDMV shall develop detailed work programs driven by milestones for major projects and other statewide goals for all TxDMV divisions.
- 6.1.1.10. The TxDMV, with input from stakeholders and policymakers, shall measure and report on progress in meeting goals and milestones for major projects and other statewide goals.

6.2. GOAL 2 – Optimized Services and Innovation

The TxDMV shall be an innovative, forward thinking agency that looks for ways to promote the economic well-being and development of the industries it serves as well as the State of Texas within the legislative boundaries that have been established for the agency.

6.2.1. Key Objective 1

The TxDMV shall achieve operational, cultural, structural and financial independence from other state agencies.

- 6.2.1.1. Build the TxDMV identity. This means that TxDMV shall make customers aware of what services we offer and how they can take advantage of those services.
- 6.2.1.2. Build the TxDMV brand. This means that TxDMV shall reach out to the stakeholders, industries we serve and the public, being proactive in addressing and anticipating their needs.
- 6.2.1.3. Determine immediate, future, and long term facility and capital needs. TxDMV needs its own stand-alone facility and IT system as soon as possible. In connection with these needs, TxDMV shall identify efficient and effective ways to pay for them without unduly burdening either the state, its customers or stakeholders.
- 6.2.1.4. All regulations, enforcement actions and decision at TxDMV shall be made in a timely, fair and predictable manner.

6.2.2. Key Objective 2

Provide continuous education training on business trends in the industry with a particular emphasis on activities in Texas.

6.2.3. Key Objective 3

Provide continuous outreach services to all customers and stakeholders to access their respective needs and wants. This includes helping frame legislative or regulatory issues for consideration by other bodies including the legislature.

6.2.4. Key Objective 4

Examine all fees to determine their individual worth and reasonableness of amount. No fee shall be charged that cannot be defended financially and operationally.

6.3. GOAL 3 – Customer-centric

The TxDMV shall be a customer-centric agency that delivers today's services and decisions in a positive, solution-seeking manner while ensuring continuous, consistent and meaningful public and stakeholder involvement in shaping the TxDMV of tomorrow.

6.3.1. Key Objective 1

The TxDMV shall seek to serve its customer base through a creative and retail oriented approach to support the needs of its industries and customers.

6.3.2. Key Objective 2

The TxDMV shall develop and implement a public involvement policy that guides and encourages meaningful public involvement efforts agency-wide.

6.3.3. Key Objective 3

The TxDMV shall develop standard procedures for documenting, tracking, and analyzing customer complaint data. Successful problem resolution metrics should be monitored to support continuous improvement activities that shall permanently improve customer facing processes.

6.3.4. Key Objective 4

The TxDMV shall provide a formal process for staff with similar responsibilities to share best practices information.

6.3.5. Key Objective 5



The TxDMV shall provide central coordination of the Department's outreach campaigns.

6.3.6. Key Objective 6

The TxDMV shall develop and expand user friendly, convenient, and efficient website applications.

6.3.7. Key Objective 7

TxDMV shall timely meet all legislative requests and mandates.

Agency Operational Boundaries as Defined by Department Policies of the TxDMV Board (Board)

The Board is responsible for the policy direction of the agency. The Board's official connection to the day-to-day operation of the Texas Department of Motor Vehicles (TxDMV) and the conduct of its business is through the Executive Director of the TxDMV (ED) who is appointed by the Board and serves at its pleasure. The authority and accountability for the day-to-day operations of the agency and all members of the staff, except those members who report directly to the Board, is the sole responsibility of the ED.

In accordance with its policy-making authority the Board has established the following policy boundaries for the agency. The intent of the boundaries is not to limit the ability of the ED and agency staff to manage the day-to-day operations of the agency. To the contrary, the intent of the boundaries is to more clearly define the roles and responsibilities of the Board and the ED so as to liberate the staff from any uncertainty as to limitations on their authority to act in the best interest of the agency. The ED and staff should have certainty that they can operate on a daily basis as they see fit without having to worry about prior Board consultation or subsequent Board reversal of their acts.

The ED and all agency employees shall act at all times in an exemplary manner consistent with the responsibilities and expectations vested in their positions. The ED and all agency employees shall act in a manner consistent with Board policies as well as with those practices, activities, decisions, and organizational circumstances that are legal, prudent, and ethical. It is the responsibility of the ED to ensure that all agency employees adhere to these boundaries.

Accordingly, the TxDMV boundaries are as follows:

1. The day-to-day operations of the agency should be conducted in a manner consistent with the vision, mission, values, strategic framework, and performance metrics as established by the Board. These elements must not be disregarded or jeopardized in any way.
2. A team-oriented approach must be followed on all enterprise-wide decisions to ensure openness and transparency both internally and externally.
3. The agency must guard against allowing any financial conditions and decision which risk adverse fiscal consequences, compromise Board financial priorities, or fail to

show an acceptable level of foresight as related to the needs and benefits of agency initiatives.

4. The agency must provide timely, accurate, and honest information that will afford the Board, public, stakeholders, executive branch and the legislature the best ability to evaluate all sides of an issue or opportunity before forming an opinion or taking action on it. Any information provided that is intentionally untimely, inaccurate, misleading or one-sided will not be tolerated.
5. The agency must take all reasonable care to avoid or identify in a timely manner all conflicts of interest or even the appearance of impropriety in awarding purchases, negotiating contracts or in hiring employees.
6. The agency must maintain adequate administrative policies and procedures that are understandable and aid in staff recruitment, development and retention.
7. The agency must maintain an organizational structure that develops and promotes the program areas from an enterprise-wide perspective. No organizational silos or sub-agencies will be allowed. We are the TxDMV.
8. The agency must empower its entire staff to deliver a positive customer experience to every TxDMV customer, stakeholder or vendor to reduce their effort and make it easier for them to do business with the TxDMV.
9. The agency must at all times look to flattening its organizational structure to reduce cost as technology advances allow.
10. Agency staff shall anticipate and resolve all issues timely.
11. The agency must maximize the deployment and utilization of all of its assets – people, processes and capital equipment – in order to fully succeed.
12. The agency must not waste the goodwill and respect of our customers, stakeholders, executive branch and legislature. All communication shall be proper, honest, and transparent with timely follow-up when appropriate.
13. The agency should focus its work efforts to create value, make sure that processes, programs, or projects are properly designed, budgeted and vetted as appropriate with outside stakeholders to ensure our assumptions are correct so positive value continues to be created by the actions of the TxDMV.
14. The ED through his or her staff is responsible for the ongoing monitoring of all program and fiscal authorities and providing information to the Board to keep it apprised of all program progress and fiscal activities. This self-assessment must result in a product that adequately describes the accomplishment of all program

goals, objectives and outcomes as well as proposals to correct any identified problems.

15. In advance of all policy decisions that the Board is expected to make, the ED will provide pertinent information and ensure board members understand issues/matters related to the pending policy decision. Additionally, the ED or designee will develop a process for planning activities to be performed leading up to that particular policy decision and the timeframe for conducting these planning activities. It is imperative that the planning process describes not only when Board consideration will be expected but also when prior Board consultation and involvement in each planning activity will occur.
16. In seeking clarification on informational items Board members may directly approach the ED or his or her designee to obtain information to supplement, upgrade or enhance their knowledge and improve the Board's decision-making. Any Board member requests that require substantive work should come to the Board or Committee Chairs for direction.
17. The agency must seek stakeholder input as appropriate on matters that might affect them prior to public presentation of same to the Board.
18. The agency must measure results, track progress, and report out timely and consistently.
19. The ED and staff shall have the courage to admit a mistake or failure.
20. The ED and staff shall celebrate successes!

The Board expects the ED to work with agency staff to develop their written interpretation of each of the boundaries. The ED will then present this written interpretation to the Board prior to discussion between the Board and ED on the interpretation. The Board reserves the right to accept, reject or modify any interpretation. The intent is that the Board and the ED will come to a mutually agreeable interpretation of agency boundaries that will then form the basis of additional written thought on the part of the ED and staff as to how these boundaries will influence the actions of the agency.

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Performance Driven	Effective and efficient services	1	Average processing time for new franchise license applications	45 days	35 days		MVD
		2	Average processing time for franchise renewals	11 days	5 days		MVD
		3	Average processing time of franchise license amendments	20 days	8 days		MVD
		4	Average processing time for new Dealer's General Distinguishing Number (GDN) license applications	35 days	17 days		MVD
		5	Average processing time for GDN renewals	14 days	7 days		MVD
		6	Average processing time for GDN license amendments	19 days	7 days		MVD
		7	Average turnaround time for single-trip routed permits	33.88 mins	32 mins		MCD
		8	Average turnaround time for intrastate authority application processing	1.47 days	1.4 days		MCD
		9	Average turnaround time for apportioned registration renewal applications processing	2 days	2 days		MCD
		10	Average turnaround time to issue salvage or non-repairable vehicle titles	5 days	4 days		VTR
		11	Average time to complete motor vehicle complaints with no contested case proceeding	131 days	120 days		ENF
		12	Average time to complete motor vehicle complaints with contested case proceeding	434 days	400 days		ENF
		13	Average time to complete salvage complaints with no contested case proceeding	131 days	120 days		ENF
		14	Average time to complete salvage complaints with contested case proceeding	434 days	400 days		ENF
		15	Average time to complete motor carrier complaints with no contested case proceeding	297 days	145 days		ENF
		16	Average time to complete motor carrier complaints with contested case proceeding	133 days	120 days		ENF
		17	Average time to complete household goods complaints with no contested case proceeding	432 days	145 days		ENF
		18	Average time to complete household goods complaints with contested case proceeding	371 days	180 days		ENF
		19	Average time to complete Oversize/Overweight (OS/OW) complaints with no contested case proceeding	40 days	35 days		ENF
		20	Average time to complete OS/OW complaints with contested case proceeding	265 days	250 days		ENF
		21	Percent of lemon law cases resolved prior to referral for hearing	76%	60%		ENF
		22	Average time to complete lemon law cases where no hearing is held	147 days	65 days		ENF
		23	Average time to complete lemon law cases where hearing is held	222 days	150 days		ENF
		24	Percent of total renewals and net cost of registration renewal: A. Online B. Mail C. In Person	A. 15% B. 5% C. 80%	A. 16% B. 5% C. 79%		VTR
		25	Total dealer title applications: A. Through Webdealer B. Tax Office	Baseline in development	A. 5% B. 95%		VTR

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Optimized Services and Innovation		26	Percent of total lien titles issued: A. Electronic Lien Title B. Standard Lien Title	A. 16% B. 84%	A. 20% B. 80%		VTR
		27	Percent of total OS/OW permits: A. Online (self-issued) B. Online (MCD-issued) C. Phone D. Mail E. Fax	A. 57.47% B. 23.03% C. 11.33% D. 1.76% E. 6.4%	A. 58% or greater B. 25% or greater C. 10% or less D. 1.7% or less E. 5.3% or less		MCD
		28	Average time to complete lemon law and warranty performance cases after referral	Baseline in development	25 days		OAH
		29	Average time to issue a decision after closing the record of hearing	Baseline in development	30 days		OAH
	Implement appropriate best practices	30	Percent of audit recommendations implemented	Baseline in development	90% annual goal for these recommendations which Internal Audit included in a follow-up audit		IAD
	Continuous business process improvement and realignment	31	Percent of projects approved by the agency's governance team that finish within originally estimated time (annual)	57%	100%		EPMO
		32	Percent of projects approved by the agency's governance team that finish within originally estimated budget (annual)	71%	100%		EPMO/ FAS
		33	Percent of monitoring reports submitted to Texas Quality Assurance Team (TXQAT) by or before the due date	79%	100%		EPMO
		34	Percent of project manager compliance with EPMD project management standards based upon internal quality assurance reviews	Baseline in development	100%		EPMD
	Executive ownership and accountability for results	35	Percent of employees due a performance evaluation during the month that were completed on time by division.	Baseline in development	100%		HR
		36	Percent of goals accomplished as stated in the directors performance evaluation	Baseline in development	Measure annually at the end of the fiscal year		EXEC
	Organizational culture of continuous improvement and creativity	37	Employees who rate job satisfaction as above average as scored by the Survey of Employee Engagement (SEE)	3.47 (SEE 2012)	3.65	3.60 (SEE 2013)	HR
		38	Increase in the overall SEE score	337 (SEE 2012)	360	351 (SEE 2013)	HR
Focus on the internal customer	Focus on the internal customer	39	Percent of favorable responses from customer satisfaction surveys	Baseline in development	90%		EPMD
		40	Annual agency voluntary turnover rate	6.5% (FY 2013)	5.0%		HR
	Increase transparency with external customers	41	Number of education programs conducted and number of stakeholders/customers attending education programs	4.48/80.61	4/80		MCD
		42	Number of education programs conducted and number of stakeholders/customers attending education programs	36/335	42/390		VTR
		43	Number of eLearning training modules available online through the Learning Management System and number of modules completed by stakeholders/customers	eLearning Modules Available - 28 Completed - 735	Available - 31 Completed - 814		VTR

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Customer Center	Excellent Service Delivery	44	Number of Shows and Exhibits attended to educate stakeholders/customers about TxDMV services and programs	6	7		MVD
		45	Number of education programs conducted and number of stakeholders/customers attending education programs	3/250	3/250		ENF
		46	Number of education programs conducted and number of stakeholders/customers attending education programs	3/150	4/300		ABTPA
		47	Percent of customers and stakeholders who express above average satisfaction with communications to and from TxDMV	Baseline in development	80%		All Divisions
		48	Average hold time	9 min	9 min		CRD
		49	Abandoned call rate	22%	20%		CRD
		50	Average hold time	Baseline in development	1 min		ITS
		51	Abandoned call rate	Baseline in development	5%		ITS
		52	Average hold time	Credentialing - 1.6 minutes Permits - 2.08 minutes CFS - 54.38 seconds	Credentialing - 1.5 minutes Permits - 2 minutes CFS - 50 seconds		MCD
		53	Abandoned call rate	Credentialing - 7% Permits - 6.42% CFS - 5.63%	Credentialing - 6% Permits - 5% CFS - 5%		MCD
Key:		Critical	Off Target		On target		Not yet started
Vision: The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.							
Mission: To serve, protect, and advance the citizens and industries in the state with quality motor vehicle related services.							
Philosophy: The Texas Department of Motor Vehicles is customer-focused and performance driven. We are dedicated to providing services in an efficient, effective and progressive manner as good stewards of state resources. With feedback from our customers, stakeholders and employees, we work to continuously improve our operations, increase customer satisfaction and provide a consumer friendly atmosphere.							
Values: We at the Texas Department of Motor Vehicles are committed to: TEXAS-Transparency, Efficiency, EXcellence, Accountability, and Stakeholders.							