

Board Meeting Agenda Book



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

February 8, 2018

Full Board Meeting, 8:00 a. m.

AGENDA
BOARD MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR ROOM
AUSTIN, TEXAS 78731
THURSDAY, FEBRUARY 8, 2018
8:00 A.M.

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

PAGE

1. **Roll Call and Establishment of Quorum**
2. **Pledge of Allegiance**
3. **Chair's Reports** - Chairman Raymond Palacios
 - A. Chair's Annual Report to Governor on State of Affairs 2017
 - B. Introduction of Board Liaison
- 6 4. **Executive Director's Reports** - Whitney Brewster
 - A. [Awards, Recognition of Years of Service, and Announcements](#)
 - B. Sunset Review Status Update
 - C. Hurricane Response
 - 7 D. [Introduction of Compliance and Investigations Division Director, Tim Menke](#)

BRIEFINGS AND ACTION ITEMS

- 8 5. **Automobile Burglary and Theft Prevention Authority** - Bryan Wilson and Linda M. Flores
[Request TxDMV Board to recommend Unexpended Balance Authority for ABTPA](#)
- 11 6. **Delegation of Signature Authority to the Executive Director for Execution of New Contract for Standard Presumptive Value Calculator** - Jonathan O'Quinn
- 12 7. **Specialty Plate Design** - Jeremiah Kuntz
 - A. Route 66 (New Vendor Plate)
 - B. Red Racing Stripes (New Vendor Plate)
- 14 8. **Finance and Audit**
 - A. [2017 End of the Year Reports](#) - Linda M. Flores and Sergio Rey (BRIEFING ONLY)
 - Annual Financial Report
 - Annual Report of Nonfinancial Data

PAGE

- 69 B. [FY 2018 Quarterly Financial Report](#) - Linda M. Flores and Renita Bankhead
(BRIEFING ONLY)
- 80 C. [FY 2018 Operating Budget Contracts](#) - Linda M. Flores and Renita Bankhead
(BRIEFING ONLY)
- 88 D. [Facilities Update](#) - Linda M. Flores and Ann Pierce (BRIEFING ONLY)
- 93 E. [Peer Review Process](#) - Sandra Menjivar-Suddeath (BRIEFING ONLY)
- 111 F. [Internal Audit Update](#) - Sandra Menjivar-Suddeath (BRIEFING ONLY)
- Open Records Audit
 - TxDMV Fund Audit
 - Advisory Service on Law Enforcement Training Oversight by Tx. Commission on Law Enforcement (TCOLE)

RULES - ADOPTION**Title 43, Texas Administrative Code**

- 136 9. **Chapter 209, Finance** - Linda M. Flores
New, §209.24
([Relating to charges for public information](#))
(*Proposal Published November 10, 2017 - 42 Tex. Reg. 6346*)
- 141 10. **Chapter 210, Contract Management** - Linda M. Flores
Amendments, §210.22
([Relating to the Historically Underutilized Business Program](#))
(*Proposal Published November 10, 2017 - 42 Tex. Reg. 6347*)
- 146 11. **Chapter 215, Motor Vehicle Distribution** - Corrie Thompson
Amendments, §215.210
([Relating to compliance with order granting relief for warranty performance obligations](#))
(*Proposal Published November 10, 2017 - 42 Tex. Reg. 6348*)
12. **Chapter 215, Motor Vehicle Distribution** - Jeremiah Kuntz
Amendments, §215.144
(*Proposal Published December 22, 2017 - 42 Tex. Reg. 7366*)
- Chapter 217, Vehicle Titles and Registration**
Amendments, §§217.71-217.73; and New, §217.74
(*Proposal Published December 22, 2017 - 42 Tex. Reg. 7372*)
- Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators and Salvage Vehicle Rebuilders**
Amendments, §221.72
(*Proposal Published December 22, 2017 - 42 Tex. Reg. 7378*)
- 153 ([Relating to document retention requirements for users of webDealer, including webSalvage](#))

13. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz

- Amendments, §217.2

184

(Relating to clarification of definitions of All-Terrain Vehicle (ATV) and Recreational Off-highway Vehicle (ROV))

(Proposal Published December 22, 2017 - 42 Tex. Reg. 7369)

- Amendments, §217.41

194

(Relating to HB 1790 on application for new disabled placard following seizure of placard)

(Proposal Published December 22, 2017 - 42 Tex. Reg. 7371)

- Amendments, §217.123 and §217.124

205

(Relating to charges for motor vehicle records; waiving fees for governmental entities)

(Proposal Published December 22, 2017 - 42 Tex. Reg. 7375)

14. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz

Amendments, §§217.43, 217.45, and 217.46

218

(Relating to amending registration expiration dates to 12 months for consistency)

(Proposal Published December 1, 2017 - 42 Tex. Reg. 6777)

15. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz

Amendments, §217.168 and §217.185

268

(Relating to petition for rulemaking on dealer deputy compensation)

(Proposal Published November 10, 2017 - 42 Tex. Reg. 6351)

16. Chapter 217, Vehicle Titles and Registration - Aline Aucoin

Amendments, §217.54

290

(Relating to HB 1793 - modifying the language regarding the payment of inspection fees and SB 2075 - clarifying the situations in which the one-time fee is due)

(Proposal Published November 10, 2017 - 42 Tex. Reg. 6349)

17. Chapter 219, Oversize and Overweight Vehicles and Loads - Aline Aucoin

Amendments, §§219.11, 219.42- 219.45, and 219.62-219.64

304

(Relating to modernizing the permitting process via electronic submissions and rule language cleanup)

(Proposal Published November 10, 2017 - 42 Tex. Reg. 6353)

RULES - PROPOSAL**Title 43, Texas Administrative Code****18. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz**

Amendments, §217.122 and §217.123

New, §§217.125 - 217.130

376

(Relating to motor vehicle record information and DPPA)

PAGE

19. Chapter 218, Motor Carriers - Aline Aucoin

395

Amendments, §218.13

(Relating to the requirement for sole proprietor applicants to scan a copy of their identification document into the eLINC system, as well as rule language cleanup regarding HB 3254)

20. Chapter 219, Oversize and Overweight Vehicles and Loads - Aline Aucoin

418

Amendments, §§219.2, 219.34, 219.35, and 219.36

(Relating to definitions and clarification of statutory language)

EXECUTIVE SESSION**21. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:**

- **Section 551.071** - Consultation with and advice from legal counsel regarding:
 - pending or contemplated litigation, or a settlement offer;
 - a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code, Chapter 551; or
 - any item on this agenda.

- **Section 551.074** - Personnel matters.
 - Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.

- **Section 551.089** - Security devices or security audits:
 - the deployment, or specific occasions for implementation, of security personnel or devices; or
 - a security audit.

22. Action Items from Executive Session**23. Public Comment****24. Adjournment**

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

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

Pursuant to Sections 30.06 and 30.07, Penal Code (trespass by license holder with a concealed or openly carried handgun), a person licensed under Subchapter H, Chapter

411, Government Code (handgun licensing law), may not enter this property with a concealed handgun or a handgun that is carried openly.

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

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

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



DATE: February 8, 2018

Action Requested: Briefing

To: Texas Department of Motor Vehicles Board
From: Whitney Brewster, Executive Director
Agenda Item: 4.A.
Subject: Executive Director's Reports – Recognition of Years of Service

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

Beginning November 3, 2016, the Executive Director will announce the name of individuals who retired from the agency and will recognize employees who have reached a state service milestone of 20 years and every five-year increment thereafter. Recognition at the February 8, 2018 Board meeting for retirements and state service awards include:

Tana Keeling in Human Resources Division reached 20 years of state service.
Sara Byers in the Motor Carrier Division reached 25 years of state service.
Brenesa Brown in the Vehicle Titles & Registration Division reached 25 years of state service.
Jennifer Schrier in the Consumer Relations Division reached 25 years of state service.
Tammy Briggs in the Information Technology Services Division reached 30 years of state service.
Linda Kirksey in the Vehicle Titles & Registration Division reached 35 years of state service.

Finally, the following individuals recently retired from the agency:

Terri Tuttle Moyer – Board Support
Todd Pederson - Information Technology Service Division

Timothy Menke
Director
Compliance and Investigations Division
Texas Department of Motor Vehicles



Timothy Menke serves as the Director of the new Compliance and Investigations Division for the Texas Department of Motor Vehicles (TxDMV). The creation of this new division will strengthen TxDMV's efforts to prevent and detect fraud, waste and abuse. The division will process complaints and investigate allegations of fraud related to motor vehicle title and registration, provide support for law enforcement, and work on compliance with tax assessor-collectors' offices and our regional service centers.

Prior to joining TxDMV, Menke served from as vice president for program integrity for Noridian Healthcare Solutions and was responsible for designing programs to eliminate fraud, waste, and abuse in federal contracts, and ensuring compliance with federal and state regulations. His previous experience includes 8 months of service as the assistant deputy inspector general for investigations for the Texas Health and Human Services Commission and 26 years as a federal agent specializing in fraud investigations at the United States Department of State and United States Department of Health and Human Services (HHS). He was also the deputy inspector general at HHS.

Tim holds a Master's degree in criminal justice from Radford University and a Bachelor's degree in criminal justice and psychology from the University of Dubuque.

DATE: February 8, 2018

Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Bryan Wilson, ABTPA Director on behalf of the ABTPA Board
Agenda Item: 5
Subject: Request TxDMV Board to recommend to LBB Unexpended Balance Authority for ABTPA

RECOMMENDATION

Make a written request to the Legislative Budget Board on behalf of the board of the Automobile Burglary and Theft Prevention Authority (ABTPA) for unexpended balance authority for up to \$500,000 within the biennium for appropriations related to the ABTPA.

PURPOSE AND EXECUTIVE SUMMARY

Funds appropriated to ABTPA are from General Revenue (GR) and are a line item in the TxDMV Appropriations Act pattern. Under General Appropriations Act FY 2018-2019 Article IX, Section 14.05, the TxDMV may request from the Legislative Budget Board the authority to transfer any unexpended and unobligated balances remaining as of August 31, 2018 for the same purposes for the fiscal year beginning September 1, 2018.

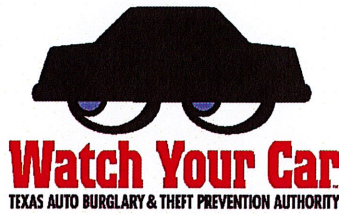
FINANCIAL IMPACT

Unexpended balance authority will help ABTPA avoid deeper cuts to grant programs and avoid losing more of the specially trained motor vehicle burglary and theft investigators supported by those grants. It would provide ABTPA flexibility in managing the funds to better meet their statutory purpose to combat motor vehicle burglary and theft. Funds will be used to ensure as many officers as possible remain on the job and that they have equipment, supplies and operating costs to perform their duties to reduce motor vehicle crimes.

BACKGROUND AND DISCUSSION

ABTPA funds that are not obligated before the end of the fiscal year lapse back into the GR Fund. The balance of lapsed GR funds for the last closed year (AY2016) was \$527,882. These grant funds are used to maintain a statewide collaborative network of highly trained law enforcement investigators. These officers mainly investigate motor vehicle burglaries and thefts. They also investigate many related crimes to convert stolen vehicles and property into economic gain where criminal enterprises fraudulently use state titling and related systems. Also, the law enforcement officers funded by ABTPA constitute the bulk of qualified officers who can legally identify vehicles using confidential means to support title and registration activities in the state of Texas.

The appropriation for ABTPA for the current biennium was cut by 14.5% compared to the last biennium. While funding for ABTPA grant programs was reduced, the legislature also added additional border security requirements. Failure to carry forward any unexpended funds means a likely further erosion in the number of law enforcement officers who support the state title and registration system.



ABTPA Board Members

Chief Carlos Garcia
 Chair
 Law Enforcement Representative
 Brownsville, Texas

Ken Ross
 Insurance Representative
 Houston, Texas

Ashley Hunter
 Insurance Representative
 Austin, Texas

Linda Kinney
 Consumer Representative
 Dripping Springs, Texas

Armin Mizani
 Consumer Representative
 Keller, Texas

Tommy Hansen
 Law Enforcement Representative
 Galveston, Texas

Ex Officio Member
Steven C. McCraw
 Major Wynn Reynolds—Designee
 Texas Department of Public Safety
 Austin, Texas

Bryan E. Wilson
 Director

January 29, 2018

Mr. Raymond Palacios, Jr. Chair
 Texas Department of Motor Vehicles Board
 4000 Jackson Avenue
 Austin, Texas 78731

RE: Request to the Legislative Budget Board for Unexpended Balance Authority

Dear Chairman Palacios:

Please consider in the next meeting of the Texas Department of Motor Vehicles (TxDMV) Board directing TxDMV management, to make a written request to the Legislative Budget Board for unexpended balance authority for up to \$500,000 within the biennium for appropriations related to the Automobile Burglary and Theft Prevention Authority (ABTPA).

Per the General Appropriations Act FY 2018-2019 Article IX, Section 14.05, an agency may transfer any unexpended and unobligated balances remaining as of August 31, 2018 for the same purposes for the fiscal year beginning September 1, 2018 if the agency has been granted written approval of the Legislative Budget Board.

ABTPA funds that are not obligated before the end of the fiscal year lapse back into the General Revenue (GR) Fund. The balance of lapsed GR funds for the last closed year (AY2016) was \$527,882. These grant funds are used to maintain a statewide collaborative network of highly trained law enforcement investigators (referred to as Taskforces). These officers mainly investigate the motor vehicle crimes of motor vehicle burglary and theft. They also investigate many related crimes to convert stolen vehicles and property into economic gain where criminal enterprises use or falsify state titling and transaction systems. The ABTPA taskforce law enforcement officers constitute the bulk of qualified officers who can appropriately identify vehicles using confidential means to support title and registration activities for the state of Texas. Failure to carry forward these funds means a potential erosion of law enforcement officers who support the state title and registration system.

As you are aware, the appropriation for ABTPA for the current biennium was cut by 14.5% compared to the last biennium. While funding for ABTPA grant programs was reduced, the legislature also added additional border security requirements. Unexpended balance

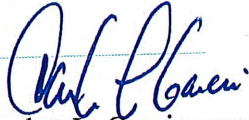
Page 2 – Letter to TxDMV Chairman Palacios

authority would be an important budgeting tool that will help ABTPA avoid deeper cuts to grant programs and avoid losing more of the specially trained motor vehicle burglary and theft investigators. The authorization would provide critical flexibility in managing the funds awarded to law enforcement agencies to their statutory purposes of combating motor vehicle burglary and theft. Funds will be used to ensure as many officers as possible remain on the taskforces and that the taskforces have equipment, supplies and operating costs to perform their service to the state of reducing these crimes

By submitting a formal, written request for unexpended balance authority for ABTPA related funds, you will help ensure ABPTA can continue its important work for the people of Texas.

Please contact me or the ABTPA Director, Bryan Wilson if you have any questions about this request.

Sincerely,



Carlos L. Garcia
ABTPA Board Chair
Chief of Police, Port of Brownsville



DATE: February 8, 2018

**Action Requested: APPROVE DELEGATION TO THE EXECUTIVE
DIRECTOR OF CONTRACT EXECUTION**

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jonathan O'Quinn, Chief Information Officer (Interim)
Agenda Item: 6.
Subject: Contract on Standard Presumptive Value (SPV) calculator for the TxDMV website

RECOMMENDATION

This agenda item is a request to delegate authority to the Executive Director to execute a contract for refresh of the Standard Presumptive Value (SPV) calculator for the TxDMV website.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) will request responses from vendors to provide software as a service (SaaS) for the purpose of calculation of the Standard Presumptive Value (SPV) of a vehicle to the public. The Request for Offer (RFO) for the services is not yet posted. Staff is requesting authority be delegated to the Executive Director to execute a contract, including up to three (2) optional renewals for two (2) years each for the service.

FINANCIAL IMPACT

This contract will be funded from FY18-19 Information Technology Services Division (ITSD) operating budget. As this is an ongoing procurement, financial implications should not be discussed in an open meeting.

BACKGROUND AND DISCUSSION

Texans who buy a used vehicle from anyone other than a licensed vehicle dealer are required to pay motor vehicle sales tax of 6.25 percent on the purchase price or standard presumptive value (SPV), whichever is the highest value.

SPV applies wherever the vehicle is purchased, in Texas or out of state. A vehicle's SPV is its worth based on similar sales in the Texas region. The Texas Legislature passed the law in 2009 to raise additional revenue to fund Texas schools.

Currently TxDMV is required to maintain information on standard presumptive value per Texas Tax Code §152.0412(f).

(f) The Texas Department of Motor Vehicles shall maintain information on the standard presumptive values of motor vehicles as part of the department's registration and title system. The department shall update the information at least quarterly each calendar year and publish, electronically or otherwise, the updated information.

This requirement by providing real time information obtained from the vendor and through the TxDMV website.

DATE: February 8, 2018

Action Requested: APPROVAL

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

RECOMMENDATION

The Vehicle Titles and Registration Division (VTR) seeks board approval or denial of two vendor plate designs submitted for your consideration.

PURPOSE AND EXECUTIVE SUMMARY

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

The renewed vendor contract specifies (paragraph #11, *Inventory Management Controls*) that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval in order for the plate to be produced. (Equally, existing plates must maintain 200 registered in order to stay in the program.) My Plates' procedure is to first offer a plate to the public to register their interest. Following the board's contingent approval, My Plates then offers a plate online for prepaid orders. My Plates confirms when 200 prepaid orders are achieved. (Since the contract with My Plates was renewed in March 2014, the board has contingently approved 19 vendor plates. Of the 19, six did not achieve the required 200 commitments and were not produced.)

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

Both plate designs were presented to the public in a January 2018 eView. The public's comments are summarized below with the new designs. Transportation Code, Section 504.008 allows the department to vary the designs of specialty plates to accommodate their use on vehicles other than passenger cars or light trucks. For this reason, going forward, VTR will feature each new specialty plate as a *collection*.

Red Racing Stripes: No negative comments were received; 260 people liked this design, and 51 did not.



Passenger



Motorcycle



Trailer



Private Bus

Route 66: No negative comments were received; 154 people liked this design, and 152 did not.



Passenger



Motorcycle



Trailer



Private Bus



Texas Department of Motor Vehicles

Vehicle Titles and Registration Division
Special Plates Unit
(7 FTEs) 2/18



Division Director
Jeremiah Kuntz

Revenue Generated for the State in FY 2017

\$17.4 Million

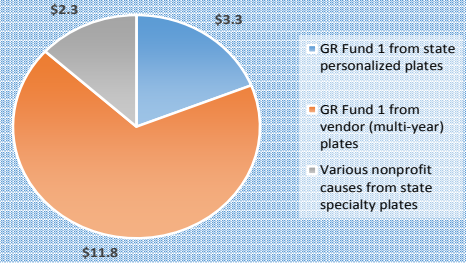
CURRENT SPECIALTY LICENSE PLATE (SLP) PROGRAM

Total SLP offered: **472**

- o Military plates: **180**
- o Other restricted use plates: **50**
- o State specialty plates: **125**
- o Vendor specialty plates: **117**



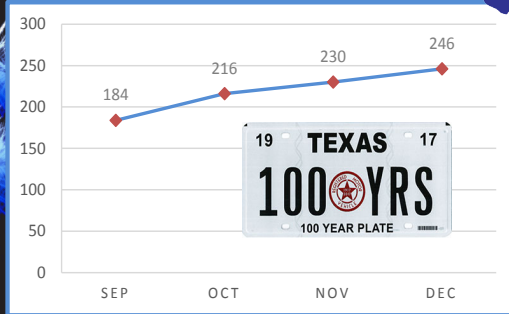
Distribution of \$17.4 million:



NEW PLATES implemented in November 2017



COMING SOON NEW PLATES In April 2018



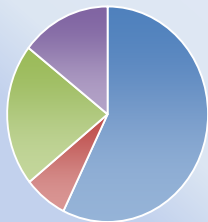
TEXAS



Texas currently offers 29 plates that support conservation and preservation:



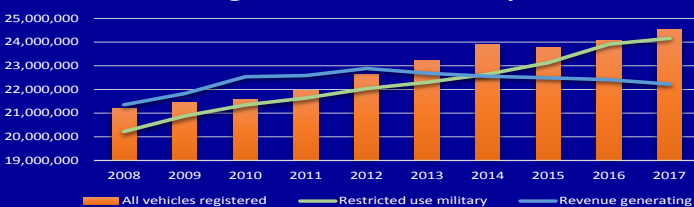
675,638 vehicles were registered with specialty plates in calendar year 2017



Category	% of all	Count
Restricted use plates for military and disabled veterans	57%	386,820
Vendor specialty plates	21%	144,339
State specialty plates	14%	97,537
Other restricted use plates	7%	46,942

Overall, the number of vehicles registered with specialty plates increased by 5,000 from calendar year 2016 to calendar year 2017. The increase was mostly in military plates for qualified veterans. These restricted use plates are available to veterans at no cost or with a discounted registration fee.

Specialty plates registered compared to all vehicles registered for the last 10 years



SPECIAL PLATES UNIT CUSTOMER SERVICE FY 2018 TO DATE (SEPT - DEC)

- 13,948 Personalized Plate Applications Reviewed (6% declined)
- 11,342 Telephone Calls
- 39 Walk-in Customers
- 3,758 E-mail
- 437 Refunds
- 19 Public Information/Open Records
- 2,640 Correspondence (including plate applications)

DATE: February 8, 2018

Action Requested: BRIEFING ONLY

To: The Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, Chief Financial Officer
Agenda Item: 8.A.
Subject: [End of Year Reports](#)

RECOMMENDATION

This is a briefing of the Annual Financial Report and the Annual Report of Nonfinancial Data for year ended August 31, 2017. No action required.

PURPOSE AND EXECUTIVE SUMMARY

The Annual Financial Report is prepared in compliance with Texas Government Code, Section 2101.011 and in accordance with the reporting requirements established by the Comptroller's Office. The report is not audited but will be considered for audit by the State Auditor's Office as part of the State of Texas Comprehensive Annual Financial Report. The annual report was submitted to the Texas Comptroller by November 20, 2017, in compliance with the established deadline.

Government Code Section § 2101.0115 was added by Act of May 26, 2001, 77th Leg., R.S., H.B. 2914 and requires state agencies to submit an *Annual Report of Nonfinancial Data*. This report includes nonfinancial schedules previously included in the Annual Financial Report. The *Annual Report of Nonfinancial Data* was submitted to the Office of the Governor in accordance with the established December 31, 2017, deadline.

FINANCIAL IMPACT

In Fiscal Year 2017, the TxDMV's method of finance (funding source) was funded by the re-created Texas Department of Motor Vehicle Fund (Fund 0010) and General Revenue Fund (Fund 0001) making significant impacts in the agency's reporting.

BACKGROUND AND DISCUSSION

Annual Financial Report - Exhibit I – Combined Balance Sheet (Statement of Net Assets)

The TxDMV closes FY 2017 with an increase of approximately \$30 million from last year's total net asset balance.

- Cash in State Treasury consist of revenues collected and deposited into the TxDMV Fund. Prior to this fiscal year, these same revenues were deposited to the General Revenue Fund and reported in the Comptroller's Office financial statements.
- Legislative Appropriations represents the unspent appropriations in General Revenue (Fund 0001.) This includes any benefits appropriations. In 2016, the TxDMV was funded 100% with General Revenue. In 2017, the decrease to Legislative Appropriations is from the changes in our funding structure from General Revenue to the TxDMV Fund.
- Accounts Receivable represents the amounts due from Tax Assessor Collectors and Regional Offices less collections.
- In Capital Assets, the non-current asset had a net decrease as a result of the increases in the amortization from prior fiscal year purchases of computer software.
- Accounts Payable has a significant decrease of accrued expenditures associated with Fiscal Year 2017 which processed in the month of September. Fewer material invoices associated with work performed or received in latter part of Fiscal Year 2017 were processed after the August 31st reporting deadline.

Annual Financial Report - Exhibit II – Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

Revenues

In the State's income statement exhibit, the TxDMV revenue collections were impacted by expected decreases in General Revenue.

- Legislative Appropriations: Original and Additional Appropriations (salary benefits, i.e. OASI, Retirement, Insurance, and Benefit Replacement Plan) decreased since our operations were funded by the TxDMV Fund (Fund 0010) in FY 2017.
- Licenses, Fees and Permits reflect only the revenue collected and reportable by the TxDMV. In 2017, State Highway Fund revenue increased approximately \$22 million, or 1.46% compared to FY2016 because of natural growth, and this year's TxDMV Fund revenue was approximately \$153 million.

Expenditures

Expenditures increased overall during FY 2017 primarily due to expenditures associated with mailing contract changes and the computer equipment refresh projects.

- Salaries and Wages reflect an increase from last year as a result of the long-term liability adjustment. This adjustment reflects the accumulated dollar value of the employees' annual and sick leave balances from the current and prior years which has not been used.
- Professional Fees and Services reflect a decrease from FY 2016 from the reduction of data processing services (\$2.9 million) associated with the completion of projects, like eLicensing, and the reduction of services paid through the TxDOT Memorandum of Understanding (MOU).
- Materials & Supplies reflect the increases in postage costs (\$5.8 million) and the counties' computer equipment related costs (\$5.7 million).
- Repairs & Maintenance reflect an increase from additional computer software maintenance agreements procured in FY 2017.

Annual Financial Report - Exhibit VI – Combined Statement of Net Assets

This exhibit reflects the August 31 cash balances in funds that are fiduciary in nature (i.e., non-operating activities such as child support, suspense fund, the Unified Carrier Registration Fund 1645, the International Registration Plan Fund 0021, City/County/MTA/SPD fund) to the TxDMV. These are detailed in Exhibit J-1.

Annual Report of Nonfinancial Data

- **Appropriation Item Transfer Schedule** identifies transfers of appropriated money between the agency's appropriated strategies.
 - In Fiscal Year 2017, transfers were limited to one-time costs primarily for additional VTR postage expenditures and contract services in CRD for the implementation of the new eLicensing system.
- **HUB Strategic Plan Progress Form** provides a percentage of historically underutilized businesses (HUBs) used by an agency for specific procurement categories.
 - In 2017, TxDMV's continued growth in procurement history and HUB goals accurately reflect the department purchases. Fiscal year 2017 included major projects that HUB vendors were unable to bid upon ultimately affecting reporting numbers. Considering special projects, our HUB goals will be adjusted accordingly. TxDMV afforded HUBs the opportunity to meet with agency staff and participate in the mentor protégé program. TxDMV has also discussed upcoming projects and organizational needs with HUB vendors at outreach forums. Through this effort, HUBs are more successful in doing business with state agencies.
 - The decreases in FY2017 are associated with Fiscal year 2016 one-time building renovations for Camp Hubbard carpet and flooring repairs, and to large IT projects' expenditures with non-HUB vendors and state contract vendors offsetting against TxDMV HUB outreach to services vendors.



- **Indirect Cost Schedule** provides detailed information about expenditures paid by or on behalf of the TxDMV for employee benefits including Social Security benefits, health insurance, retirement contributions, benefit replacement pay, and workers’ and unemployment compensation. It also includes indirect costs related to debt service and services provided by oversight agencies like the Comptroller, Attorney General, Department of Information Resources, and State Auditor.
 - Payroll-related costs were higher in FY2017 due to increases in employee insurance costs, specifically retiree insurance paid by the Employee Retirement System on the department’s behalf. These costs are billed to agencies annually if the agencies’ method of finance includes other funding sources. In 2016, TxDMV was not billed since its salaries expenditures were paid from General Revenue (Fund 0001).
 - The Statewide Cost Allocation Plan (SWCAP) identifies and allocates costs the State incurs for central services provided by specific agencies. Agencies reimburse General Revenue from other funding sources based on an allocation of current year appropriated funds. The TxDMV’s FY2017 SWCAP allocation was based on actuals from FY2014. These costs allocated in FY2017 include services from the Comptroller, Department of Public Safety, Texas Facilities Commission, and the Office of Governor’s Budget and Policy Division.
- **Schedule of Professional/Consulting Fees and Legal Service Fees** provides an itemized list of fees paid for professional, consulting and legal services. The schedule includes the name of the vendor paid, the amount paid, and the reason the services were provided.
 - In FY2017, there was a decrease of approximately \$3 million in expenditures specifically for data processing services with the completion of projects like eLicensing, and the reduction of services paid through the TxDOT Memorandum of Understanding (MOU). Below is a chart of vendors whose annual expenditures exceeded \$300,000:

Professional/Consulting Services Vendors – Expenditures over \$300,000 in FY2017

Name	Amount	Service Provided
Texas Department of Information Resources	9,348,192.78	Computer Services-Statewide Tech. Center
Deloitte Consulting LLP	8,846,761.58	Information Technology Services
TIBH Industries INC	1,167,700.91	Information Technology Services
Carahsoft Technology Corporation	805,103.51	Information Technology Services
Explore Information Services LLC	732,619.50	Information Technology Services
NTT Data Inc.	626,988.84	Data Processing Services
NF Consulting	568,834.50	Information Technology Services
Southwest Research Institute	368,026.73	Consultant Services Other

- **Schedule of Space Occupied** lists the name and address of each building an agency occupies, the total amount of square feet leased, and the amount of square feet used in a state-owned building. It also lists the cost per square foot leased, the annual and monthly costs of leased space, and the name of each lessor.
 - TxDMV moved into the Corpus Christi location in April, 2017, and into the San Antonio location on August 28, 2017.
- **Schedule of Vehicles Purchased** lists the vehicles purchased during this fiscal year.
 - There were no vehicles procured during FY2017.
- **Alternative Fuel Program Status** lists the number of vehicles purchased by fiscal year that use alternative fuel. Fuel usage is listed with the number of gallons used during the year.
- **Schedule of Itemized Purchases** identifies proprietary purchases that are procured from one vendor without considering an equivalent product to be supplied by another vendor. The schedule must provide a written justification explaining the need for the specifications, the reasons that competing products were not satisfactory and additional information as required by the Comptroller. The schedule identifies each product purchased, the amount of the purchase, and the name of the vendor.



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Annual Financial Report

Fiscal Year Ended August 31, 2017



Annual Financial Report

Fiscal Year Ended August 31, 2017



Texas Department *of* Motor Vehicles

Prepared by the
Finance & Administrative Services Division

November 20, 2017

February 8, 2018

Texas Department of Motor Vehicles Board

Raymond Palacios, Jr., Chair

Blake Ingram, Vice-Chair

Robert "Barney" Barnwell, III

Luanne Caraway

Brett Graham

Kate Hardy

Gary Painter

Guillermo "Memo" Treviño

John H. "Johnny" Walker, III

Whitney H. Brewster

Executive Director

TABLE OF CONTENTS

		Page
Letter of Transmittal		v
Combined Financial Statements:		
Exhibit I	Combined Balance Sheet/Statement of Net Assets - Governmental Funds	2
Exhibit II	Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities - Governmental Funds	4
Exhibit VI	Combined Statement of Fiduciary Net Assets - Fiduciary Funds	5
Notes to the Financial Statements		8
Combining Financial Statements:		
Exhibit A-1	Balance Sheet - All General and Consolidated Funds	24
Exhibit B-1	Balance Sheet - Special Revenue Funds	25
Exhibit A-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds	26
Exhibit B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	27
Exhibit J-1	Combining Statement of Changes in Assets and Liabilities - All Agency Funds	28
Schedules:		
Schedule 1A	Schedule of Expenditures of Federal Awards	32



November 20, 2017

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ms. Ursula Parks, Director, Legislative Budget Board
Ms. Lisa R. Collier, CPA, CFE, CIDA, First Assistant State Auditor

Ladies and Gentlemen:

Attached is the Texas Department of Motor Vehicle's annual financial report for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Mr. Sergio Rey, Director of Accounting, at (512) 465-4203, or Ms. Linda M. Flores, CPA, Chief Financial Officer, at (512) 465-4125.

Sincerely,

A handwritten signature in blue ink that reads "Whitney H. Brewster".

Whitney H. Brewster
Executive Director

COMBINED FINANCIAL STATEMENTS

Texas Department of Motor Vehicles (608)

-UNAUDITED-

**EXHIBIT I
COMBINED BALANCE SHEET
Statement of Net Assets - Governmental Funds
For the Year Ended August 31, 2017**

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (EXH A-1)	Special Revenue (EXH B-1)				
Assets						
Current Assets:						
Cash on Hand	\$ 0.00	\$ 15,725.00	\$ 15,725.00	\$	\$	\$ 15,725.00
Cash in Bank	0.00	20,000.00	20,000.00			20,000.00
Cash in State Treasury	4,041,815.98	52,049,056.88	56,090,872.86			56,090,872.86
Legislative Appropriations	31,619,638.99	0.00	31,619,638.99			31,619,638.99
Receivables:						
Federal	0.00	0.00	0.00			0.00
Accounts Receivable	0.00	122,414,440.79	122,414,440.79			122,414,440.79
Due From Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due From Other Agencies (Note 12)	9,817.18	0.00	9,817.18			9,817.18
Consumable Inventories	0.00	93,290.87	93,290.87			93,290.87
Total Current Assets	35,671,272.15	174,592,513.54	210,263,785.69			210,263,785.69
Non - Current Assets:						
Capital Assets:						
Non - Depreciable						
Land and Land Improvements						
Depreciable						
Buildings and Building Improvements						
Less - Accumulated Depreciation						
Furniture and Equipment						
Less - Accumulated Depreciation						
Vehicles, Boats, & Aircraft						
Less - Accumulated Depreciation						
Intangibles Computer Software						
Less - Accumulated Amortization						
Total Non Current Assets				3,132,876.96		3,132,876.96
Total Assets	\$ 35,671,272.15	\$ 174,592,513.54	\$ 210,263,785.69	\$ 3,132,876.96	\$ 0.00	\$ 213,396,662.65

The accompanying notes to the financial statements are an integral part of this exhibit.

Texas Department of Motor Vehicles (608)

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (EXH A-1)	Special Revenue (EXH B-1)				
Liabilities						
Current Liabilities:						
Payables:						
Vouchers Payable	\$ 1,328.00	\$ 301,658.17	\$ 302,986.17	\$	\$	\$ 302,986.17
Accounts Payable	3,006,424.52	7,636,149.13	10,642,573.65			10,642,573.65
Payroll Payable	41,575.53	4,523,654.29	4,565,229.82			4,565,229.82
Due to Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due to Other Agencies (Note 12)	3,772,486.65	0.00	3,772,486.65			3,772,486.65
Unearned Revenues	0.00	0.00	0.00			0.00
Employees Compensable Leave (Note 5)					2,806,782.68	2,806,782.68
Total Current Liabilities	6,821,814.70	12,461,461.59	19,283,276.29		2,806,782.68	22,090,058.97
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					1,484,351.12	1,484,351.12
Total Non-Current Liabilities					1,484,351.12	1,484,351.12
Total Liabilities	6,821,814.70	12,461,461.59	19,283,276.29		4,291,133.80	23,574,410.09
Fund Financial Statement						
Fund Balances:						
Non Spendable (Inventory)	0.00	93,290.87	93,290.87			93,290.87
Restricted	0.00	162,037,761.08	162,037,761.08			162,037,761.08
Unassigned	28,849,457.45	0.00	28,849,457.45			28,849,457.45
Total Fund Balances	28,849,457.45	162,131,051.95	190,980,509.40			190,980,509.40
Total Liabilities and Fund Balance	\$ 35,671,272.15	\$ 174,592,513.54	210,263,785.69			
Government-Wide Statement of Net Assets						
Net Assets:						
Invested in Capital Assets, Net of Related Debt				\$ 3,132,876.96	\$	\$ 3,132,876.96
Unrestricted					(4,291,133.80)	(4,291,133.80)
Total Net Assets				\$ 3,132,876.96	\$ (4,291,133.80)	\$ 189,822,252.56

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2017

	Governmental Fund Types			Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
	General (EXH A-2)	Special Revenue (EXH B-2)	Total Governmental			
Revenues						
Legislative Appropriations:						
Original Appropriations	\$ 14,912,006.00	\$ 0.00	\$ 14,912,006.00	\$	\$	\$ 14,912,006.00
Additional Appropriations	56,924.91	0.00	56,924.91			56,924.91
Federal Revenues	168,969.10	0.00	168,969.10			168,969.10
Federal Pass-Through Revenues	0.00	133,107.09	133,107.09			133,107.09
State Grant Pass- Through	0.00	0.00	0.00			0.00
Licenses, Fees and Permits	(7,605,832.32)	1,705,703,185.35	1,698,097,353.03			1,698,097,353.03
Interest & Investment Income	2,202.97	389,587.73	391,790.70			391,790.70
Settlement of Claims	0.00	866,978.26	866,978.26			866,978.26
Sales of Goods and Services	472.50	353,875.10	354,347.60			354,347.60
Other	2,723.79	470,495.65	473,219.44			473,219.44
Total Revenues	7,537,466.95	1,707,917,229.18	1,715,454,696.13			1,715,454,696.13
Expenditures						
Salaries and Wages	542,844.97	39,062,871.26	39,605,716.23		274,973.95	39,880,690.18
Payroll Related Costs	109,024.40	14,020,887.85	14,129,912.25			14,129,912.25
Professional Fees and Services	5,258,370.88	19,294,518.74	24,552,889.62			24,552,889.62
Travel	33,773.21	340,459.23	374,232.44			374,232.44
Materials and Supplies	2,922,414.71	21,218,382.61	24,140,797.32			24,140,797.32
Communications and Utilities	106,499.70	4,992,479.18	5,098,978.88			5,098,978.88
Repairs and Maintenance	1,620,511.63	4,310,815.76	5,931,327.39			5,931,327.39
Rentals and Leases	19,649.40	873,729.57	893,378.97			893,378.97
Printing and Reproduction	255,745.13	4,138,938.79	4,394,683.92			4,394,683.92
Claims and Judgements	0.00	40,000.00	40,000.00			40,000.00
Federal Pass-Through Expenditures	0.00	0.00	0.00			0.00
State Grant Pass-Through Expenditures	0.00	0.00	0.00			0.00
Intergovernmental Payments	13,306,747.28	0.00	13,306,747.28			13,306,747.28
Public Assistance Programs	0.00	0.00	0.00			0.00
Other Operating Expenditures	113,101.58	36,971,010.80	37,084,112.38			37,084,112.38
Capital Outlay	1,058,513.42	21,701.00	1,080,214.42	(1,080,214.42)		0.00
Depreciation Expense			0.00	1,476,071.54		1,476,071.54
Total Expenditures	25,347,196.31	145,285,794.79	170,632,991.10	395,857.12	274,973.95	171,303,822.17
Excess (Deficit) of Revenues over Expenditures	(17,809,729.36)	1,562,631,434.39	1,544,821,705.03	(395,857.12)	(274,973.95)	1,544,150,873.96
Other Financing Sources (Uses)						
Transfers In (Note 12)	0.00	23,000,000.00	23,000,000.00			23,000,000.00
Transfers Out (Note 12)	(36,079.37)	(1,535,182,923.08)	(1,535,219,002.45)			(1,535,219,002.45)
Sale of Capital Assets	(118.13)	118.13	0.00			0.00
Legislative Financing Sources	0.00	-	0.00			0.00
Insurance Recoveries	0.00	-	0.00			0.00
Legislative Transfers In (Note 12)	0.00	-	0.00			0.00
Legislative Transfers Out (Note 12)	0.00	-	0.00			0.00
Gain (Loss) on of Capital Assets	0.00	-	0.00	(75,796.88)		(75,796.88)
Inc (Dec) in Net Assets Due to Interagency Transfer	0.00	-	0.00	0.00		0.00
Total Other Financing Sources (Uses)	(36,197.50)	(1,512,182,804.95)	(1,512,219,002.45)	(75,796.88)	0.00	(1,512,294,799.33)
Net Change in Fund Balances/Net Assets	(17,845,926.86)	50,448,629.44	32,602,702.58	(471,654.00)	(274,973.95)	31,856,074.63
Fund Financial Statement - Fund Balance						
Fund Balance - Beginning	49,106,306.00	111,682,422.51	160,788,728.51			160,788,728.51
Restatements			0.00			0.00
Fund Balance as Restated	49,106,306.00	111,682,422.51	160,788,728.51			160,788,728.51
Appropriations Lapsed	(2,410,921.69)		(2,410,921.69)			(2,410,921.69)
Fund Balances - August 31, 2017	\$ 28,849,457.45	\$ 162,131,051.95	\$ 190,980,509.40			\$ 190,233,881.45
Government-wide Statement of Net Assets						
Net Change in Net Assets			\$ 190,980,509.40	(471,654.00)	(274,973.95)	\$ 190,233,881.45
Net Assets-Beginning				3,603,008.56	(4,016,159.85)	(413,151.29)
Restatements				1,522.40		1,522.40
Net Assets, September 1, 2016, as Restated and Adjusted				3,604,530.96	(4,016,159.85)	(411,628.89)
Net Assets-August 31, 2017			\$ 190,980,509.40	3,132,876.96	(4,291,133.80)	\$ 189,822,252.56

-UNAUDITED-

EXHIBIT VI
COMBINED STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
For Fiscal Year Ended August 31, 2017

	<u>Agency Funds (Exhibit J-1)</u>
Assets	
Current Assets:	
Cash in State Treasury	17,401,677.92
Accounts Receivable	0.00
Total Current Assets	\$ <u>17,401,677.92</u>
Total Assets	<u>17,401,677.92</u>
Liabilities	
Current Liabilities:	
Accounts Payable	539,433.35
Funds Held for Others	16,862,244.57
Total Current Liabilities	<u>17,401,677.92</u>
Total Liabilities	\$ <u>17,401,677.92</u>
Net Assets	
Net Assets:	0.00
Total Net Assets	\$ <u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS

-UNAUDITED-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

The Texas Department of Motor Vehicles (TxDMV), created in 2009 by the authority of H.B. 3097, 81st Legislature, Regular Session, is an agency of the State of Texas. TxDMV is responsible for titling and registering vehicles, licensing and regulating of the motor vehicle sales and distribution, salvage dealers, registering commercial oversize/overweight (OS/OW) vehicles, and providing auto theft prevention grants.

The TxDMV has not identified any component units which should have been blended into an appropriated fund.

Basis of Presentation

Due to the statewide requirements included in Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements of this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types

General Revenue Funds

General Revenue Fund (0001) – This fund is used to account for all financial resources of the state except those required to be accounted for in another fund. The following accounts are consolidated into the General Revenue fund.

License Plate Trust Fund (0802) – This fund is used to receive and account for fees charged from the sale of specialty license plates collected under Subchapter G, Transportation Code. Funds are to be used in accordance with their specific statutory purpose.

Suspense Fund (0900) – This fund is used to temporarily hold and account for receipts, until the correct disposition of the items is determined. Items held in the fund are cleared to the various other funds or refunded to the payer.

Special Revenue Funds

State Highway Fund (0006) – This fund is restricted to expenditures for the building, maintaining, and policing of the state highways. It derives its financing primarily from legally dedicated revenues such as motor fuels tax and vehicle registration fees, and from federal reimbursements for selected construction projects. This fund includes revenue which supports the TxDMV's automated registration and title system.

-UNAUDITED-

The agency collected \$18.4 million in revenue from the automation fee authorized by House Bill 3014, 76th Legislature, Regular Session, for a license plate or other registration insignia. The revenue is used to enhance the agency's automated registration and title system.

Texas Department of Motor Vehicles Fund (0010) – This fund is used by the Department for operations, administration, enforcement, accounting costs and related liabilities for the fund. Revenue includes fees from motor vehicle registration, title certificates, special vehicle permits, specialty license plates and other transportation-related permits. This fund was initially enacted by H.B. 2202, 83rd Legislature; however, it was not exempted from funds consolidation. The 84th Legislature recreated the fund through S.B. 1512, and it was exempted in funds consolidation.

Capital Assets Adjustments Fund Type

Capital Assets Adjustment fund type is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long Term Liabilities Adjustments Fund Type

The Long-Term Liabilities Adjustments fund type is used to convert all other governmental fund types' debt from modified accrual to full accrual. The composition of this fund type is discussed in Note 5.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

Agency Funds

Agency Funds are used to account for assets held in a custodial capacity for the benefit of other agencies or individuals.

Proportional Registration Distributive Trust Fund (0021) – This fund is used primarily to collect and distribute registration fees from trucking companies that operate in more than one state. The fees are distributed to the individual states based on mileage driven.

Unified Carrier Registration Unappropriated Fund (0645) – This fund is used primarily to collect and distribute registration fees from motor carriers, motor private carriers, brokers, freight forwarders, and leasing companies that operate in more than one state. The fees are distributed in accordance to the Unified Carrier Registration System (49 U.S.C. Section 13908.)

Unified Carrier Registration TxDMV Fund (1645) – This fund replaces Fund 0645 in Fiscal Year 2017, but retains the same functions. It moves the agency fund from within General Revenue Fund 0001 to the TxDMV Fund.

Child Support Deductions (0807) – This fund is used as a holding account where child support payroll deductions are held until disbursed.

City, County, MTA, & SPD Fund (0882) - This fund is used as a holding account where taxes for the state are collected until disbursed.

-UNAUDITED-

Suspense Fund (0900) - This fund is used when depositing funds where final disposition has not been determined at the time of the receipt of funds.

Direct Deposit Correction Account (0980) – This fund is used to temporarily hold and account for direct deposits that are unable to be processed until the correct disposition of the item is determined.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified accrual basis. For federal contracts and grants, revenues have been accrued to the extent earned by eligible expenditures within each fiscal year. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments. The activity will be recognized in these new fund types.

Budgets and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). The Board adopts an annual operating budget and policies consistent with these appropriations. Encumbrance accounting is utilized for budgetary control purposes. An encumbrance is defined as an outstanding purchase order or other commitment for goods or services. It reserves a part of the applicable appropriation for future expenditure. Encumbrance balances are reported in Note 15.

Unencumbered and unexpended funds are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities and Fund Balances

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents. Cash in bank represents the TxDMV Travel Advance Fund.

Receivables

The receivables represent revenue from fees and federal funds that has been earned but not received. This account is presented net of Allowance for Bad Debts.

Inventories and Prepaid Items

This represents supplies and postage on hand. Supplies for governmental funds are accounted for using

-UNAUDITED-

the consumption method of accounting. The cost of these items is recognized as expenditure when items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Payroll Payable

Payroll payable represents the liability for the August payroll payable on September 1st.

Employees' Compensable Leave

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Fund Balance/Net Assets

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and the "Fund Balance" is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components

Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.

Unrestricted Net Assets

Unrestricted net assets consist of net assets that have no constraints placed on net asset use by external sources or by law through constitutional provisions or enabling legislation. Unrestricted net assets often have constraints on resources, which are imposed by management but can be removed or modified.

-UNAUDITED-

Interfund Activities and Balances

The agency has the following types of transactions among funds:

Transfers

Legally required transfers that are reported when incurred as Transfers In by the recipient fund and as Transfers Out by the disbursing fund.

Reimbursements

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures into the reimbursed fund.

Accrual of Operating Transfers, Reimbursements, and Residual Equity Transfers are shown as Due To and Due From instead of accounts receivable or accounts payable.

-UNAUDITED-

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2017, is presented below:

Governmental Activities	PRIMARY GOVERNMENT							
	Balance 09/01/16	Adjust/ Restate	Reclass. Completed CIP	Reclass. Increase Inter-Agency Transaction	Reclass. Decrease Inter-Agency Transaction	Additions	Deletions	Balance 08/31/17
Non-Depreciable Assets	\$	\$	\$	\$	\$	\$	\$	\$
Total Non-Depreciable Assets								
Depreciable Assets								
Buildings/Building Improvements								
Furniture and Equipment	4,380,134.65	5,327.00				968,026.26	(361,825.50)	4,991,662.41
Vehicles, Boats, & Aircraft	887,375.54							887,375.54
Other Assets								
Total Depreciable Assets	5,267,510.19	5,327.00				968,026.26	(361,825.50)	5,879,037.95
Less Accumulated Depreciation for:								
Buildings/Building Improvements								
Furniture and Equipment	(2,707,907.25)	(3,804.60)				(708,253.94)	286,294.62	(3,133,671.17)
Vehicles, Boats, & Aircraft	(811,969.62)					(3,919.44)		(815,889.06)
Other Capital Assets								
Total Accumulated Depreciation	(3,519,876.87)	(3,804.60)				(712,173.38)	286,294.62	(3,949,560.23)
Depreciable Assets, Net	1,747,633.32	1,522.40				255,852.88	(75,530.88)	1,929,477.72
Amortizable Assets – Intangible:								
Land Use Rights								
Computer Software	3,768,722.91					112,188.16	(5,320.00)	3,875,591.07
Other Capital Intangible								
Total Amortizable Assets – Intangible	3,768,722.91					112,188.16	(5,320.00)	3,875,591.07
Less Accumulated Amortization for:								
Land Use Rights								
Computer Software	(1,913,347.67)					(763,898.16)	5,054.00	(2,672,191.83)
Other Capital Intangible								
Total Accumulated Amortization	(1,913,347.67)					(763,898.16)	5,054.00	(2,672,191.83)
Amortizable Assets – Intangible, Net	1,855,375.24					(651,710.00)	(266.00)	1,203,399.24
Governmental Activities Capital Assets, Net	\$ 3,603,008.56	1,522.40				(395,857.12)	(75,796.88)	\$ 3,132,876.96

-UNAUDITED-

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2017, the carrying amount of deposits was \$20,000.00 as presented below:

	Amount
Cash in Bank – Carrying Amount	\$ 20,000.00
Total Cash in Bank (Exhibit I)	\$ 20,000.00

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2017, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/16	Additions	Reductions	Balance 8/31/17	Amounts Due Within Year
Compensable Leave	\$4,016,159.85	\$4,543,383.77	\$4,268,409.82	\$4,291,133.80	\$2,806,782.68

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated vacation leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable

-UNAUDITED-

NOTE 8: LEASES

Operating Leases

Included in the expenditures reported in the financial statement are the following amounts of rent paid or due under operating lease obligations:

Fund Type	Amount
Fund 0001	\$ 17,287.45
Fund 0010	\$ 838,286.16

Note: Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31	Amount
2018	\$ 824,402.57
2019	781,864.99
2020	637,727.54
2021	425,783.15
2022	380,642.64
2023-27	812,638.69
Total Minimum Future Lease Rental Payments	\$ 3,863,059.58

NOTE 9: PENSION PLANS AND OPTIONAL RETIREMENT PROGRAM

Not Applicable

NOTE 10: DEFERRED COMPENSATION

Not Applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable

-UNAUDITED-

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement. Individual balances and activity at August 31, 2017, are as follows:

	Due from Other Agencies	Due to Other Agencies	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803		41,786.93	Shared Fund
Agy 300, D23 fund 0804		29,333.43	Shared Fund
Agy 300, D23 fund 0805		12,946.60	Shared Fund
Agy 300, D23 fund 0807		1,414.75	Shared Fund
Agy 302, D23 fund 0804		73,357.30	Shared Fund
Agy 302, D23 fund 0805		8,999.44	Shared Fund
Agy 305, D23 fund 0015		21,657.64	Shared Fund
Agy 306, D23 fund 0802		12,882.83	Shared Fund
Agy 332, D23 fund 0802		222.28	Shared Fund
Agy 403, D23 fund 3005		878.60	Shared Fund
Agy 403, D23 fund 3006		489.11	Shared Fund
Agy 411, D23 fund 0802		2,885.51	Shared Fund
Agy 506, D23 fund 0802		6,690.02	Shared Fund
Agy 529, D23 fund 0802		24,990.32	Shared Fund
Agy 530, D23 fund 0802		5,316.12	Shared Fund
Agy 537, D23 fund 0802		23,129.86	Shared Fund
Agy 537, D23 fund 0803		957,780.45	Shared Fund
Agy 537, D23 fund 0804		19,751.77	Shared Fund
Agy 537, D23 fund 0805		44,733.15	Shared Fund
Agy 539, D23 fund 0802		277.98	Shared Fund
Agy 542, D23 fund 0802		50.26	Shared Fund
Agy 542, D23 fund 4100	9,806.18		Shared Fund
Agy 542, D23 fund 4200		20,136.46	Shared Fund
Agy 551, D23 fund 0802		78,611.25	Shared Fund
Agy 555, D23 fund 1802		8,576.45	Shared Fund
Agy 555, D23 fund 2802		9,775.80	Shared Fund
Agy 555, D23 fund 3802		2,177.21	Shared Fund
Agy 576, D23 fund 0802		11,999.12	Shared Fund
Agy 582, D23 fund 0802		993.75	Shared Fund
Agy 701, D23 fund 2242		1,090.64	Shared Fund
Agy 701, D23 fund 2250		3,734.94	Shared Fund
Agy 701, D23 fund 2260		22.00	Shared Fund
Agy 701, D23 fund 2270		3,138.33	Shared Fund
Agy 701, D23 fund 2271		3,361.60	Shared Fund
Agy 701, D23 fund 2273		6,321.26	Shared Fund
Agy 701, D23 fund 2274		4,145.78	Shared Fund
Agy 711, D23 fund 0802		40,792.90	Shared Fund
Agy 713, D23 fund 0802	11.00		Shared Fund

-UNAUDITED-

	Due from Other Agencies	Due to Other Agencies	Source
Agy 714, D23 fund 0802		14,831.76	Shared Fund
Agy 715, D23 fund 0802		115,671.20	Shared Fund
Agy 717, D23 fund 0802		18,752.88	Shared Fund
Agy 721, D23 fund 0802		239,590.22	Shared Fund
Agy 724, D23 fund 0802		49,547.20	Shared Fund
Agy 730, D23 fund 0802		18.61	Shared Fund
Agy 732, D23 fund 0802		1,358.25	Shared Fund
Agy 733, D23 fund 0802		18,444.90	Shared Fund
Agy 734, D23 fund 0802		618.92	Shared Fund
Agy 735, D23 fund 0802		1.00	Shared Fund
Agy 737, D23 fund 0802		116.91	Shared Fund
Agy 738, D23 fund 0802		2,852.69	Shared Fund
Agy 743, D23 fund 0802		110.01	Shared Fund
Agy 751, D23 fund 0802		1,992.31	Shared Fund
Agy 752, D23 fund 0802		36,375.48	Shared Fund
Agy 753, D23 fund 0802		4,447.40	Shared Fund
Agy 754, D23 fund 0802		50,178.20	Shared Fund
Agy 755, D23 fund 0802		18,265.42	Shared Fund
Agy 756, D23 fund 0802		20,683.23	Shared Fund
Agy 757, D23 fund 0802		7,403.18	Shared Fund
Agy 759, D23 fund 0802		578.86	Shared Fund
Agy 760, D23 fund 0802		11.00	Shared Fund
Agy 760, D23 fund 1802		1.83	Shared Fund
Agy 765, D23 fund 0802		1,743.82	Shared Fund
Agy 781, D23 fund 4001		22.00	Shared Fund
Agy 781, D23 fund 4002		20.16	Shared Fund
Agy 781, D23 fund 4003		1,595.88	Shared Fund
Agy 781, D23 fund 4004		102.66	Shared Fund
Agy 781, D23 fund 4005		2,889.56	Shared Fund
Agy 781, D23 fund 4006		22.00	Shared Fund
Agy 781, D23 fund 4007		628.82	Shared Fund
Agy 781, D23 fund 4008		80,609.34	Shared Fund
Agy 781, D23 fund 4009		35,488.15	Shared Fund
Agy 781, D23 fund 4010		.25	Shared Fund
Agy 781, D23 fund 4011		248.50	Shared Fund
Agy 781, D23 fund 4012		9,245.07	Shared Fund
Agy 781, D23 fund 4013		66.00	Shared Fund
Agy 781, D23 fund 4014		403.32	Shared Fund
Agy 781, D23 fund 4015		22.00	Shared Fund
Agy 781, D23 fund 4016		110.00	Shared Fund
Agy 781, D23 fund 4017		166.83	Shared Fund
Agy 781, D23 fund 4018		176.00	Shared Fund
Agy 781, D23 fund 4019		275.00	Shared Fund
Agy 781, D23 fund 4022		20.16	Shared Fund
Agy 783, D23 fund 0802		14,365.64	Shared Fund
Agy 802, D23 fund 3030		35,567.30	Shared Fund
Agy 802, D23 fund 3043		600,850.72	Shared Fund

-UNAUDITED-

	Due from Other Agencies	Due to Other Agencies	Source
Agy 802, D23 fund 3044		124,900.83	Shared Fund
Agy 802, D23 fund 3045		105,008.82	Shared Fund
Agy 802, D23 fund 3046		30,906.30	Shared Fund
Agy 802, D23 fund 3047		193,516.42	Shared Fund
Agy 802, D23 fund 3048		32,837.96	Shared Fund
Agy 802, D23 fund 3049		26,808.48	Shared Fund
Agy 802, D23 fund 3050		10,538.70	Shared Fund
Agy 802, D23 fund 3057		56,918.90	Shared Fund
Agy 802, D23 fund 3116		17,894.84	Shared Fund
Agy 802, D23 fund 3120		22,819.65	Shared Fund
Agy 802, D23 fund 3142		31,177.04	Shared Fund
Agy 802, D23 fund 3151		2,667.39	Shared Fund
Agy 808, D23 fund 0802		1,640.29	Shared Fund
Agy 813, D23 fund 0802		241,996.86	Shared Fund
Agy 902, D23 fund 8020		1,911.69	Shared Fund
Total Due From/To Other Agencies	\$ 9,817.18	\$ 3,772,486.65	

	Transfer In	Transfer Out	Source
General Revenue (01)			
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		354.37	Surplus Property
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		35,725.00	Petty & Travel Cash
Special Revenue (02)			
Appd Fund 0010, D23 fund 0010			
Agy 902, D23 fund 0001	23,000,000.00		Start Up Funds for Fund 0010
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,535,182,923.08	Shared Cash
Total Transfers In/Out	\$ 23,000,000.00	\$ 1,535,219,002.45	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2019, unless continued in existence by the Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2020, to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

During Fiscal Year 2017, a net increase in the amount of \$ 1,522.40, was made to total Net Assets. This adjustment was necessary due to a previously disposed asset recovered in Fiscal Year 2017.

-UNAUDITED-

NOTE 15: CONTINGENCIES AND COMMITMENTS

Federal Assistance

The TxDMV receives federal financial assistance for specific purposes that are subject to review or audit by the federal grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes such disallowance, if any, will be immaterial.

Encumbrances

As of August 31, 2017, the TxDMV had encumbered the following amounts in governmental funds for signed contracts and purchase orders:

	General Revenue Fund (0001)	Special Revenue Fund (0006)	Tx Dept of Motor Vehicle Fund (0010)
Encumbrances	\$ 8,453,519.48	\$ 1,516,016.40	\$ 4,096,862.20

NOTE 16: SUBSEQUENT EVENTS

Not Applicable

NOTE 17: RISK MANAGEMENT

The department is exposed to a wide range of risks, due to the size, scope and nature of its activities. Some of these risks include, but are not limited to property and casualty losses, workers' compensation and health benefit claims, theft, damage of assets, etc. The department retains these risks, and manages them through insurance and safety programs. In FY2017, the department had \$ 40,000.00 in payments related to claims.

	Beginning Balance	Increases	Decreases	Ending Balance
2017	-	\$ 40,000.00	(\$ 40,000.00)	-

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

During Fiscal Year 2017, TxDMV transitioned to a new method of finance due to the re-creation of the TxDMV Fund. The agency's method of finance for FY 2017 appropriations was primarily funded through the TxDMV Fund, with the exception of the Automobile Burglary and Theft Prevention Authority strategy funded through General Revenue. Approximately \$25.1 million in General Revenue Funds were carry-forward from Fiscal Year 2016 for capital projects into Fiscal Year 2017. An additional \$16.2 million in State Highway Funds were carried forward from Fiscal Year 2016 into Fiscal Year 2017 for the same purpose. The TxDMV was granted authority to carry-forward these unexpended balances for capital projects through a rider in H.B. 1, 84th Legislature, Regular Session (the General Appropriations Act).

In August, 2016, the TxDMV adopted a Processing & Handling (P&H) Fee for registrations effective January 1, 2017, through the authority granted to the department with the enactment of H.B. 2202, 83rd Legislature, Regular Session. This fee was authorized and adopted to support the registration functions of the department, as well as to offset costs incurred by County Tax-Assessor collectors and authorized deputies for the collection of registration-related

-UNAUDITED-

duties. P&H fee deposits began in November 2016.

For Fiscal Year 2017, fund revenue collections for all funds were \$1.82 billion compared to Fiscal Year 2016 collections of \$1.75 billion. This represents an increase of \$68.4 million or 3.9% more than Fiscal Year 2016. The increases in revenue is attributable to increased oversize/overweight carrier permit, business dealer license and title revenues.

Fiscal Year 2017 expenditures through August 31, 2017 totaled \$168 million. Significant expenditure increases focused on postage, computer equipment and maintenance and repairs. Capital budget expenses totaled \$33.9 million primarily consisting of expenditures for the TxDMV Automation project (\$14.4 million), Data Center Consolidation contract (\$8.8 million), the, County Technology Replacement & Upgrades (\$7.5 million) and the Application Migration and Server Transformation (AMSIT) project (\$1.7 million). Other capital expenditures for Agency Growth and Enhancement, Physical Security, Commercial Vehicle Information Systems and Networks (CVISN) and Regional Service Center relocations totaled \$1.5 million.

The largest portion of Automation expenditures were for costs associated with the Registration and Titling System (RTS) Refactoring project (\$6.9 million) and the eLICENSING project (\$6.0 million).

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable

NOTE 21:

Not Applicable to the reporting requirement process.

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not Applicable

-UNAUDITED-

NOTE 25: TERMINATION BENEFITS

Not Applicable

NOTE 26: SEGMENT INFORMATION

Not Applicable

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable

NOTE 28: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Not Applicable

NOTE 29: TROUBLE DEBT RESTRUCTURING

Not Applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable

COMBINING FINANCIAL STATEMENTS

Texas Department of Motor Vehicles (608)

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
For the Year Ended August 31, 2017**

	<u>General Revenue Account (0001)</u>	<u>License Plate Trust Fund Account (0802)</u>	<u>Suspense Type Activities Account (0900)</u>	<u>Returned Items Type Activities Account (9001)</u>	<u>Total</u>
Assets					
Current Assets:					
Cash on Hand	\$	\$	\$	\$	\$ 0.00
Cash in Bank					0.00
Cash in State Treasury	32,627.00	3,991,136.28	50,679.70	(32,627.00)	4,041,815.98
Legislative Appropriations	31,619,638.99				31,619,638.99
Receivables:					
Federal					0.00
Accounts Receivable					0.00
Due From Other Funds (Note 12)					0.00
Due From Other Agencies (Note 12)		9,817.18			9,817.18
Consumable Inventories					0.00
Total Current Assets	31,652,265.99	4,000,953.46	50,679.70	(32,627.00)	35,671,272.15
Liabilities					
Current Liabilities					
Payables:					
Vouchers Payable	1,328.00				1,328.00
Account Payable	3,006,424.52				3,006,424.52
Payroll Payable	41,575.53				41,575.53
Due to Other Funds (Note 12)					0.00
Due to Other Agencies (Note 12)		3,772,486.65			3,772,486.65
Total Current Liabilities	3,049,328.05	3,772,486.65	0.00	0.00	6,821,814.70
Fund Balances					
Non Spendable (Inventory)					0.00
Restricted					
Unassigned	28,602,937.94	228,466.81	50,679.70	(32,627.00)	28,849,457.45
Total Fund Balance	28,602,937.94	228,466.81	50,679.70	(32,627.00)	28,849,457.45
Total Liabilities and Fund Balances	\$ 31,652,265.99	\$ 4,000,953.46	\$ 50,679.70	\$ (32,627.00)	\$ 35,671,272.15

Texas Department of Motor Vehicles (608)

-UNAUDITED-

**EXHIBIT B-1
COMBINING BALANCE SHEET
Special Revenue Funds**

For Fiscal Year Ended August 31, 2017

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Fund (0900)	Total
Assets				
Current Assets:				
Cash on Hand	\$	\$ 15,725.00	\$	\$ 15,725.00
Cash in Bank		20,000.00		20,000.00
Cash in State Treasury		51,856,042.60	193,014.28	52,049,056.88
Legislative Appropriations				0.00
Receivables:				
Federal				0.00
Accounts Receivable	118,830,427.03	3,584,013.76		122,414,440.79
Due From Other Funds (Note 12)				0.00
Due From Other Agencies (Note 12)				0.00
Consumable Inventories		93,290.87		93,290.87
Total Current Assets	<u>118,830,427.03</u>	<u>55,569,072.23</u>	<u>193,014.28</u>	<u>174,592,513.54</u>
Liabilities				
Current Liabilities				
Payables:				
Vouchers Payable		301,658.17		301,658.17
Account Payable	98,597.75	7,537,551.38		7,636,149.13
Payroll Payable		4,523,654.29		4,523,654.29
Due to Other Funds (Note 12)				0.00
Due to Other Agencies (Note 12)				0.00
Total Current Liabilities	<u>98,597.75</u>	<u>12,362,863.84</u>	<u>0.00</u>	<u>12,461,461.59</u>
Fund Balances				
Non Spendable (Inventory)		93,290.87		93,290.87
Restricted	118,731,829.28	43,112,917.52	193,014.28	162,037,761.08
Unassigned				0.00
Total Fund Balance	<u>118,731,829.28</u>	<u>43,206,208.39</u>	<u>193,014.28</u>	<u>162,131,051.95</u>
Total Liabilities and Fund Balances	<u>\$ 118,830,427.03</u>	<u>\$ 55,569,072.23</u>	<u>\$ 193,014.28</u>	<u>\$ 174,592,513.54</u>

Texas Department of Motor Vehicles (608)

-UNAUDITED-

**EXHIBIT A-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2017**

	<u>General Revenue Account (0001)</u>	<u>License Plate Trust Fund Account (0802)</u>	<u>Suspense Type Activities Account (0900)</u>	<u>Returned Items Type Activities Account (9001)</u>	<u>Totals</u>
Revenues					
Legislative Appropriations :					
Original Appropriations	\$ 14,912,006.00	\$	\$	\$	\$ 14,912,006.00
Additional Appropriations	56,924.91				56,924.91
Federal Revenues	168,969.10				168,969.10
Federal Pass-Through					0.00
State Grant Pass -Through					0.00
Licenses, Fees and Permits	(7,663,566.32)	7,054.30	50,679.70		(7,605,832.32)
Interest & Investment Income		2,202.97			2,202.97
Settlement of Claims					0.00
Sales of Goods and Services	472.50				472.50
Other Revenues				2,723.79	2,723.79
Total Revenues	7,474,806.19	9,257.27	50,679.70	2,723.79	7,537,466.95
Expenditures					
Salaries and Wages	542,844.97				542,844.97
Payroll Related Costs	109,024.40				109,024.40
Professional Fees and Services	5,258,370.88				5,258,370.88
Travel	33,773.21				33,773.21
Materials and Supplies	2,922,414.71				2,922,414.71
Communications and Utilities	106,499.70				106,499.70
Repairs and Maintenance	1,620,511.63				1,620,511.63
Rentals and Leases	19,649.40				19,649.40
Printing and Reproduction	255,745.13				255,745.13
Claims and Judgements					0.00
Federal Pass-Through Expenditures					0.00
State Grant Pass-Through Expenditures					0.00
Intergovernmental Payments	13,306,747.28				13,306,747.28
Public Assistance Programs					0.00
Other Operating Expenditures	113,101.58				113,101.58
Capital Outlay	1,058,513.42				1,058,513.42
Total Expenditures	25,347,196.31	0.00	0.00	0.00	25,347,196.31
Excess (Deficit) of Revenues over Expenditures	(17,872,390.12)	9,257.27	50,679.70	2,723.79	(17,809,729.36)
Other Financing Sources (Uses)					
Operating Transfers In (Note 12)					0.00
Operating Transfers Out (Note 12)	(36,079.37)				(36,079.37)
Insurance Recoveries					0.00
Sale of Capital Assets	(118.13)				(118.13)
Legislative Financing Sources					0.00
Legislative Transfers In (Note 12)					0.00
Legislative Transfers Out (Note 12)					0.00
Total Other Financing Sources (Uses)	(36,197.50)	0.00	0.00	0.00	(36,197.50)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	(17,908,587.62)	9,257.27	50,679.70	2,723.79	(17,845,926.86)
Fund Balance - Beginning	48,922,447.25	219,209.54	0.00	(35,350.79)	49,106,306.00
Restatements					0.00
Fund Balance As Restated	48,922,447.25	219,209.54	0.00	(35,350.79)	49,106,306.00
Appropriations Lapsed	(2,410,921.69)				(2,410,921.69)
Fund Balance - Ending	\$ 28,602,937.94	\$ 228,466.81	\$ 50,679.70	\$ (32,627.00)	\$ 28,849,457.45

Texas Department of Motor Vehicles (608)

-UNAUDITED-

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Special Revenue Funds
For the Year Ended August 31, 2017

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Account (0900)	Totals
Revenues				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$ 0.00
Additional Appropriations				0.00
Federal Revenues				0.00
Federal Pass-Through		133,107.09		133,107.09
State Grant Pass -Through				0.00
Licenses, Fees and Permits	1,552,715,880.75	152,794,290.32	193,014.28	1,705,703,185.35
Interest & Investment Income		389,587.73		389,587.73
Settlement of Claims		866,978.26		866,978.26
Sales of Goods and Services	0.10	353,875.00		353,875.10
Other Revenues	427,140.74	43,354.91		470,495.65
Total Revenues	1,553,143,021.59	154,581,193.31	193,014.28	1,707,917,229.18
Expenditures				
Salaries and Wages	480.00	39,062,391.26		39,062,871.26
Payroll Related Costs	82.32	14,020,805.53		14,020,887.85
Professional Fees and Services	9,161,492.89	10,133,025.85		19,294,518.74
Travel	503.00	339,956.23		340,459.23
Materials and Supplies	782,887.86	20,435,494.75		21,218,382.61
Communications and Utilities		4,992,479.18		4,992,479.18
Repairs and Maintenance	2,195,784.30	2,115,031.46		4,310,815.76
Rentals and Leases		873,729.57		873,729.57
Printing and Reproduction		4,138,938.79		4,138,938.79
Claims and Judgements		40,000.00		40,000.00
Federal Pass-Through Expenditures				0.00
State Grant Pass-Through Expenditures				0.00
Intergovernmental Payments				0.00
Public Assistance Programs				0.00
Other Operating Expenditures	(1,230,538.63)	38,201,549.43		36,971,010.80
Capital Outlay		21,701.00		21,701.00
Total Expenditures	10,910,691.74	134,375,103.05	0.00	145,285,794.79
Excess (Deficit) of Revenues over Expenditures	1,542,232,329.85	20,206,090.26	193,014.28	1,562,631,434.39
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)		23,000,000.00		23,000,000.00
Operating Transfers Out (Note 12)	(1,535,182,923.08)	-		(1,535,182,923.08)
Sale of Capital Assets		118.13		118.13
Legislative Financing Sources				0.00
Insurance Recoveries				0.00
Legislative Transfers In (Note 12)				0.00
Legislative Transfers Out (Note 12)				0.00
Total Other Financing Sources (Uses)	(1,535,182,923.08)	23,000,118.13	0.00	(1,512,182,804.95)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	7,049,406.77	43,206,208.39	193,014.28	50,448,629.44
Fund Balance - Beginning	111,682,422.51	0.00	0.00	111,682,422.51
Restatements				0.00
Fund Balance As Restated	111,682,422.51	0.00	0.00	111,682,422.51
Appropriations Lapsed				0.00
Fund Balance - Ending	\$ 118,731,829.28	\$ 43,206,208.39	\$ 193,014.28	162,131,051.95

Texas Department of Motor Vehicles (608)

-UNAUDITED-

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
For Fiscal Year Ended August 31, 2017

	Beginning Balances September 1, 2016	Additions	Deductions	Ending Balances August 31, 2017
Unified Carrier Registration-Unappropriated Fund (0645)				
Assets:				
Cash in State Treasury	0.00	9,887,406.44	9,887,406.44	0.00
Accounts Receivable	133,455.47	0.00	133,455.47	0.00
Total Assets	\$ 133,455.47	\$ 9,887,406.44	\$ 10,020,861.91	\$ 0.00
Liabilities:				
Accounts Payable	0.00	1,099,727.44	1,099,727.44	0.00
Funds Held for Others	133,455.47	9,753,950.97	9,887,406.44	0.00
Total Liabilities	\$ 133,455.47	\$ 10,853,678.41	\$ 10,987,133.88	\$ 0.00
Unified Carrier Registration - Tx Department of Motor Vehicle Fund (1645)				
Assets:				
Cash in State Treasury	0.00	7,116,194.47	6,990,074.00	126,120.47
Accounts Receivable	0.00	0.00	0.00	0.00
Total Assets	\$ 0.00	\$ 7,116,194.47	\$ 6,990,074.00	\$ 126,120.47
Liabilities:				
Accounts Payable	0.00	6,989,542.00	6,989,542.00	0.00
Funds Held for Others	0.00	7,116,194.47	6,990,074.00	126,120.47
Total Liabilities	\$ 0.00	\$ 14,105,736.47	\$ 13,979,616.00	\$ 126,120.47
Proportional Registration Distributive Fund (0021)				
Assets:				
Cash in State Treasury	10,941,001.78	105,592,757.49	99,930,737.80	16,603,021.47
Total Assets	\$ 10,941,001.78	\$ 105,592,757.49	\$ 99,930,737.80	\$ 16,603,021.47
Liabilities:				
Accounts Payable	0.00	26,711,063.84	26,711,063.84	0.00
Funds Held for Others	10,941,001.78	105,592,757.49	99,930,737.80	16,603,021.47
Total Liabilities	\$ 10,941,001.78	\$ 132,303,821.33	\$ 126,641,801.64	\$ 16,603,021.47
Child Support - Employee Deduction (0807)				
Assets:				
Cash in State Treasury	6,587.96	79,199.42	80,417.62	5,369.76
Total Assets	\$ 6,587.96	\$ 79,199.42	\$ 80,417.62	\$ 5,369.76
Liabilities:				
Accounts Payable	0.00	73,829.66	73,829.66	0.00
Funds Held for Others	6,587.96	79,199.42	80,417.62	5,369.76
Total Liabilities	\$ 6,587.96	\$ 153,029.08	\$ 154,247.28	\$ 5,369.76

Texas Department of Motor Vehicles (608)

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
For Fiscal Year Ended August 31, 2017

	Beginning Balances September 1, 2016	Additions	Deductions	Ending Balances August 31, 2017
Suspense Fund (0900)				
Assets:				
Cash in State Treasury	995,915.80	103,788,168.54	104,116,918.12	667,166.22
Total Assets	\$ 995,915.80	\$ 103,788,168.54	\$ 104,116,918.12	\$ 667,166.22
Liabilities:				
Accounts Payable	995,915.80	83,565,397.84	84,021,880.29	539,433.35
Funds Held for Others	0.00	103,788,168.54	103,660,435.67	127,732.87
Total Liabilities	\$ 995,915.80	\$ 187,353,566.38	\$ 187,682,315.96	\$ 667,166.22
Direct Deposit Correction Account (0980)				
Assets:				
Cash in State Treasury	0.00	252.33	252.33	0.00
Total Assets	\$ 0.00	\$ 252.33	252.33	\$ 0.00
Liabilities:				
Funds Held for Others	0.00	252.33	252.33	0.00
Total Liabilities	\$ 0.00	\$ 252.33	252.33	\$ 0.00
Unappropriated GR (1000)				
Assets:				
Cash in State Treasury	0.00	105,873,794.82	105,873,794.82	0.00
Total Assets	\$ 0.00	\$ 105,873,794.82	105,873,794.82	\$ 0.00
Liabilities:				
Accounts Payable	0.00	142,425.38	142,425.38	0.00
Funds Held for Others	0.00	105,873,794.82	105,873,794.82	0.00
Total Liabilities	\$ 0.00	\$ 106,016,220.20	106,016,220.20	\$ 0.00
Total - All Agency Funds				
Assets:				
Cash in State Treasury	11,943,505.54	332,337,773.51	326,879,601.13	17,401,677.92
Accounts Receivable	133,455.47	0.00	133,455.47	0.00
Total Assets	\$ 12,076,961.01	\$ 332,337,773.51	\$ 327,013,056.60	\$ 17,401,677.92
Liabilities:				
Accounts Payable	995,915.80	118,581,986.16	119,038,468.61	539,433.35
Funds Held for Others	11,081,045.21	332,204,318.04	326,423,118.68	16,862,244.57
Total Liabilities	\$ 12,076,961.01	\$ 450,786,304.20	\$ 445,461,587.29	\$ 17,401,677.92

(Exhibit VI)

The accompanying notes to the financial statements are an integral part of this exhibit.

SCHEDULES

Texas Department of Motor Vehicles (608)

-UNAUDITED-

**SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through From			
	CFDA Number	Agency Number	State Agency or University Amount	Non-State Entities Amount
U.S. Department of Transportation				
<u>Direct Programs:</u>				
Commercial Vehicle Information Systems and Networks	20.237			
<u>Pass-Through Programs:</u>				
Texas Department of Public Safety				
Commercial Vehicle Information Systems and Networks	20.237	405	\$ 133,107.09	
Total			<u>\$ 133,107.09</u>	<u>0.00</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 133,107.09</u>	<u>0.00</u>

Note 2 - Reconciliation

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types)

Exhibit II

Federal Revenues	\$ 168,969.10
Federal Pass-Through Revenues	\$ 133,107.09
Total	<u>\$ 302,076.19</u>

Texas Department of Motor Vehicles (608)

Direct Program Amount	Total Pass Through From & Direct Program	Pass-Through To		Expenditure Amount	Total Pass Through To & Expenditures
		Agency Number	State Agency or University Amount		
\$ 168,969.10	\$ 302,076.19			\$ 302,076.19	\$ 302,076.19
<u>\$ 168,969.10</u>	<u>\$ 302,076.19</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 302,076.19</u>
<u><u>\$ 168,969.10</u></u>	<u><u>\$ 302,076.19</u></u>		<u><u>0.00</u></u>	<u><u>\$ 302,076.19</u></u>	<u><u>\$ 302,076.19</u></u>

Published and distributed
by the
Texas Department *of* Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731

February 8, 2018



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Annual Report of Nonfinancial Data

Fiscal Year Ended August 31, 2017



Revised, January, 2018

February 8, 2018

Annual Report of Nonfinancial Data

Fiscal Year Ended August 31, 2017



Texas Department *of* Motor Vehicles

Prepared by
Finance & Administrative Services Division

December 31, 2017
Revised, January, 2018

February 8, 2018

Texas Department of Motor Vehicles Board

Raymond Palacios, Jr., Chair

Blake Ingram, Vice-Chair

Robert "Barney" Barnwell, III

Luanne Caraway

Brett Graham

Kate Hardy

Gary Painter

Guillermo "Memo" Treviño

John H. "Johnny" Walker, III

Whitney H. Brewster

Executive Director

Published and distributed
by the
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas

Table of Contents

	Page
Letter of Transmittal	v
Appropriation Item Transfer Schedule	1
Historically Underutilized Business Strategic Plan Progress Report	2
Indirect Cost Schedule	3
Schedule of Professional/Consulting Fees and Legal Service Fees	4
Schedule of Space Occupied	6
Schedule of Vehicles Purchased	8
Alternative Fuel Program Status	9
Schedule of Itemized Purchases	10



December 31, 2017

The Honorable Greg Abbott, Governor
Ms. Lisa R. Collier, CPA, CFE, CIDA First Assistant State Auditor
Ms. Ursula Parks, Director, Legislative Budget Board

Ladies and Gentlemen:

We are pleased to submit the Texas Department of Motor Vehicle's *Annual Report of Nonfinancial Data* for the year ended August 31, 2017, in compliance with the TEX. GOV'T CODE ANN. §2101.0115 and in accordance with the instructions for completing the Annual Report of Nonfinancial Data.

The accompanying report has not been audited and is considered to be independent of the agency's *Annual Financial Report*.

If you have any questions, please contact Mr. Sergio Rey, Director of Accounting, at (512) 465-4203, or Ms. Linda M. Flores, CPA, Chief Financial Officer, at (512) 465-4125.

Sincerely,

A handwritten signature in blue ink that reads "Whitney H. Brewster".

Whitney H. Brewster
Executive Director

(Unaudited)
Appropriation Item Transfers*
 For the Fiscal Year Ended August 31, 2017

ITEM OF APPROPRIATION			<u>Transfers-In</u>	<u>Transfers-Out</u>	<u>Net Transfers</u>
A. Goal: Optimize Services & Systems					
<i>Strategies:</i>					
A.1.1	13001	Titles, Registrations & Plates	\$ 1,479,898.91	\$ (76,836.10)	\$ 1,403,062.81
A.1.2	13002	Vehicle Dealer Licensing	856.00	(100,158.00)	(99,302.00)
A.1.3	13005	Motor Carrier Permits & Credentials	-	(1,255,296.91)	(1,255,296.91)
A.1.4	13006	Technology Enhancement & Automation	33,000.00	(249,842.00)	(216,842.00)
A.1.5	13007	Customer Contact Center	<u>201,378.10</u>	<u>-</u>	<u>201,378.10</u>
Total, Goal A:		Optimize Services & Systems	<u>\$ 1,715,133.01</u>	<u>\$ (1,682,133.01)</u>	<u>\$ 33,000.00</u>
C. Goal: Indirect Administration					
<i>Strategies:</i>					
C.1.2	13010	Information Resources	<u>-</u>	<u>(33,000.00)</u>	<u>(33,000.00)</u>
Total, Goal C:		Indirect Administration	<u>-</u>	<u>(33,000.00)</u>	<u>(33,000.00)</u>
NET APPROPRIATION ITEM TRANSFERS			<u><u>\$ 1,715,133.01</u></u>	<u><u>\$ (1,715,133.01)</u></u>	<u><u>\$ (0.00)</u></u>

* This schedule does not include Benefit Replacement Pay transfers or Rider Reduction transfers.

(Unaudited)
HUB Strategic Plan Progress Report

For the Fiscal Year Ended August 31, 2017

Source: Texas Government Code, Section 2161.124

Category	Actual for FY 16*	Actual for FY 17*	Goal for FY 18**
Heavy construction other than building contracts			
Building construction, including general contractors and operative builders contracts			
Special trade construction contracts	13.43%		
Professional services contracts			
Other services contracts	13.82%	4.38%	5.00%
Commodities contracts	28.50%	21.33%	23.00%

* Actual Percent spent with HUBS from HUB Report

** HUB Goal from the Strategic Plan


Prepared By

Fred Snell
Printed Name

512-465-4177
Phone Number


Approved By (Signature required.)

David Chambers
Printed Name

512-465-1257
Phone Number

(Unaudited)

Indirect Cost Schedule

For the Fiscal Year Ended August 31, 2017

A. Payroll-related Costs

(Exhibit II, Annual Financial Report)

FICA Employer Matching Contribution	\$ 2,871,586.15	
Group Health Insurance	7,422,476.51	
Retirement	3,795,680.66	
Unemployment	<u>40,168.93</u>	
Total Payroll-related Costs		\$ <u>14,129,912.25</u>

Workers' Compensation	\$ 75,007.61	
Benefit Replacement Pay (BRP)	<u>97,318.73</u>	
Total Workers' Compensation and BRP		\$ <u>172,326.34</u>

B. Indirect Costs

(Not reported in Agency's Annual Financial Report)

Bond Debt Service Payments		
Texas Facilities Commission (TFC)	\$ 0.00	
Texas Public Finance Authority (TPFA)	0.00	
Other (if applicable)	<u>0.00</u>	
Total Indirect Costs		\$ <u>0.00</u>

C. Indirect Costs - Statewide Full Cost Allocation Plan (SWCAP)

Comptroller of Public Accounts (CPA)	\$ 243,139.00	
Department of Public Safety (DPS)	(212.00)	
Texas Facilities Commission (TFC)	2,915.00	
Governor Budget & Planning	<u>2,958.00</u>	
Total Indirect Costs - Statewide Full Cost Allocation Plan		\$ <u>248,800.00</u>

TOTAL INDIRECT COSTS		\$ <u><u>14,551,038.59</u></u>
-----------------------------	--	---------------------------------------

(Unaudited)

Schedule of Professional/Consulting Fees & Legal Service Fees

For the Fiscal Year Ended August 31, 2017

Professional/Consulting Fees:

Name	Service Provided	Amount
Abdeladim & Associates	Information Technology Services	201,327.17
Adjacent Technologies Inc	Information Technology Services	12,480.00
Allied Consultants	Information Technology Services	5,080.00
American Association of Notaries Inc	Educational/Training Services	25.00
Anchor Computer Inc	Data Processing Services	15,367.93
Apex Systems Inc	Information Technology Services	91,620.00
Black Book National Auto Research Division	Information Technology Services	93,500.00
C & T Information Tech. Consulting Inc	Information Technology Services	144,245.00
Carahsoft Technology Corporation	Information Technology Services	805,103.51
Carahsoft Technology Corporation	Consultant Services - Computer	3,279.53
Carahsoft Technology Corporation	Educational/Training Services	7,673.69
Capitol Systems Inc	Information Technology Services	85,455.00
Cogent Infotech Corporation	Information Technology Services	107,088.00
Dataspans Holdings	Data Processing Services	5,603.65
Dell Marketing LP	Information Technology Services	13,552.00
Deloitte Consulting LLP	Information Technology Services	8,846,761.58
Explore Information Services LLC	Information Technology Services	732,619.50
Fred Pryor Seminars	Educational/Training Services	199.00
Galton Cunningham & Bourgeois PLLC	Professional Services-Other	1,175.00
Intellipaat Software Services Pvt. Ltd.	Educational/Training Services	300.00
Inventrum LLC	Educational/Training Services	14.85
Kaepfel Consulting LLC	Information Technology Services	24,609.50
Learnquest Inc	Educational/Training Services	2,800.00
Madcap Software Inc	Educational/Training Services	1,299.00
National Human Resource Group Inc	Information Technology Services	189,559.00
Navayuga Infotech LLC	Information Technology Services	152,997.22
NF Consulting Services	Information Technology Services	568,834.50
NTT Data Inc	Data Processing Services	626,988.84
NU Info Systems Inc	Information Technology Services	196,473.50
Prelude Systems Inc	Information Technology Services	34,125.00
Presidio Networked Solutions Group LLC	Consultant Services - Computer	4,200.00

(Unaudited)

Schedule of Professional/Consulting Fees & Legal Service Fees

For the Fiscal Year Ended August 31, 2017

Professional/Consulting Fees:

<u>Name</u>	<u>Service Provided</u>	<u>Amount</u>
Promiles Software Development Corp.	Information Technology Services	295,941.78
Safari Books Online LLC	Educational/Training Services	5,985.00
SHI Government Solutions Inc	Consultant Services - Computer	22,300.00
Skillpath Seminars	Educational/Training Services	125.95
Software Engineering Services	Information Technology Services	156,937.51
Southwest Research Institute	Consultant Services - Other	368,026.73
State Bar of Texas	Educational/Training Services	65.00
Steel Digital Studios Inc	Professional Services-Other	600.00
Texas Comptroller of Public Accounts	Professional Services-Other	10,000.00
Texas Comptroller of Public Accounts	Educational/Training Services	50.00
Texas Department of Information Resources	Computer Services-Statewide Tech	9,348,192.78
Texas Department of Information Resources	Data Processing Services	43,725.00
Texas Department of Transportation	Data Processing Services	38,181.69
Texas Workforce Commission	Educational/Training Services	2,171.00
TIBH Industries Inc	Information Technology Services	1,167,700.91
TXC Texas Creative Ltd	Consultant Services - Other	7,610.08
University of Texas at Austin	Educational/Training Services	11,584.00
Voice Products Inc	Information Technology Services	5,919.33
Wolters Kluwer Financial Services Inc	Information Technology Services	8,070.00
Workers Assistance Program Inc	Educational/Training Services	1,200.00
Workers Assistance Program Inc	Professional Services-Other	13,245.89
Total, Professional/Consulting Fees:		\$ 24,481,989.62

Legal Service Fees:

<u>Name</u>	<u>Service Provided</u>	<u>Amount</u>
State Office of Administrative Hearings (SOAH)	Legal Services - Approved by SOAH	70,900.00
Total, Legal Service Fees:		\$ 70,900.00

TOTAL, PROFESSIONAL/CONSULTING FEES & LEGAL SERVICE FEES **\$ 24,552,889.62**

Texas Department of Motor Vehicles (608)

(Unaudited)
Schedule of Space Occupied
 For the Fiscal Year Ended August 31, 2017

The Texas Department of Motor Vehicles is headquartered in Austin, Texas and maintains sixteen (16) regional offices across the state to facilitate delivery of services to the motoring public. Effective November 1, 2009, the Texas Department of Transportation allocated office space to the TxDMV through a Memorandum of Understanding as required by HB 3097, 81st Legislature, R.S.

Location	Address	Lessor	Lease No.
State Owned Buildings			
Camp Hubbard Complex	4000 Jackson Ave, Austin, Texas		
Building, CH 1			
Building, CH 2 (Fiesta Room)			
Building, CH 5			
Bull Creek Complex	4203 Bull Creek, Austin, Texas		
Building 22			
Building 40			
Building 43 A, B & C			
Regional Offices			
Abilene	4210 North Clack, Abilene, Texas		
Amarillo	5715 Canyon Drive, Building H, Amarillo, Texas		
Austin	1001 East Parmer Lane, Suite A, Austin, Texas		
Beaumont	8550 Eastex Freeway, Beaumont, Texas		
Huntsville Operations	810 FM 2821, Huntsville, Texas	TDCJ - Wynne Unit	
Longview	4549 West Loop 281, Longview, Texas		
Lubbock	135 Slaton Road, Lubbock, Texas		
Midland/Odessa	3901 East Hwy 80, Odessa, Texas		
Pharr	600 West Expwy 83, Pharr, Texas		
*San Antonio	TransGuide Building, 3500 NW Loop 410, San Antonio, Texas		
Wichita Falls	1601-A Southwest Parkway, Wichita Falls, Texas		
Leased Space			
Centimeter Warehouse Facility	2000 Centimeter Circle, Austin, Texas	RUT-3-4-7, LTD	MOU with TXDOT
CPA Warehouse	1811 Airport Blvd, Austin, Texas	4015 Limited Partnership	6728
Regional Offices			
Corpus Christi	602 N. Staples Street, Corpus Christi, Texas	Corpus Christi Regional Transp. Authority	303-7-20538
Dallas	1925 E. Beltline Road, Carrollton, Texas	RDT Leasing	7959
El Paso	1227 Lee Trevino Drive, Suite 100, El Paso, Texas	Burnham Properties, Ltd.	10263
Fort Worth	2425 Gravel Drive, Fort Worth, Texas	Gravel Drive Limited	10462
Houston	2110 East Governors Circle, Houston, Texas	Ragsdale-Brookwood Joint Venture	20399
Waco	2203 Austin Avenue, Waco, Texas	Tony Martin, Trustee	8365

*Note: For the majority of FY 2017, the San Antonio office was located at 3500 NW Loop 410, San Antonio, Texas. The San Antonio office was relocated to 15150 Nacogdoches Road, San Antonio, Texas on August 28, 2017.

Location	Type	Usable Square Footage	FTEs	Cost Per			Contract Period
				Month	Sq.Ft. Per Mo.	Year	
State Owned Buildings							
Camp Hubbard Complex							
Building, CH 1	Office	71,684	270				
Building, CH 2 (Fiesta Room)	Office	1,102	-				
Building, CH 5	Office	33,134	116				
Bull Creek Complex							
Building 22	Office	7,664	51				
Building 40	Office	7,000	35				
Building 43 A, B & C	Office	5,030	20				
Regional Offices							
Abilene	Office	1,900	7				
Amarillo	Office	2,538	5				
Austin	Office	3,131	9				
Beaumont	Office	3,000	8				
Huntsville Operations	Office	260	2				
Longview	Office	3,120	10				
Lubbock	Office	2,579	7				
Midland/Odessa	Office	3,618	6				
Pharr	Office	3,500	13				
San Antonio	Office	1,760	16				
Wichita Falls	Office	2,665	11				
Total, State Owned Buildings		153,685	586	\$ -		\$ -	
Leased Space							
Centimeter Warehouse Facility	Warehouse	575	-	-	-	-	09/01/16 - 08/31/19
CPA Warehouse	Warehouse	3,000	-	1,694.73	0.5649	20,336.76	05/01/15 - 04/30/20
Regional Offices							
Corpus Christi	Office	3,141	7	3,737.79	1.1900	44,853.48	04/01/17 - 03/31/27
Dallas	Office	7,865	21	10,235.75	1.3014	122,829.00	04/01/15 - 03/31/20
El Paso	Office	3,771	10	4,485.78	1.1895	53,829.36	11/01/14 - 10/31/17
Fort Worth	Office	5,685	23	6,468.75	1.1379	77,625.00	08/01/13 - 09/30/20
Houston	Office	11,554	33	23,164.06	2.0049	277,968.72	11/01/16 - 09/30/24
Waco	Office	2,307	7	3,185.53	1.3808	38,226.36	09/01/15 - 08/31/20
Total, Leased Space†		37,898	101	\$ 52,972.39		\$ 635,668.68	
GRAND TOTAL†		191,583	687	\$ 52,972.39		\$ 635,668.68	

† Revised totals, January, 2018

(Unaudited)
Schedule of Vehicles Purchased
For the Fiscal Year Ended August 31, 2017

<u>Make</u>	<u>Model</u>	<u>Quantity</u>	<u>Purchase Price</u>	<u>Type of Use</u>	<u>Fuel Efficiency In Average Miles per Gallon</u>
				No Vehicles Purchased FY2017	
TOTALS		<u>0</u>	<u>0.00</u>		

(Unaudited)
Alternative Fuel Program Status
 For the Fiscal Year Ended August 31, 2017

Alternative Fuel Vehicles Received Into Inventory by Fiscal Year

The totals in the chart below represent the number of alternative fuel vehicles received into inventory between September 1 and August 31 of each fiscal year.

Fiscal Year	Type Of Fuel Capability				Total
	Natural Gas (CNG)	Propane (LPG)	Ethanol (E-85)	Gas/Electric Hybrid	
2017					0
2016			3		3
2015					0
2014			8		8
2013			8		8
2012			6		6
2011					0
2010		6	1	11	18
Totals	0	6	26	11	43

Texas Department of Motor Vehicles was created by the 81st Legislature with House Bill 3097. The vehicles listed for FY2010 were part of the transfer from Texas Department of Transportation when the TxDMV began operations. The purchases to date were surplus vehicles bought from the Texas Department of Public Safety and one new vehicle procured via the Comptroller of Public Accounts Term Contract.

Fuel Usage for the Fiscal Year Ended August 31, 2017

	<u>Gallons Used</u>
Unleaded Gasoline	19,120
Unleaded for Gas Hybrid	3,266
Propane	0
Ethanol	4,416

Texas Department of Motor Vehicles (608)

(Unaudited)
Schedule of Itemized Purchases
 For the Fiscal Year Ended August 31, 2017

<u>Vendor Name</u>	<u>Amount</u>	<u>Product Purchased</u>	<u>Justification</u>
<i>Promiles Software Development Corp.</i>	<i>\$ 269,400.00</i>	<i>Programming and Support Services</i>	<i>Competing Products Not Satisfactory</i>
		Software programming to modify our current TxPROS website, including production and disaster recovery, hardware, software and infrastructure.	Promiles Software Development Corporation wrote the source code for the system and currently supports it as well. As such, they are the only vendor that can supply the services required.
TOTAL PURCHASES	\$ <u>269,400.00</u>		

Published and distributed
by the
Texas Department *of* Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731

February 8, 2018

DATE: February 7, 2018

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Finance and Audit Committee
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 8.B.
Subject: 2018 Quarterly Financial Report

RECOMMENDATION

The attached Financial Summary reflects revenues and expenditures for the Texas Department of Motor Vehicles (TxDMV) for the first quarter ending November 30, 2017.

PURPOSE AND EXECUTIVE SUMMARY

The TxDMV Board are briefed quarterly by staff on the revenue collections and agency expenditures. Beginning in Fiscal Year (FY) 2018 the Financial Summary has been updated to reflect a dashboard format. The **revenue section** has a segment dedicated to the TxDMV Fund, including comparisons of FY2018 revenue to year to date revenue projections, FY2017 actual collections for the same time period and actual expenditures and obligations. The TxDMV Fund section also includes data on revenue collections by type and the Processing and Handling (P&H) Fee transaction mix for the first quarter. The section outlining overall revenue collections (including Fund 0006) also compares projections to actuals, and includes details of revenue collections associated with titles, registration and oversize/overweight.

The **expenditure section** includes expenditure/encumbrance data by fund and by budget category. Major operating categories are highlighted, and a graph on FTE status for the quarter is depicted in the report. Finally, the capital budget section includes information on capital projects as well as a separate section detailing Automation Projects.

TxDMV Fund first quarter collections of \$38,760,436 exceeded projections. Collections for all revenues (including Fund 0006) were also in excess of projections by 4.1%. Expenses for the same period totaled approximately \$22.4 million with salaries, contract services, and postage constituting the majority of the expenditures.

The agency completed the first quarter without any major cost overruns or unanticipated expenditures. Revenue collections were close to projections without any unanticipated fluctuations.

FINANCIAL IMPACT

The department continues to be funded with the TxDMV Fund with the exception of the Automobile Burglary and Theft Prevention Authority (ABTPA), which is funded from General Revenue. FY 2018 will be the first full year of collections of the P & H fee.

BACKGROUND AND DISCUSSION

TxDMV Fund Status

As of November 30, 2017 collections for the TxDMV Fund totaled \$41,441,199 consisting of \$38,760,436 in fee collections plus \$2,680,763 in collections for payments of fees for credit cards and Texas.gov.

- Year-to-date revenue collections for the P&H fee were above projections at \$13.5 million.



Obligations to the TxDMV Fund for the same period include \$21 million in operating expenses, plus \$2.9 million in obligations for fringe benefits and \$2.7 million for convenience and Texas.gov fees. The result is a net cash balance of \$14.9 million at November 30, 2017. This balance does not include the available fund balance at the end of FY2017 or the one-time transfer of \$23 million.

My Plates Status

As of November 30, 2017, General Revenue collections for the new MyPlates contract exceeded \$33.9 million, of which approximately \$16.7 million deposited to General Revenue counts toward the \$15 million guarantee. The \$15 million General Revenue guarantee was met in August 2017.

Overall Revenues

For the first quarter, collections for all revenues ended 4.1% over projections. The major drivers for higher than projected revenue collections were in motor vehicle registrations, P&H fees and oversize/overweight revenue. A comparison of current Registration revenue collections to the same period last year reflects a 6.6% increase. The increase is partially due to an increase in the number of registered vehicles of 1.2% compared over the same period last year. FY 2018 motor carrier credentialing revenue is down from FY 2017 and lower than projected for FY 2018, primarily due to delayed payments from motor carriers for Unified Carrier Registration (UCR) annual fees. The UCR board finalized and published the current fee structure later than expected. Now that the fee amounts have been revised, motor carriers have been given 90 days from early January to pay fees that were owed. TxDMV expects such fees will be paid in full within the current fiscal year. In the first quarter, oversize/overweight revenue has rebounded from the slump experienced in FY 2017 with an increase of 17.7% over the same period in FY 2017.

Expenditures

Overall year-to-date expenditures through November 30, 2017 totaled \$22,416,581. Significant expenditure categories includes salaries, contract services for plate production, printing costs for Vehicles, Titles, and Registration (VTR) forms, postage, and Data Center Services (DCS) costs. Included in the year-to-date expenditures is approximately \$1,092,098 for contract payments to the MyPlates vendor. Contract payments to the MyPlates vendor are contingent upon revenues collected. As of the end of the first quarter, MyPlates TxDMV Fund revenues totaled \$1,158,366.

Included in the overall expenditure total are capital appropriation expenditures of approximately \$3.7 million. A major expenditure of \$1.3 million is associated with Data Center Services (DCS) costs. Automation expenditures total approximately \$1.6 million for the first quarter, primarily for project costs in RTS Refactoring.

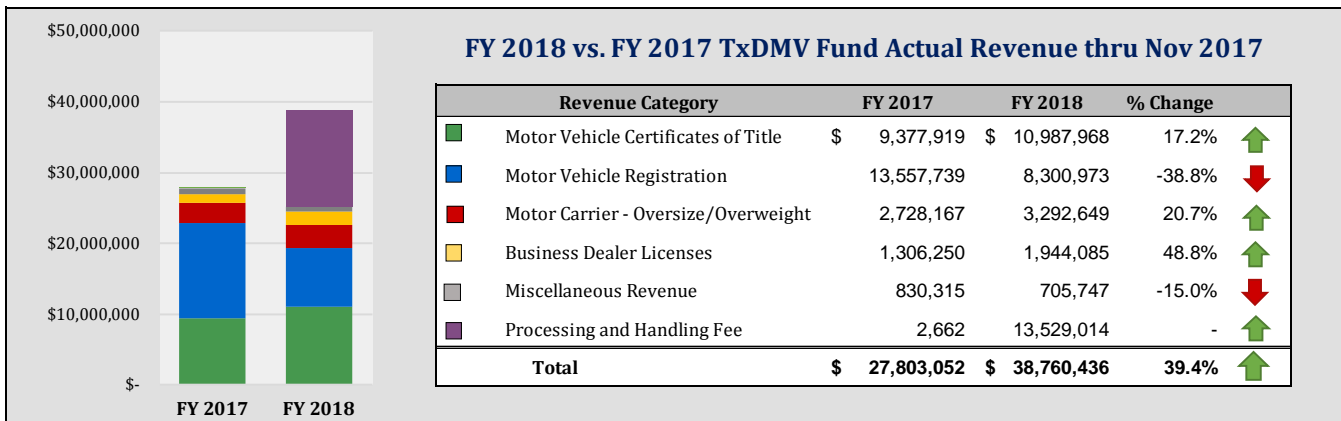
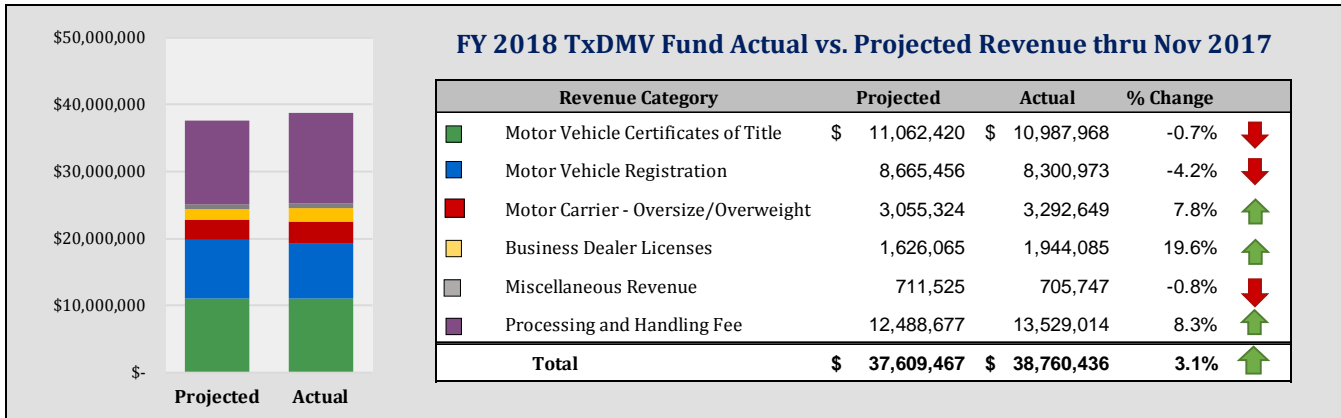


Texas Department of Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

FY 2018 Financial Summary
for the 1st Quarter ending
November 30, 2017

Finance and Administrative Services Division
February 7, 2018

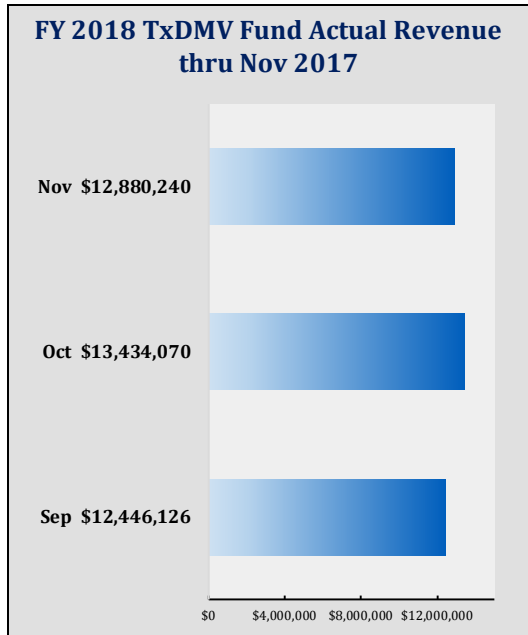
TxDMV Fund Highlights



Overall, TxDMV Fund revenue was 3.1% over projections for the first quarter of FY 2018. Title revenue was 0.7% under projections, and registration revenue was 4.2% less than projected. FY 2018 oversize/overweight deposits to the TxDMV Fund were 7.8% above projections, as more than the expected number of permits were issued in the rebounding oil-price environment. Business dealer licenses finished the quarter 19.6% higher than expected.

The first quarter of FY 2018 saw a significant increase in revenue deposited to the TxDMV Fund, compared to FY 2017. This is primarily the result of the new processing and handling fee implemented in January 2017. The automation fee is now included in the processing and handling fee, resulting in a decrease in TxDMV Fund registration revenue.

The top-five revenue-generating TxDMV Fund fees for the quarter (processing and handling fee, \$3 portion of title fees, buyer's tag, oversize/overweight permits, and delinquent title transfer) accounted for 78.2% of all TxDMV Fund revenue.



TxDMV Fund Highlights

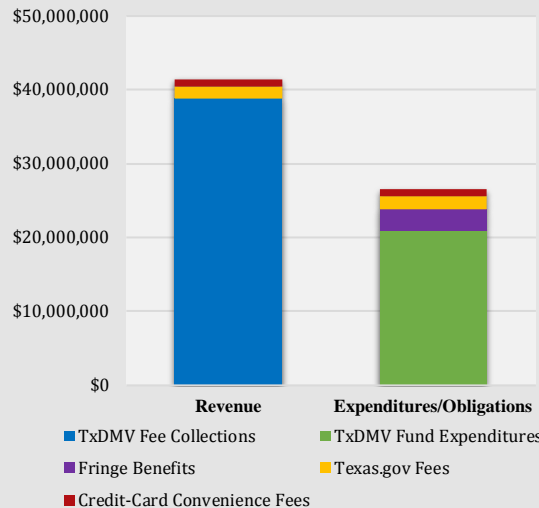
FY 2018 TxDMV Fund Revenue Collections vs. Expenditures/Obligations thru Nov 2017

Revenue:

Motor Vehicle Certificates of Title	\$ 10,987,968
Motor Vehicle Registration	8,300,973
Motor Carrier - Oversize/Overweight	3,292,649
Business Dealer Licenses	1,944,085
Miscellaneous Revenue	705,747
Processing and Handling Fee	13,529,014
Total Fee Collections	\$ 38,760,436
Texas.gov Fees	1,676,435
Credit-Card Convenience Fees	1,004,328
Total Revenue	\$ 41,441,199

Expenditures/Obligations:

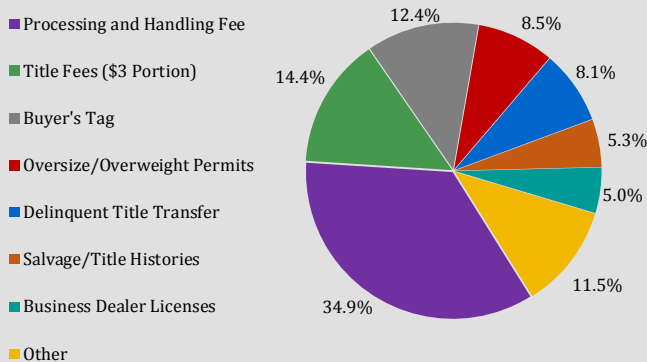
TxDMV Fund Expenditures	\$ 20,986,441
Fringe Benefits	2,890,452
Texas.gov Fees	1,676,435
Credit-Card Convenience Fees	1,004,328
Total	\$ 26,557,656



Total first-quarter revenue of approximately \$41.4 million primarily consists of \$38.8 million in TxDMV Fund fee collections. Texas.gov fees and credit-card convenience fees are also included.

First-quarter expenditures total \$21 million. At the end of the first quarter there is a balance of \$14.9 million. *Note: This does not include FY 2017 year-end fund balances.*

FY 2018 TxDMV Fund Actual Revenue by Fee thru Nov 2017



Total Deposits thru Nov 2017: \$38,760,436

Top TxDMV Fund Fees

Fee	Revenue	% of Total
Processing and Handling Fee	\$ 13,529,014	34.9%
Title Fees (\$3 Portion)	5,573,517	14.4%
Buyer's Tag	4,791,789	12.4%
Oversize/Overweight Permits	3,292,649	8.5%
Delinquent Title Transfer	3,139,437	8.1%
Salvage/Title Histories	2,039,653	5.3%
Business Dealer Licenses	1,944,085	5.0%
Other Sources	4,450,292	11.5%

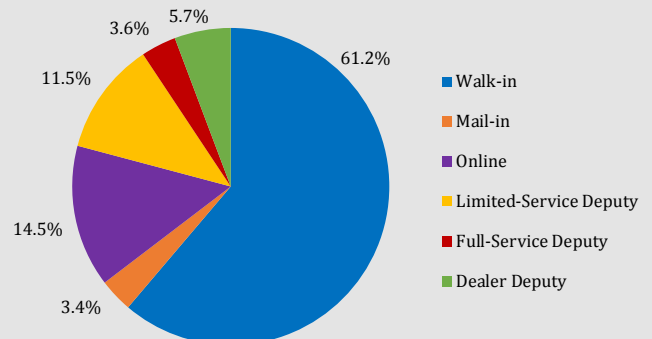
Processing and Handling Fee



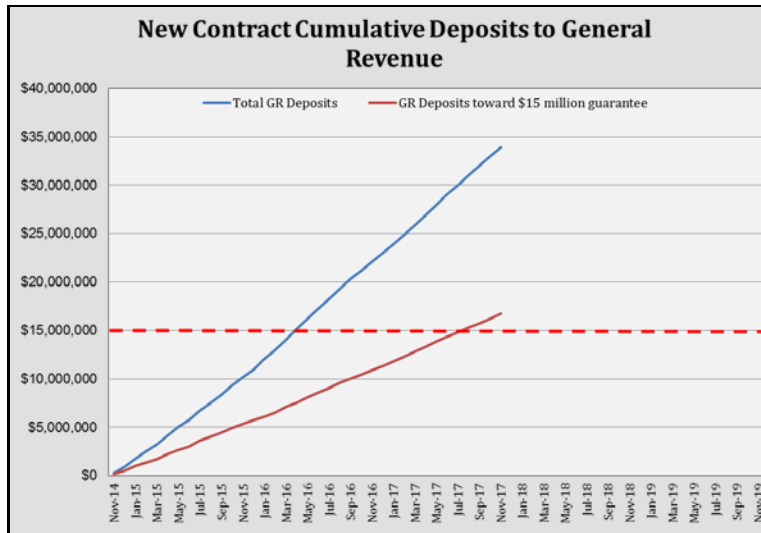
FY 2018 P&H Fee Revenue thru Nov 2017: \$13,529,014

- The processing and handling fee was implemented in January 2017. FY 2018 P&H fee revenue made up 34.9% of TxDMV Fund collections in the first quarter of FY 2018. One hundred percent of State P&H fee revenue was deposited to the TxDMV Fund, to cover to the cost of processing vehicle registration transactions.
- Year-to-date FY 2018 P&H fee revenue was 8.3% above projections. This is primarily due to a higher-than-expected number of vehicle registration transactions.
- FY 2018 year-to-date, an average of \$2.31 per annual registration transaction has been deposited to the TxDMV Fund (this excludes Texas.gov fees). For online annual registrations, \$1.50 per transaction is deposited to the TxDMV Fund. For all other annual registration transaction types, \$2.45 is deposited to the TxDMV Fund.

P&H Fee Transaction Mix



My Plates Revenue



- Through November 2017, cumulative vendor deposits to General Revenue under the renewed contract totaled \$33,916,658.
- MyPlates met the \$15 million contractual guarantee the third week of August 2017. As of November 30, 2017, there has been \$16,738,357 deposited to General Revenue that counts toward the guarantee.
- General Revenue deposits from the sale of vendor specialty plates are determined by plate type and plate term with the State receiving:
 - 40% from all plate sales of one year
 - 95% of all renewal sales
 - 60% of all auction sales
 - 60% from all plate sales with a term of greater than one year
 - 10% of all ancillary products

Overall Revenue Collections

FY 2018 Actual vs. Projected Revenue - All Funds* thru Nov 2017

Revenue Category	Projected	Actual	% Change
Motor Vehicle Certificates of Title	\$ 21,609,569	\$ 22,206,207	2.8% ↑
Motor Vehicle Registration	354,944,434	370,371,480	4.3% ↑
Motor Carrier - Oversize/Overweight	38,415,475	39,862,043	3.8% ↑
Motor Carrier Credentialing	2,132,498	1,151,016	-46.0% ↓
Business Dealer Licenses	1,626,065	1,944,085	19.6% ↑
Miscellaneous Revenue	1,858,025	1,615,138	-13.1% ↓
Processing and Handling Fee	12,488,677	13,529,014	8.3% ↑
Total	\$ 433,074,743	\$ 450,678,983	4.1% ↑

Overall, first-quarter FY 2018 revenue collections were 4.1% over projections. The following categories were above projections: title revenue (2.8% over), registration revenue (4.3% over), oversize/overweight revenue (3.8% over), business dealer licenses (19.6% over), and processing and handling fee revenue (8.3% over). Motor carrier credentialing fees were below projections due to delayed annual motor carrier UCR-fee payments. Miscellaneous revenue was below projections, but is expected to meet annual projections.

Overall, first-quarter FY 2018 revenues were up 11.0% over FY 2017. Title revenue increased by 11.7%, registration revenue by 6.6%, and oversize/overweight revenue by 17.7%. Combined revenue from business dealer licenses and motor carrier credentialing is up 2.3% from FY 2017. Motor carrier credentialing and miscellaneous revenue were less than FY 2017 first-quarter collections.

FY 2018 vs. FY 2017 Actual Revenue - All Funds* thru Nov 2017

Revenue Category	FY 2017	FY 2018	% Change
Motor Vehicle Certificates of Title	\$ 19,885,481	\$ 22,206,207	11.7% ↑
Motor Vehicle Registration	347,440,873	370,371,480	6.6% ↑
Motor Carrier - Oversize/Overweight	33,855,045	39,862,043	17.7% ↑
Motor Carrier Credentialing	1,718,610	1,151,016	-33.0% ↓
Business Dealer Licenses	1,306,250	1,944,085	48.8% ↑
Miscellaneous Revenue	1,762,067	1,615,138	-8.3% ↓
Processing and Handling Fee	2,662	13,529,014	↑
Total	\$ 405,970,988	\$ 450,678,983	11.0% ↑

* All-funds revenue comprises revenue collected by the Department that is deposited to the General Revenue Fund, State Highway Fund, and TxDMV Fund.

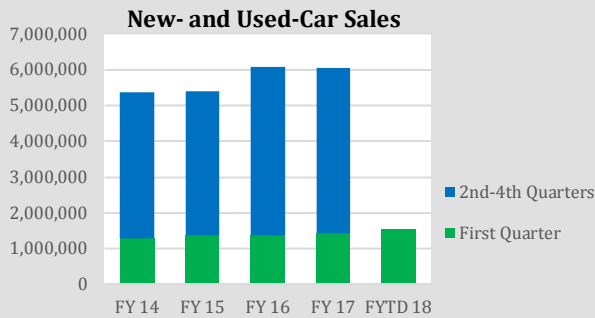
Revenue by Category

Motor Vehicle Certificates of Title



FY 2018 Title Revenue thru Nov 2017: \$22,206,207

- In the first quarter of FY 2018, 4.9% of TxDMV revenue collections were from motor vehicle certificates of title transactions. The \$22,206,207 collected was deposited as follows: \$9,092,739 (40.9%) to the General Revenue Fund; \$2,125,500 (9.6%) to the State Highway Fund; and \$10,987,968 (49.5%) to the TxDMV Fund.
- Year-to-date FY 2018 title revenue was 11.7% above FY 2017 collections, and 2.8% above projections.
- Strong vehicle sales continued in the first quarter of FY 2018. Total dealer sales (new and used) were 1,530,329 units, 6.1% higher than first-quarter FY 2017 sales. Average annual sales from FY 2014 to FY 2017 were 5,718,308 units.



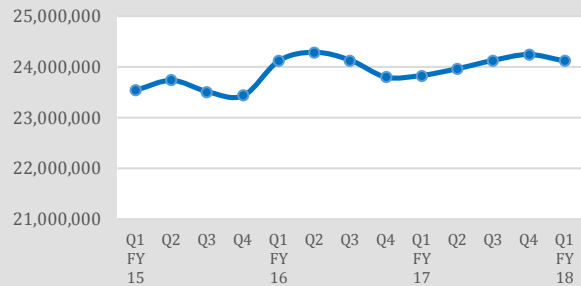
Motor Vehicle Registration



FY 2018 Registration Revenue thru Nov 2017: \$370,371,480

- In the first quarter of FY 2018, 82.2% of TxDMV revenue collections were from motor vehicle registration fees. Of the \$370,371,480 collected, \$358,387,131 (96.8%) was deposited to the State Highway Fund.
- Year-to-date FY 2018 registration revenue was 6.6% above FY 2017 collections, and 4.3% above projections.
- As of November 30, 2017, there were 24,113,912 (non-exempt) registered vehicles in Texas. This is a 1.2% increase from the 23,830,075 registered vehicles in November 2016

Number of Currently Registered Vehicles

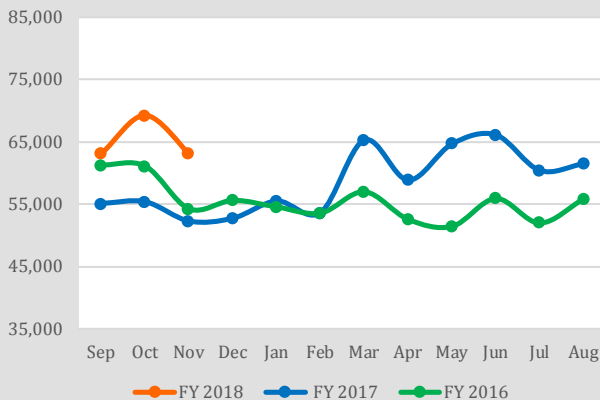


Motor Carrier - Oversize/Overweight



Number of Permits Issued

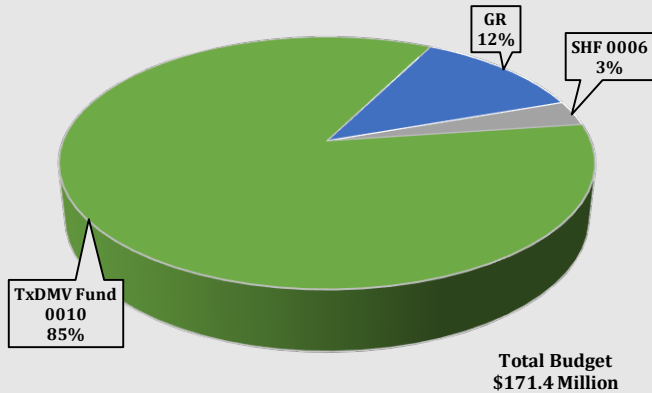
FY 2018 Oversize/Overweight Revenue thru Nov 2017: \$39,862,043



- In the first quarter of FY 2018, 8.8% of TxDMV revenue collections were from motor carrier oversize/overweight permit fees. The \$39,862,043 collected was deposited as follows: \$11,185,505 (28.1%) to the General Revenue Fund; \$25,383,888 (63.7%) to the State Highway Fund; and \$3,292,649 (8.3%) to the TxDMV Fund.
- Year-to-date FY 2018 oversize/overweight revenue was 3.8% higher than projected. Revenue collections were 17.7% higher than the first quarter of FY 2017.
- 195,541 oversize/overweight permits have been issued FY 2018 year-to-date, a 20.1% increase over first-quarter FY 2017.

Operating Budget Status

TxDMV Revised Operating Budget By Fund



The Fiscal Year (FY) 2018 adjusted budget as of November 30, 2017 was \$171.4 million, an increase of \$3.1 million over the original approved budget of \$168.3 million.

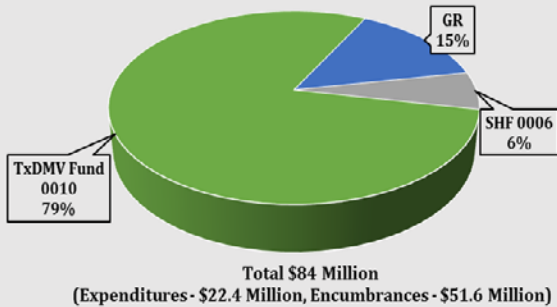
Adjustments included the following:

- > \$2.1 million in carry forward of unexpended balances in Automation for webDEALER and RTS Refactoring.
- > \$1.05 million in balances for the Bull Creek relocation.

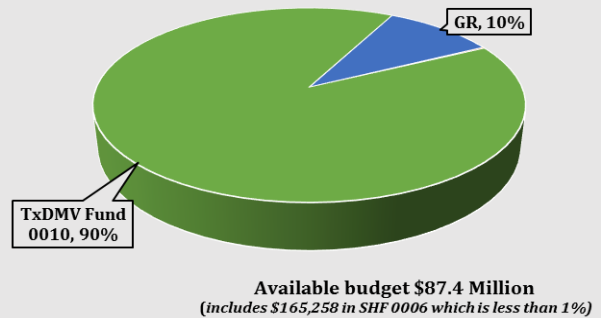
The TxDMV budget by method of finance is reflected in the revised budget shown at left. The TxDMV Fund is the predominate funding source for the department budget. The GR portion of the budget represents Automobile Burglary and Theft Prevention Authority. The State Highway Fund 0006 (SHF 0006) amounts are prior year Automation balances carried forward to the current year.

The two pie charts below show department expenditures/encumbrances and remaining budget amounts by fund as of the end of the 1st Quarter.

TxDMV 1st Quarter Expenditures/Encumbrances By Fund

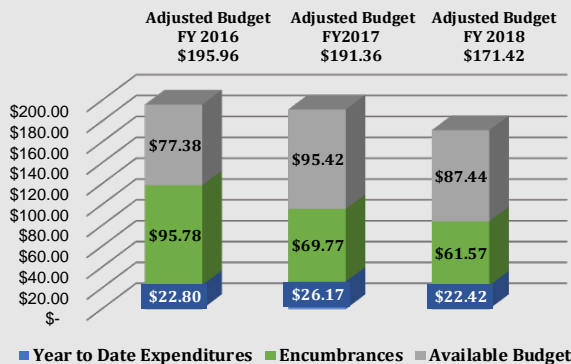


TxDMV 1st Quarter Available Budget By Fund

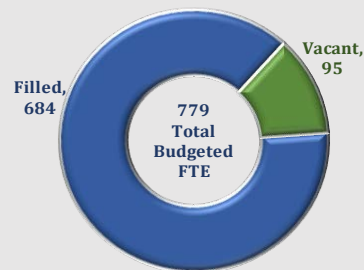


First quarter expenditures are at expected levels compared to this time period in fiscal years 2016 and 2017. Prior year budgets are higher due to funding for capital projects and the inclusion of unexpended balances for Automation.

TxDMV Budget Prior Year Comparisons
in millions



1st Quarter FTE Status



Hiring in the department has increased since the end of the hiring freeze in September; however, vacancies are higher than at this time in FY 2017 when there were 54 vacancies reported.

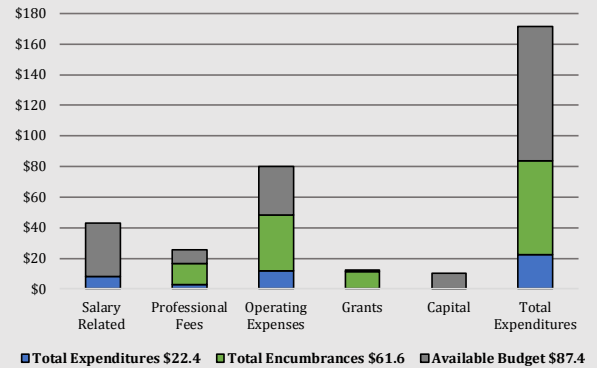
The new Compliance and Investigations Division (CID) became effective January 1, 2018, with the hiring of the new division director. Existing staff, including current Field Service Representatives, were transferred to the new division, also effective January 1, 2018.

It is anticipated that hiring of new positions approved as part of the exceptional item will begin in the upcoming months.

Operating Budget Status

FY 2018 TxDMV 1st Quarter Budget Status by Category

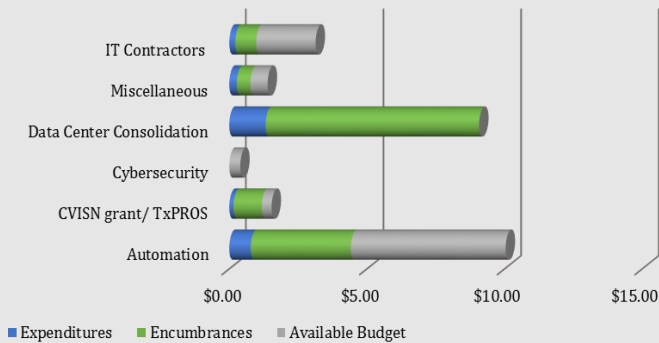
Budget Category	Revised Budget	Expenditures	Encumbrances	Available Budget
Salary Related	\$ 43,262,457	\$ 7,969,640	\$ -	\$ 35,292,817
Professional Fees	25,587,230	2,740,652	13,676,871	9,169,707
Operating Expenses				
Rent/Utilities	\$ 7,152,995	\$ 702,102	\$ 1,173,195	\$ 5,277,699
Contract Services and Services	35,181,712	3,516,645	19,813,397	11,851,671
Computer Equipment/Software and Maintenance & Repair	8,707,912	1,768,980	3,653,131	3,285,802
Freight, Postage, Reproduction & Printing	15,531,314	2,609,424	11,285,019	1,636,871
Advertising, Travel, Memberships/ Training, Fuel/ Consumables	7,478,672	3,085,964	681,986	3,710,722
Other Expenses	6,087,394	23,175	104,886	5,959,333
Operating Expenses (Subtotal)	\$ 80,139,999	\$ 11,706,289	\$ 36,711,613	\$ 31,722,097
Grants	\$ 12,303,182	\$ -	\$ 11,173,618	\$ 1,129,564
Capital	10,128,448	-	5,281	10,123,167
Total Expenditures	\$ 171,421,316	\$ 22,416,581	\$ 61,567,383	\$ 87,437,352



Year to date expenditures through November 30, 2017 for all funds total \$22,416,581. Salaries (\$7.9 million) is a major expenditure category along with professional fees and operating expenses which includes expenditures for Huntsville license plates (in Contract Services), postage and reproduction and printing for renewal notices. The Other Expenses budget primarily consists of Bull Creek carryforward, funding for the Agencywide and HQ maintenance contingencies. Encumbrances includes obligations for capital projects, ABTPA grants, and license plate/registration. material production.

The bar charts below show detail for expenditures/encumbrances for Professional Fees, Freight, Postage, and Reproduction/Printing.

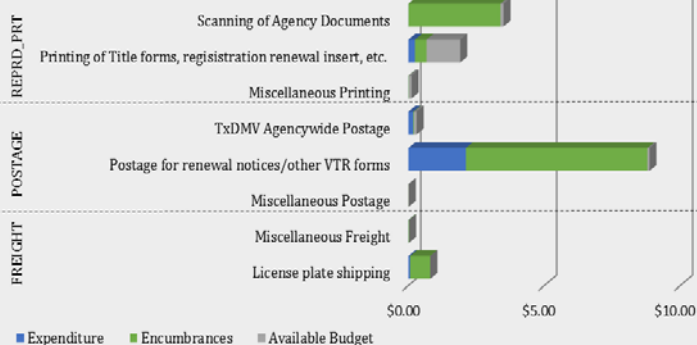
**1st Quarter Budget Status
Detail for Professional Fees Expenditures, Encumbrances and Available Budget
in millions**



The majority of expenditures and encumbrances in the Professional Fees category for the first quarter were associated with the Automation project, specifically related to the Registration and Titling System (RTS) Refactoring project, and payments to the Department of Information Resources for Data Center Consolidation.

The Miscellaneous category consists of smaller contracts for temporary services, and other professional services.

**1st Quarter Budget Status
Detail for Freight, Postage, Reproduction & Printing
(in millions)**

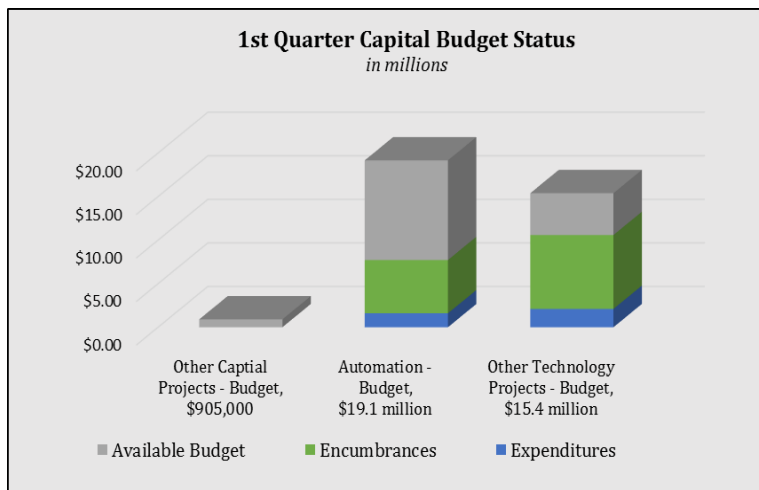


The bar chart at left primarily consists of obligations related to one of the department's core missions, registration and titling of motor vehicles.

In the Reproduction and Printing (Reprd_Prt) category, the largest obligation is the contract for imaging of department documents, approximately \$3.5 million. Postage, approximately \$9.0 million, primarily consists of funding to mail renewal notices and other vehicle registration/titling forms. The contract for shipping license plates is in the Freight category.

Capital Budget Status

	Revised Budget	Expenditures	Encumbrances	Available Budget
Other Capital Projects				
Agency Vehicles	\$ 500,000	\$ -	\$ -	\$ 500,000
CID Vehicles	100,000	-	-	100,000
TxDMV HQ Security/Badge System	305,000	-	-	305,000
Total Other Capital Projects	\$ 905,000	\$ -	\$ -	\$ 905,000
Automation	\$ 19,160,048	\$ 1,599,901	\$ 6,117,758	\$ 11,442,389
Other Technology Projects				
Agy Growth & Enhancement	\$ 808,998	\$ 189,485	\$ 395,117	\$ 224,397
County Technology Replacement	5,000,000	593,138	332,218	4,074,644
Cybersecurity Initiative	400,000	-	-	400,000
Data Center Consolidation	9,076,261	1,320,767	7,755,494	-
PC Replacement	102,295	-	-	102,295
Other Technology Projects	\$ 15,387,554	\$ 2,103,389	\$ 8,482,829	\$ 4,801,336
Grand Total	\$ 35,452,602	\$ 3,703,291	\$ 14,600,587	\$ 17,148,724



The FY2018 adjusted capital budget is \$35.5 million, an increase of \$2.1 million over the original approved budget of \$33.4 million. The increase reflects the final adjustment for the carryforward amount for Automation.

Year to date capital budget expenditures total \$3.7 million with the majority in the Data Center Consolidation and County Technology Replacement projects. Encumbrances total \$14.7 and primarily consists of obligations for the RTS Refactoring and the Data Center Consolidation project.

Highlights for New Capital Budget Projects

The following is a status of capital projects were approved during the 85th Legislative session:

Agency and CID Vehicles – The development of specifications began in the 1st Quarter of FY 2018, and the initial Comptroller of Public Accounts (CPA) new vehicle contract was awarded in November 2017. Final specifications based on available contracts will be developed in January 2018.

Cybersecurity – Security initiatives being developed include email security enhancements, acquisition of a managed security services provider (MSSP), malware remediation services, and network security enhancements. These represent initial activities in the overall cybersecurity plan.

TxDMV HQ Badge and Security - Additional security needs for TxDMV HQ are being assessed and specifications are being developed.

Capital Budget Status

RTS Refactoring
\$6.2 million

webDealer/ETitles
\$804,708

eLicensing
\$750,000

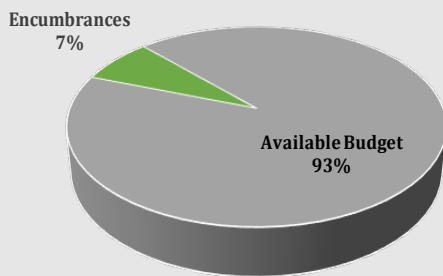
Automation Projects

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

The revised budget as of November 30, 2017 for the TxDMV Automation project is \$19.1 million with approximately one third \$6.2 million dedicated to the Registration and Titling System (RTS) Refactoring project. The Automation budget also includes \$7.7 million in Automation initiatives (listed in the chart below). Finally, the unallocated reserve for Automation totals \$3.8 million.

The pie charts at left shows the budget status as of the end of the first quarter for the major projects in the TxDMV Automation project.

Automation Initiatives



Portfolio Projects	Revised			Available
	Budget	Expenditures	Encumbrances	Budget
Web Lien	\$ 2,514,732	\$ -	\$ 267,852	\$ 2,246,880
Call Center Upgrades	500,000	-	-	500,000
Kiosk Pilot	500,000	-	-	500,000
E-Renewals/E-Reminder	500,000	-	-	500,000
Fraud Data Dashboard	500,000	-	-	500,000
Enterprise Reporting	500,000	-	-	500,000
External Website Renovation	500,000	-	-	500,000
Mobile Applications	300,000	-	-	300,000
Cybersecurity	775,000	-	-	775,000
CVIEW	600,000	1,286	298,714	300,000
Online Certified Records*	500,000	-	-	500,000
Total Automation Initiatives	\$ 7,689,732	\$ 1,286	\$ 566,566	\$ 7,121,880

The projects listed under the category Portfolio Projects are in the initiation and planning stages at this point. The Enterprise Project Management Office along with the executive steering committee are in the process of finalizing project scope, schedules and budgets for the project charters.

*The Online Certified Records initiative is being reviewed for level of effort to determine if it should be included in the project portfolio.

DATE: February 8, 2018

Action Requested: Briefing

To: The Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 8.C.
Subject: FY2018 Operating Budget Contracts

RECOMMENDATIONS

The attached is a summary of processes and procedures related to Board contracts.

PURPOSE AND EXECUTIVE SUMMARY

Response to Board inquiry on the processes that TxDMV uses to evaluate contracts to ensure that department procurements and contracts are as cost effective as possible. As part of the 2018 Operating Budget presentation there were questions raised about the cost effectiveness of contracts for license plate production, freight and the International Registration Plan (IRP). The attached information provides detail on the procurement methods for the contracts presented as part of the FY2018 Operating Budget presentation.

BACKGROUND AND DISCUSSION

Texas state agencies are governed by statutes and rules that set limitations on the state agency contracting and procurements. In addition, certain procurements are covered by statewide contracts which are negotiated and monitored by oversight agencies such as the Comptroller of Public Accounts (CPA), and the Department of Information Resources (DIR). These statewide contracts (defined as non-delegated) ensure economy in state procurement activities; obtaining commodities and services required by state agencies in a cost-effective and responsive manner. TxDMV must have specific authority delegated to the department either by statute or CPA rule, otherwise the department does not have the authority to solicit in the open market and must use established contract options. If goods or services cannot be obtained through the above contracts, the department must request delegation from the CPA to solicit the goods or services in the open market. TxDMV does have the authority to competitively bid information resources technology services/commodities in excess of \$5 million in the open market.

TxDMV adheres to the State of Texas standard practices to ensure best value for those contracts that are delegated to TxDMV ensure cost effectiveness. The department practices adheres to the provisions of Texas Government Code §§ 2155.074, 2155.075 and 2157.003 which outlines criteria (Attachment A) that state agencies much use in determining best value for procurements. Best value criteria not only considers cost effectiveness but also includes items such as contractor performance, quality and reliability of goods and/or services, future costs for maintenance and upkeep.

Attachment B lists 73 contracts as presented in the FY2018 Operating Budget, separated into the categories based on the statutes/rule governing the procurements. The table includes the FY2017 actual expenditure, procurement method, authority to procure (rule/statute), best value determinant, and comparable prices. Note the majority of these contracts comparable price information was not available since TxDMV does not have the authority competitively bid.

- Texas Administrative Code – Title 34, Part 1, Chapter 20 – CPA rules which defines types of procurements, outlines purchasing procedures and required sources for specific procurements.
- General Appropriations Act 85th Legislative Session – Section 15.02 (c) - Payments to the State Office of Risk Management for fleet liability insurance.

DATE: February 7, 2018

Page 2

Action Requested: Briefing

- Texas Government Code – Sections 771, 2113, 2155, 2157, 2162 and 2186 – Statutes granting authority for agencies such as CPA, DIR and the Texas Facilities Commission (TFC) to negotiate statewide contracts; outlining preferences to specific organizations for purchases and authorizes agencies to contract with each other for services.

The Purchasing Section within the Financial and Administrative Services Division (FAS) is responsible for the acquisition of all goods and services, as well as providing guidance to TxDMV staff in developing and managing procurements and contracts. Purchasing staff have all had extensive training which is required by law and hold current certifications. This training includes essential tools and knowledge to develop best value contracts and a clear understanding of statewide purchasing rules and best practices. Additionally, the purchasing staff is required to take training during their certification period to remain eligible for re-certification. All procurements are reviewed by purchasing staff to ensure that the purchase is cost effective, the best value (using criteria set by CPA and applicable statutes) and meets department requirements. Contracts are also reviewed by the Office of General Counsel to ensure that all legal requirements have been met and to identify any risks to the department.

Best Value

In order to ensure cost effectiveness TxDMV adheres to the State of Texas standard practices to ensure best value for those contracts that are delegated to TxDMV. The department practices adheres to the provisions of Texas Government Code §§ 2155.074 and 2155.075 which outlines criteria (listed below) that state agencies much use in determining best value for procurements.

- the quality, availability, and adaptability of the supplies, materials, equipment, or contractual services to the particular use required;
- the number and scope of conditions attached to the respondent's proposal;
- the ability, capacity, and skill of the respondent to perform the contract or provide the service required;
- whether the respondent can perform the contract or provide the service promptly, or within the time required, without delay or interference;
- the character, responsibility, integrity, reputation, and experience of the respondent;
- the quality of performance of previous contracts or services;
- any previous or existing noncompliance by the respondent with specification requirements relating to time of submission of specified data such as samples, models, drawings, certificates, or other information;
- the sufficiency of the financial resources and ability of the respondent to perform the contract or provide the service; and
- the ability of the respondent to provide future maintenance, repair parts, and service for the use of the contract.

Additional general best value evaluation factors found in Texas Government Code § 2155.074(b)

- (1) installation costs;
- (2) life cycle costs;
- (3) quality and reliability of the goods and services;
- (4) delivery terms;
- (5) indicators of probable vendor performance under the contract such as past vendor performance, the vendor's financial resources and ability to perform, the vendor's experience or demonstrated capability and responsibility, and the vendor's ability to provide reliable maintenance agreements and support;
- (6) cost of any employee training associated with a purchase;
- (7) effect of a purchase on agency productivity;
- (8) vendor's anticipated economic impact to the state or a subdivision of the state, including potential tax revenue and employment; and
- (9) factors relevant to determining the best value for the state in the context of a particular purchase.

The Government Code also outlines specific requirements for determining best value for procurements related to Automated Information Systems (AIS)/Telecommunications component or services. A state agency may purchase or lease Automated Information Systems(AIS)/Telecommunications component or services directly from a vendor and may negotiate additional terms and conditions to be included in contracts relating to the purchase or lease. This is provided if the purchase or lease is based on the best value available and is in the

Best Value

State's best interest. In determining which products or services are in the State's best interest, the agency shall consider Section 2157.003 of the Texas Government Code:

- (1) the purchase price;
- (2) the compatibility to facilitate the exchange of existing data;
- (3) the capacity for expanding and upgrading to more advanced levels of technology;
- (4) quantitative reliability factors;
- (5) the level of training required to bring persons using the system to a stated level of proficiency;
- (6) the technical support requirements for the maintenance of data across a network platform and the management of the network's hardware and software;
- (7) the compliance with applicable department statewide standards validated by criteria adopted by the department by rule;

Division	Vendor	Purpose	FY 2017 Actuals	FY2018 Contract Amount	Procurement Method	Authority to Procure	Best Value Determinant	Comparable Prices	Notes
1. These purchases are governed by Comptroller rules, Texas Administrative Code (TAC), Title 34, Part 1, Chapter 20. These rules ensure cost effective, consistent and uniform management of procurement processes and contracts.									
Motor Carrier	Promiles Software Development Corp.	Texas Permitting and Routing Optimization System (TxPROS) software maintenance	\$ 573,321	\$ 603,180	Request For Offer (RFO)	34 TAC 20.391	The bid response is evaluated to meet agency needs and proprietary restrictions. Negotiations are possible.	Since this is a proprietary product there are no comparable prices.	Proprietary - A proprietary product is one where the specifications or conditions of the proposed purchase allow only one product or service provider to be supplied, and preclude any other product or supplier from meeting the specifications.
Vehicle Titles & Registration	Taylor Communications	VTR RTS-500 Form (Title Application Receipt)	\$ 678,600	\$ 678,600	Comptroller of Public Accounts (CPA) Contract	34 TAC 20.40	CPA competitively bids and determines best value.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	CPA Statute/Rule/Process dictates source. TxDMV does not have the authority to competitively bid.
Finance and Administrative Services	Arthur J Gallagher Risk Management Services, Inc	Property Liability insurance per State Office of Risk Management (SORM)	\$ 8,400	\$ 9,000	SORM	34 TAC 20.41	CPA competitively bids and determines best value.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	SORM Statute/Rule/Process dictates source. TxDMV does not have the authority to competitively bid.
Vehicle Titles and Registration	American Association of Motor Vehicle Administration (AAMVA)	Information systems title check through AAMVA	\$ 247,344	\$ 348,247	RFO	34 TAC 20.41	The bid response is evaluated to meet agency needs and proprietary restrictions. Negotiations are possible.	Since this is a proprietary product there are no comparable prices.	Proprietary - A proprietary product is one where the specifications or conditions of the proposed purchase allow only one product or service provider to be supplied, and preclude any other product or supplier from meeting the specifications.
Motor Carrier	Explore Information Service	International Registration Plan (IRP) Software Maintenance for Performance & Registration Information Management System (PRISM)	\$ 47,700	\$ 47,700	Direct Publication	34 TAC 20.41 (e) (5)	The quote/response is evaluated to meet agency needs and requirements.	Services tailored specifically to TxDMV needs, as a result price negotiations may not be possible.	Direct Publications are publications only available from a single source and therefore cannot be competitively bid.
Information Technology Services	Explore Information Service	IRP Maintenance and Support	\$ 272,587	\$ 63,000					
Information Technology Services	Explore	IRP Maintenance	\$ 320,288	\$ 209,588					
Information Technology Services	Smarty Streets	Address Lookup	\$ 17,400	\$ 17,400					
Information Technology Services	American Digital Cartography	TomTom MultiNet Find Annual License	NA	\$ 9,559					
Finance and Administrative Services	Alliant Insurance Services	Fleet liability insurance premium	\$ 13,140	\$ 17,700	SORM	General Appropriation Act (GAA) 85th Legislative Session Article IX, Sec. 15.02 (c)	SORM competitively bids and determines best value	Statewide contract costs competitively bid by SORM	GAA Article IX, Sec. 15.02 (c) dictates payments to SORM for these services. TxDMV does not have authority to competitively bid.
2. These purchases are governed by the Texas Government Code (TGC) specifying requirements for the use of state appropriations and agency authority related to purchasing.									
Finance and Administrative Services	Pitney Bowes	Agency postage	\$ 195,799	\$ 175,000	United States Postal Service (USPS)	TGC 2113. - Use of appropriated funds	Statute requires state agencies to use mailing services available from the United States Postal Service. Competitive bidding not available.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	Statute requires state agencies to use mailing services available from the United States Postal Service. competitive bidding not available.
Vehicle Titles & Registration	Pitney Bowes	Postage	\$ 14,116,000	\$ 9,577,474	USPS	TGC 2113 - Use of appropriated funds			
Finance and Administrative Services	Texas Dept of Criminal Justice (TDCJ)	Manufacturing of License Plates/Stickers	\$ 23,074,043	\$ 20,271,101	Texas Correctional Industries (TCI) Set Aside	TGC 2155.065; 497.024(a) Prison made goods act	CPA Competitively bids the sheeting and aluminum for TDCJ to determine the best value.		Statute dictates source for plates. TxDMV does not have the authority to competitively bid.

Division	Vendor	Purpose	FY 2017 Actuals	FY2018 Contract Amount	Procurement Method	Authority to Procure	Best Value Determinant	Comparable Prices	Notes
3. These purchases are governed by TGC 2155.441 which requires that a preference be given to organizations/corporations that train and employ individuals with mental retardation or physical disability. State agencies are required to use the vendor listed below.									
Human Resources	Texas Industries for the Blind & Handicapped (TIBH) Industries, Inc.	Temporary staffing	\$ 25,578	\$ 42,477	TIBH Set Aside	TGC 2155.441	Texas Workforce Commission (TWC) negotiates and approves pricing determining best value with set-aside vendor(s).	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	TIBH commodities and services have must be given preference per statute. TxDMV does not have the authority to competitively bid.
Vehicle Titles and Registration		Temporary staffing	\$ 27,856	\$ 135,872					
Consumer Relations		Temporary staffing	\$ 34,518	\$ 44,832					
Motor Carrier		Temporary staffing	\$ 58,285	\$ 44,000					
Finance and Administrative Services		HQ Janitorial Services	\$ 171,400	\$ 173,238					
Finance and Administrative Services		Janitorial/Custodial Services at Regional Service Centers	\$ 219,897	\$ 210,143					
Vehicle Titles and Registration		Specialty license plates mail preparation & mailing service	\$ 538,092	\$ 480,000					
Finance and Administrative Services		Transportation/freight services for plates provided by Southeast Vocational Alliance (SVA) Services	\$ 545,688	\$ 715,000					
Finance and Administrative Services		Toner for County Tax-Assessor Collector offices	\$ 1,218,490	\$ 800,000					
4. The following purchases are governed by TGC 2157 which outlines the requirements for procurement of automated information systems. Purchases governed by section 2157.068 requires that DIR competitively bids such items, determines best value and makes awards to multiple vendors. TxDMV must choose from the vendors on the list developed by DIR; however the department does have the authority to competitively bid in open market for commodities and services in excel of \$5 million.									
Capital Projects	Deloitte Consulting LLP	RTS Refactoring WS4	\$ 2,450,000	\$ 750,000	RFO	TGC 2157	The bid response is evaluated to meet agency needs and proprietary restrictions. Negotiations are possible.		Proprietary - A proprietary product is one where the specifications or conditions of the proposed purchase allow only one product or service provider to be supplied, and preclude any other product or supplier from meeting the specifications.
Information Technology Services	National Auto Research Division	Web Portal subscription	\$ 102,000	\$ 102,375	RFO	TGC 2157	TxDMV competitively bid in Open Market		TxDMV competitively bid in open market. Evaluated responses based on capabilities and best cost to determine best value.
Capital Projects	Insight Public Sector Inc.	County refresh and ongoing maintenance of	\$ 5,872,599	\$ 300,000	RFO	TGC 2157			
Information Technology Services	SHI Govt Solutions	GoTo Webinar	\$ 4,277	\$ 13,608	Department of Information Resources (DIR)	TGC 2157.068	TxDMV requests quotes/bids from multiple vendors and determines award from best quoted price.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	DIR competitively bids all IT related commodities and services, determines best value and makes awards to multiple vendors. TxDMV does not have the authority to competitively bid in open market until cost exceeds \$5 million.
Information Technology Services	PCMG	Acrobat Licenses	\$ 36,573	\$ 72,000	DIR	TGC 2157.068			
Multiple	AT&T Mobility	Cellular usage fees	\$ 76,445	\$ 101,307	DIR	TGC 2157.068			
Information Technology Services	NTT Data, Inc.	Server Application Software Maintenance	\$ 86,694	\$ 162,985	DIR	TGC 2157.068			
Information Technology Services	HP Enterprise Services LLC	eTags Application Maintenance	\$ 217,513	\$ 224,460	DIR Deliverables-Based IT Services (DBITS)	TGC 2157.068	TxDMV requests quotes/bids from multiple vendors and determines award from best quoted price.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not	DIR competitively bids all IT related commodities and services, determines best value and makes awards to multiple vendors. TxDMV does not have the authority to competitively bid in open market until cost
Information Technology Services	CDW	Cisco Smart Net	\$ 262,008	\$ 262,008	DIR	TGC 2157.068			
Information Technology Services	NICUSA	Web Hosting TX.Gov	\$ 468,776	\$ 514,620	DIR	TGC 2157.068			
Information Technology Services	Carahsoft	Salesforce.com Annual Fee	\$ 941,771	\$ 74,804	DIR	TGC 2157.068			

Division	Vendor	Purpose	FY 2017 Actuals	FY2018 Contract Amount	Procurement Method	Authority to Procure	Best Value Determinant	Comparable Prices	Notes
Capital Projects	Texas Dept. of Information Resources	Data Center Services	\$ 8,792,132	\$ 9,076,261	DIR - Interagency Contract (IAC)	TGC 2157.068		available.	exceeds \$5 million.
Agency Wide	NICUSA	Texas.Gov Transaction Fees	Not applicable	\$ 11,202,650	DIR	TGC 2157.068	DIR competitively bid, negotiated and determined best value pricing with sole vendor for all state agencies.		
5. The following contracts were governed by the Council on Competitive Government (CCG) which was abolished effective September 1, 2017. They are now governed by CPA or DIR who competitively bids these items and determines best value.									
Finance and Administrative Services	Voyager Fleet Systems Inc.	Fleet fuel and maintenance	\$ 53,543	\$ 153,562	CCG - Changed to CPA	TGC 2162.105	CPA Competitively bids and Determines Best Value.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	CPA Statute/Rule/Process dictates source. TxDMV does not have the authority to competitively bid.
Vehicle Titles & Registration	RR Donnelly Company	Title Paper	\$ 422,449	\$ 510,909	CCG - Changed to CPA	TGC 2162.105	CCG - Changed to CPA & bid and awarded to Multiple Vendors		TxDMV Competitively bid amongst awarded vendors. Evaluated responses based on capabilities and best cost to determine best value.
Finance and Administrative Services	Open Text	Digital Imaging services	\$ 2,432,010	\$ 3,367,581	CCG - Changed to DIR	TGC 2162.105	CCG - Changed to DIR & bid and awarded to Multiple Vendors		TxDMV Competitively bid amongst awarded vendors. Evaluated responses based on capabilities and best cost to determine best value.
6. The following contracts are governed by TGC 2166 which requires the Texas Facilities Commission to facilitate all state agency leases unless expressly exempted (TxDMV is only exempted for Headquarters acquisition).									
Finance and Administrative Services	Corpus Christi Regional Transportation	Corpus Christi RSC	\$ 18,689	\$ 44,853	TFC	TGC 2166	TFC Conducts all lease negotiations and determines Best Value with the cooperation of the state agency unless specifically exempted.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	While TxDMV does not have the authority to execute the lease on its own behalf the department does have the authority to request a lease amount that is within available funding.
	4015 Limited Partnership	CPA Warehouse	\$ 20,337	\$ 20,337					
	Tony Martin Trustee	Waco RSC	\$ 38,226	\$ 38,226					
	Burnham Properties LTD	El Paso RSC	\$ 53,829	\$ 56,565					
	Riverbend Complex LLC	Ft. Worth RSC	\$ 77,625	\$ 77,625					
	Sky Investment Property Inc.	Dallas/Carrollton RSC	\$ 121,944	\$ 122,929					
	Ragsdale-Brook	Houston RSC Lease	\$ 202,974	\$ 277,969					
	Acharya Investments	San Antonio RSC	NA	\$ 81,825					
7. The following contracts are governed by TGC 771 which authorizes agencies to contract with each other. Agencies are statutorily required to use specific agencies for the services listed below.									
Finance and Administrative Services	TX Comptroller of Public Accounts	Fleet mgmt system support fee	\$ 447	\$ 407	Interagency Contract (IAC)	TGC 2171.101	CPA assesses a prorated annual system support fee based on fleet size.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	TGC Section 2171.101 requires agencies to use the CPA fleet management support system to report vehicle. TxDMV does not have the authority to competitively bid.
Finance and Administrative Services	Texas State Library	Records Storage	\$ 4,929	\$ 8,000	IAC	TGC 441	TxDMV determines the amount to spend annually. Monthly fees are assessed on the total volume of cubic feet of hard copy or microforms stored.		TGC Section 441 requires state agencies to use the Texas State Library to store state records. TxDMV does not have the authority to competitively bid.
Agency Wide	SORM	Workers compensation & Risk management service	\$ 75,008	\$ 76,000	IAC	Texas Labor Code Section 412.011	SORM competitively bids services and determines best value		Texas Labor Code Section 412 requires that the State Office of Risk Management provide workers compensation and risk management services to state agencies. TxDMV does not have the authority to competitively bid.

Division	Vendor	Purpose	FY 2017 Actuals	FY2018 Contract Amount	Procurement Method	Authority to Procure	Best Value Determinant	Comparable Prices	Notes
Motor Vehicle	State Office of Administrative Hearings (SOAH)	Interagency contract for administrative hearings	\$ 141,800	\$ 133,760	IAC	TGC 2003	SOAH Charges based on actual salary and time. Non-Profit Agency		TGC 2003 requires that agencies use the state office for administrative hearings. TxDMV Lemon Law and warranty performance hearings are not subject to this requirement. Those hearings were transferred from SOAH to TxDMV effective January 2014. TxDMV does not have the authority to competitively bid for any other administrative hearing services.
Finance and Administrative Services	Texas Dept of Transportation (TxDOT)	Interagency contract between TxDMV & TxDOT	\$ 454,711	\$ 900,000	IAC	TGC 771	TxDMV and TxDOT negotiates pricing during contract development process.		TxDMV and TxDOT share facilities and some services which is reflected in the negotiated and agreed upon pricing.
Information Technology Services	Texas Dept. of Information Resources (DIR)	Data Recovery Center	NA	\$ 12,000	IAC	TGC 771	DIR Competitively bid, negotiated and determined best value pricing with sole vendor for all state agencies.	Since TxDMV does not have the authority to competitively bid the contract data on comparable prices is not available.	DIR Competitively Bids all IT related commodities and services, Determines best value and makes awards to Multiple Vendors. TxDMV does not have the authority to competitively bid in open market until over \$5 million.
8. Competitively Bid by TxDMV									
Motor Vehicle	Integ (Anderton)	Printing, Folding, Metering	\$ 262,686	\$ 109,600	Request For Proposal process	TGC 2155.074 & 2155.075	TxDMV Competitively bid in Open Market	\$0.3 each vs. \$0.9 each	TxDMV Competitively bid in Open Market. Evaluated responses based on capabilities and best cost to determine best value.
Motor Carrier	Southwest Research Institute	TxCVIEW Annual Support	\$ 428,704	\$ 1,505,000				No Other Bids Received	
Capital Projects	Deloitte Consulting LLP	RTS Refactoring Project	\$ 3,397,882	\$ 1,084,575				Scoring 735.52 vs. 722.24	
Vehicle Titles and Registration	Standard Register	Vehicle Registration Decals	\$ 4,235,325	\$ 3,524,017				\$7,731,600 vs. \$7,768,320	



DATE: February 8, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Finance and Audit Committee
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 8.D.
Subject: [Facilities Update](#)

RECOMMENDATION

For information purposes only.

PURPOSE AND EXECUTIVE SUMMARY

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

- Bull Creek/Motor Carrier Division (Austin, Texas)
- Camp Hubbard, Building 1 Sewer Line Replacement

FINANCIAL IMPACT

- \$1.49 million was initially appropriated for the Motor Carrier Division (MCD) Relocation

BACKGROUND AND DISCUSSION

Please see the attached agency routine *Facilities Update Report* for further detail.



FACILITIES UPDATE

FEBRUARY 8, 2018

Agency Property Relocation Projects (PRP)

2018-2019 Biennial Plans

★★★★★

The agency received funding during the 2016-2017 biennium for the relocation of the Motor Carrier Division (MCD) to commercial property. Discussions with TxDOT and the Governor’s Office resulted in plans to relocate MCD to Camp Hubbard, Building 6, 5th Floor. Since the projected move date is January 2018, the agency received approval during the 85th regular legislative session to carry forward unexpended balance appropriations into the new biennium.

SB 1349, 85th Legislature, Regular Session, granted TxDMV authority to buy, improve, sell, lease, property. SB 1349 also gave TxDOT legal authority to donate two tracts of property (Tract 1 is Camp Hubbard Buildings 1 through 5 and Tract 2 is Camp Hubbard Buildings 6 through 10 and the associated parking of both tracts) to TxDMV via negotiations and the sale of real property through the General Land Office.

Finally, the agency was appropriated \$9.8M for the biennium to begin undertaking maintenance related expenses associated with the buildings occupied by TxDMV staff. As part of the appropriation three (3) additional FTEs were approved to handle facilities and maintenance needs related to the property. The agency will collaborate with TxDOT to transition facilities maintenance tasks and costs at Camp Hubbard to TxDMV.

>Bull Creek/Motor Carrier Division -MCD (Austin, Texas)

Final Status:

- The division was successfully relocated to their new site on the Camp Hubbard campus at building 6 on the 5th floor. The new location address is 3712 Jackson Avenue, Austin, Texas. MCD was successfully relocated Friday, January 12, 2018 through Saturday, January 13, 2018. Business operations continued through Friday to minimize impacts to our customers.
- \$1.49 million was initially appropriated for the Motor Carrier Division (MCD) relocation to commercial property through a lease. The agency received approval during the 85th regular legislative session to carry forward unexpended balance appropriations from that initial request into the new biennium.

- ❖ **2018-2019 Projects**
 - >Funding for the relocation of the Motor Carrier Division Relocation Project carried forward to 2018.
 - >Headquarters maintenance funding
- ❖ **Property Updates**
 - Bull Creek
- ❖ **Camp Hubbard Projects**
 - CH-1 Sewage Line Improvements

- Now that MCD is fully relocated, the division is consolidated into one location and agency headquarters operations are consolidated into one campus (Camp Hubbard) for the first time in TxDMV history.

>Camp Hubbard Projects

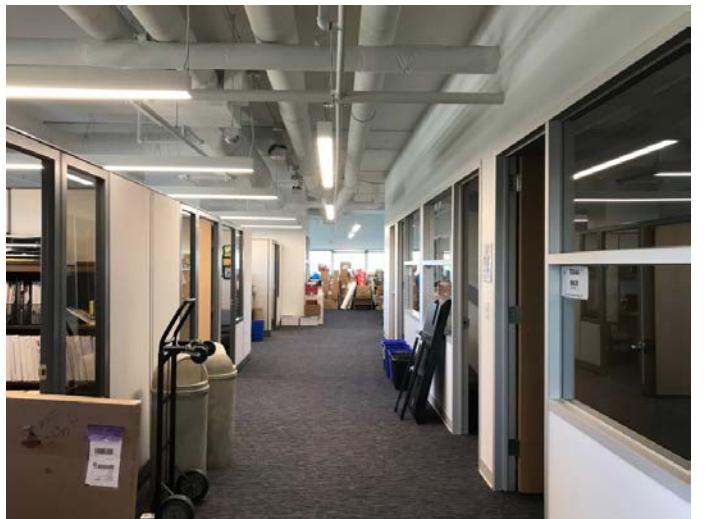
Parking lot renovations and ADA parking were completed the summer of 2017. The sewer line improvement project was the last pending project which began during the summer of 2017.

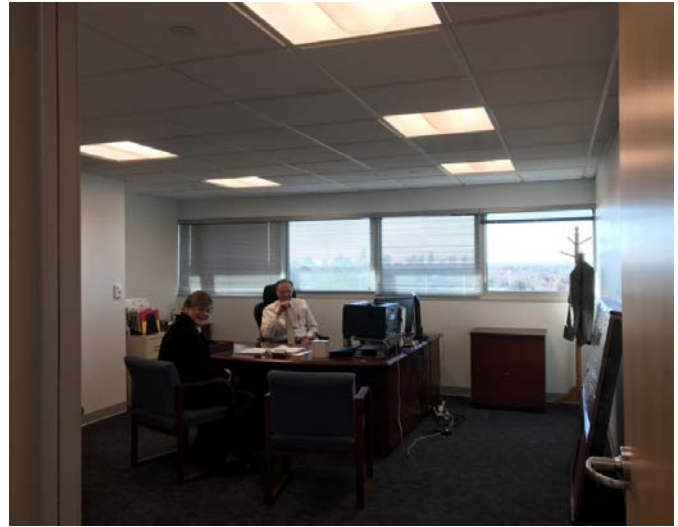
Final Status:

- TxDOT Sewer Line Improvement Project –TxDOT contractors replaced and re-routed old and decaying pipe lines that have adversely impacted CH-1 periodically over the years with flooding on the 1st floor. The project was completed before Thanksgiving and grass was installed December 16, 2017.

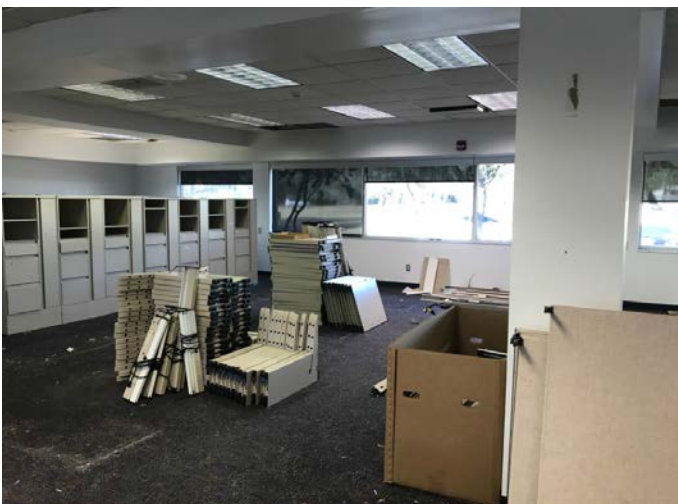
MCD RELOCATION PROJECT January 2018

NEW LOCATION – Camp Hubbard, Building 6, 5th Floor





Bull Creek LOCATION – Bull Creek, Buildings 22, 40, 43A, 43B and 43C



DATE: February 8, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Sandra Menjivar – Suddeath, Internal Audit Director
Agenda Item: 8E
Subject: Peer Review Process

RECOMMENDATION

None.

PURPOSE AND EXECUTIVE SUMMARY

To provide information on the Peer Review process to the TxDMV Board.

Every three years, the Internal Audit Division (IAD) is required to obtain an External Assessment (Peer Review) on whether the internal audit function complies with the applicable professional auditing standards. As part of the Peer Review process, the IAD is responsible for obtaining a Peer Review team, preparing a self-assessment report, coordinating the Peer Review activities, and providing information to stakeholders.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

Every three years, the Internal Audit Division (IAD) is required to obtain an External Assessment (Peer Review) on whether the internal audit function complies with the applicable professional auditing standards. As part of the 2018 Peer Review process, the IAD is responsible for obtaining a Peer Review team, preparing a self-assessment report, coordinating the Peer Review activities, and providing information to stakeholders.

Responsibilities and roles of those involved in the Peer Review, including IAD staff, TxDMV executive management, TxDMV Board members, and the Peer Review team are outlined in the Peer Review Engagement letter. The Peer Review Engagement letter also details the peer review period and the anticipated start and end date of the Peer Review. A more detailed timeline is available in the Peer Review Information document.

The Peer Review Information document also outlines information related to who will be conducting the Peer Review and what applicable professional auditing standards will be used as criteria for the Peer Review. The Peer Review team is made up of an auditor from the Texas Workforce Commission and an auditor from the Texas Department of Transportation. The auditors will be reviewing the IAD's compliance with the 1) Institute of Internal Auditors' (IIA) International Professional Practices Framework, the definition of internal auditing, the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics, 2) U.S. Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards, and 3) Texas Government Code, Chapter 2102 - Texas Internal Auditing Act. To help the Peer Review team evaluate the compliance with those auditing standards, the IAD conducted a self-assessment and provided the results of that self-assessment to the Peer Review team. The results were captured in the self-assessment report, which is also included in this item.

In the self-assessment, the IAD concluded that it generally conformed with the audit standards in all material aspects. Although the IAD was in compliance with the auditing standards, the IAD requested that the Peer Review team recommend potential performance measures and to rate the current level of the IAD on the IIA's Internal Audit Capability Model for Public Sector.



Texas Department of Motor Vehicles

TxDMV Internal Audit Division (IAD) – Peer Review Information

1. What is an External Assessment (Peer Review)?

A Peer Review is an evaluation of the internal audit function to provide assurance that the function is in compliance with audit standards. Specifically, the Peer Review determines compliance with the following applicable audit standards:

- The Institute of Internal Auditors' (IIA) International Professional Practices Framework, the definition of internal auditing, the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics (IIA Standards)
- U.S. Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (GAGAS)
- Texas Government Code, Chapter 2102 - Texas Internal Auditing Act (Act)

2. Is a peer review required?

Yes. The IIA Standards, GAGAS and Act require internal audit activities to receive quality assurance reviews periodically. The Texas Internal Auditing Act requires the internal auditor to periodically take part in a comprehensive external peer review. To be compliant with all standards, the IAD is required to have a peer review every three years to be in compliance with both IIA Standards and GAGAS. The last peer review for the TxDMV – IAD was in February 2015.

3. Who performs the peer review?

Other auditors from other state agencies will be performing the 2018 Peer Review. The peer review team for the 2018 Peer Review has two team members:

- Harold Rogers, CIA, CISA, Team Lead, Texas Workforce Commission
- Patrick McKinney, CIA, Team Member, Texas Department of Transportation

The State Agency Internal Audits Forum (SAIAF) oversees a peer review process (i.e., external quality assurance program) for Texas state agencies to voluntarily provide and receive peer reviews on a reciprocal basis at no charge.

4. What are the steps and related timeframes of the peer review process?

What	When	Who
Sign Engagement Letter	January 2018	<ul style="list-style-type: none"> • Board Chairman • Finance & Audit Committee Chairman • Executive Director • Internal Audit Division (IAD) Director • Peer Review Team Leader • Peer Review Team member
Conduct and provide self-assessment	January 2018	<ul style="list-style-type: none"> • IAD
Conduct the entrance Conference, management survey, interviews, and review audit documentation	February – April 2018	<ul style="list-style-type: none"> • Executive Management Team and other Internal Audit customers • Board Members • Peer Review team • IAD Director • IAD Staff
Prepare and review draft report	April 2018	<ul style="list-style-type: none"> • Peer Review Team • IAD Director
Finalize the Peer Review report and conduct the exit conference	May 2018	<ul style="list-style-type: none"> • Peer Review Team • Executive Director and Deputy Executive Director • Finance & Audit Committee Chair • Board Chairman
Present Results to Board	June 218	<ul style="list-style-type: none"> • Peer Review Team • Board • IAD

5. How are results of the peer review reported?

The peer review team prepares a report with its opinion expressed as a rating. There are three possible ratings that the team can give:

- **Pass/Generally Conforms.** A rating of *Pass/Generally Conforms* means that the internal audit function is in compliance with the IIA Standards, GAGAS, and the Texas Internal Auditing Act. The internal audit function's policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency.
- **Pass with Deficiencies/Partially Conforms.** A rating of *Pass with Deficiencies/Partially Conforms* means that the internal audit function generally complies with the IIA Standards, GAGAS, and the Texas Internal Auditing Act. The internal audit function has an internal quality control system that is suitably designed and operating effectively to provide reasonable assurance of conformance with the Standards for assurance and consulting engagements during the review period. However, deficiencies in the internal quality control system have been noted that resulted in nonconformance with the IIA Standards, the GAO Standards, and/or the Texas Internal Auditing Act.
- **Fail/Does Not Conform.** A rating of *Fail/Does Not Conform* means that the internal audit function is not in compliance with the *Standards* for assurance and consulting engagements during the review period. The Peer Review team found serious deficiencies in the internal quality control system for the internal audit function.

6. What are the main responsibilities of those that participate in the Peer Review?

Responsibilities are discussed in the Peer Review Engagement Letter. Executive management and board members are responsible for responding to the Peer Review on a timely basis. Board members are also responsible for being kept informed on the Peer Review Progress and review final recommendations and observations.

The majority of responsibilities are with the Internal Audit Division and the Peer Review team.



Harold Rogers, CIA, CISA
Information Technology Audit Project Manager
Texas Workforce Commission
101 E 15th Street
Austin, Texas 78778

Patrick McKinney, CIA
External Audit & Advisory Services Section Director
Texas Department of Transportation
125 E 11th Street
Austin, Texas 78701

January 12, 2018

Dear Mr. Rogers and Mr. McKinney:

This letter is to document the terms of our agreement regarding the peer review of the internal audit function at the Texas Department of Motor Vehicles. It is understood that Mr. Harold Rogers will serve as the Peer Review Team Leader and Mr. Patrick McKinney will serve as the Peer Review Team Member. No member of the review team has a conflict of interest with the Texas Department of Motor Vehicles or the Internal Audit Department.

The Peer Review Team will perform a quality assurance review of the Texas Department of Motor Vehicles internal audit activity to assess compliance with The Texas Internal Auditing Act (Texas Government Code, Chapter 2102), the Institute of Internal Auditors Code of Ethics and International Standards for the Professional Practice of Internal Auditing, and U.S. Government Accountability Office Government Auditing Standards in effect at the time the audits were conducted.

The review will be conducted in accordance with the State Agency Internal Audit Forum (SAIAF) Peer Review Manual. Completed audit and consulting projects performed by the Texas Department of Motor Vehicles Internal Audit Department from March 2015 to August 2017 (fiscal year 2015 through fiscal year 2017) may be reviewed during this engagement. The peer review team may cover any one year during that time period.

The Chief Audit Executive/Internal Audit Director (Director) agrees to:

- Provide the Peer Review Team with a completed self-assessment, reference file, and self-assessment report
- Coordinate with the Peer Review Team in sending out a survey to a sample of representatives from agency management
- Coordinate meetings with Executive Management and the Texas Department Of Motor Vehicles Board Members
- Assist the Peer Review Team throughout the fieldwork process

Mr. Harold Rogers & Mr. Patrick McKinney
January 12, 2018
Page 2

- Review the draft report for accuracy and provide comments or clarification as needed
- Provide management responses to the report as needed

The Board Members agree to:

- Be kept informed of the Peer Review Progress
- Respond to answers from the Peer Review Team
- Review the final report on the observations and recommendations

The Peer Review Team Leader agrees to:

- Review and approve the self-assessment prior to starting on-site work for the review
- Retain all working papers for one year after the report has been issued, in accordance with the SAIAF Records Retention Procedure

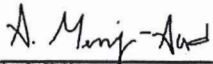
The Peer Review Team (Team) agrees to:

- Review all relevant documentation
- Administer a survey to a sample of representatives from agency management
- Review the working papers of at least one project completed during the review period that is representative of the work performed during the period
- Conduct interviews of Internal Audit management and staff, and a sample of representatives from agency management, Board members, and external auditors
- Provide the Director and Board Members with periodic progress updates
- Issue a final report on the observations and recommendations identified during the Peer Review to the Director, with the complete report also issued to the members of the Board and Executive Management
- Include the Peer Review Team's opinion in a letter on whether the internal audit function generally conforms/passes, partially conforms/passes with deficiencies, or does not conform/fails to comply with the Standards, as defined in the *SAIAF Peer Review Manual*, Table 1. The report will also include the Director's responses, including action plans for addressing any recommendations


Mr. Harold Rogers & Mr. Patrick McKinney
January 12, 2018
Page 3

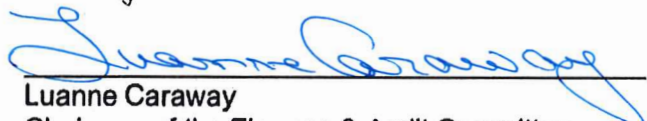
The peer review will begin in February 2018 with fieldwork scheduled to start in March 2018. A draft report will be provided to the Director for review by April 2018 with a final report available to be released by May 2018. An exit conference will be scheduled with the Director and the Texas Department of Motor Vehicles Executive Director.

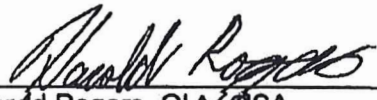
The signatures below indicate that the terms of this agreement are acceptable.


	1/12/2018
Sandra Menjivar-Suddeath, CIA, CISA, CGAP Director of Internal Audit Texas Department of Motor Vehicles	Date

	01-17-2018
Whitney Brewster Executive Director Texas Department of Motor Vehicles	Date

	1/18/18
Raymond Palacios, Jr. Chairman of the Board Texas Department of Motor Vehicles	Date

	1/26/18
Luanne Caraway Chairman of the Finance & Audit Committee Texas Department of Motor Vehicles	Date

	January 12, 2018
Harold Rogers, CIA, CISA Information Technology Audit Project Manager Texas Workforce Commission Peer Review Team Leader	Date

	1/12/18
Patrick McKinney External Audit & Advisory Services Section Director Texas Department of Transportation Peer Review Team Member	Date

cc: SAIAF Peer Review Committee



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Peer Review Self–Assessment Report

Internal Audit Division
January 2018

Table of Contents

Background	1
Peer Review Process	1
Self-assessment Process	2
Self-Assessment Results	3
Overall Conclusion	3
Appendix 1: Internal Audit Capability Model for the Public Sector.....	7
Internal Audit Capability Model for the Public Sector Levels	7
TxDMV Internal Audit Division – Capability Model	8

Peer Review Self-Assessment

Executive Summary

BACKGROUND

Every three years, the Internal Audit Division (IAD) is required to obtain an External Assessment (Peer Review) on whether the internal audit function complies with the applicable professional auditing standards (audit standards) in all material aspects. The audit standards are the (1) Institute of Internal Auditors' (IIA) International Professional Practices Framework, the definition of internal auditing, the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics; (2) U.S. Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards; and (3) Texas Internal Auditing Act, Texas Government Code, Chapter 2102.

As part of the Peer Review process, the IAD conducts a self-assessment, produces a report with the results of the self – assessment, and provides the report to the Peer Review team. The Peer Review team uses the report to obtain information on how the IAD meets applicable auditing standards.

The IAD reviewed documentation created and maintained during the peer review period (February 2015 – August 2017), with a focus on documentation from fiscal year 2017, to develop this self – assessment.

RESULTS

From March 2015 to August 2017, the Texas Department of Motor Vehicles (TxDMV or Department) – IAD generally conformed with the audit standards in all material aspects. The IAD has established policies and procedures to ensure compliance with applicable auditing standards. The IAD followed those audit standards in work performed during the peer review period.

Although the IAD is in compliance with the auditing standards, the IAD should continue to work on improving its function by refining its performance measures. The performance measures would help evaluate the value add the division has provided. To help develop those performance measures, the IAD is requesting that the Peer Review team recommend potential performance measures and to rate the current level of the IAD on the IIA's *Internal Audit Capability Model for Public Sector*.

Background

Peer Review Process

Every three years, the Internal Audit Division (IAD) is required to obtain an External Assessment (Peer Review) on whether the internal audit function generally complies with the applicable professional standards (audit standards)¹ during the peer review period (period). The peer review period was from March 2015 to August 2017. The Peer Review determines if the IAD generally complies with audit standards by reviewing engagements conducted during the period and by evaluating the IAD's compliance with the eleven areas. Those eleven areas are the following²:

1. **Purpose, Authority, and Responsibility** - The internal audit function must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Institute of Internal Auditors (IIA) Standards, and the Definition of Internal Auditing).
2. **Independence and Objectivity** - The internal audit function must be independent and perform work in an objective manner.
3. **Proficiency and Due Professional Care** - Engagements must be performed by staff that are proficient and have due professional care.
4. **Quality Assurance and Improvement Program** - A quality assurance and improvement program must be established and must enable an evaluation of the internal audit function's conformance with the audit standards and any applicable other requirements. The program should, also, assess the efficiency and effectiveness of the internal audit function and identify opportunities for improvement for the function.
5. **Managing the Internal Audit Activity** - The internal audit function must be effectively managed to ensure it adds value to the organization.
6. **Nature of Work** - The internal audit function must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk based approach.
7. **Engagement Planning** – A plan must be developed and documented for each engagement.
8. **Performing the Engagement** – Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives.
9. **Communicating Results** – Results from the audit engagements must be communicated to management and those in charge with governance.
10. **Monitoring Progress** – A system to monitor the disposition of results must be established, maintained, and communicated.

¹ The applicable professional standards are the (1) Institute of Internal Auditors' (IIA) International Professional Practices Framework, the definition of internal auditing, the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics (IIA Standards); (2) U.S. Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (GAGAS); and (3) Texas Internal Auditing Act, Texas Government Code, Chapter 2102 (Act).

² Definitions obtained from the IIA Standards.

11. **Resolution of Senior Management's Acceptance of Risk** – When it has been concluded that management has accepted a level of risk that may be unacceptable to the organization, the risk must be discussed with senior management. If the matter is not resolved, the risk acceptance must be communicated to the board.

The Peer Review team reviews this self-assessment report, engagement documentation, and other documentation submitted to them and concludes on whether the internal audit function has complied with the audit standards in all material aspects. It concludes whether the internal audit function is meeting audit standards by assigning one of the following ratings:

- **Pass/Generally Conforms** - the internal audit function is in compliance with the IIA Standards, GAGAS, and the Texas Internal Auditing Act. The internal audit function's policies, procedures, and practices are in place to implement the audit standards and requirements necessary for ensuring the independence, objectivity, and proficiency.
- **Pass with Deficiencies/Partially Conforms** - the internal audit function generally complies with the IIA Standards, GAGAS, and the Texas Internal Auditing Act. The internal audit function has an internal quality control system that is suitably designed and operating effectively to provide reasonable assurance of conformance with the audit standards for assurance and consulting engagements during the review period. However, deficiencies in the internal quality control system have been noted that resulted in nonconformance with the IIA Standards, the GAO Standards, and/or the Texas Internal Auditing Act.
- **Fail/Does Not Conform** - the internal audit function is not in compliance with the audit standards for assurance and consulting engagements during the review period. The Peer Review team found serious deficiencies in the internal quality control system for the internal audit function.

Self-assessment Process

As part of the Peer Review Process, the IAD must conduct a self-assessment and produce a report with the results of the self-assessment. The self-assessment reviews the internal audit function's compliance with applicable audit standards. The self-assessment is provided to the independent Peer Review team for their evaluation and consideration in their review.

For this self-assessment, the IAD reviewed documentation created and maintained from September 2016 to August 2017.

The self-assessment was prepared the IAD during fiscal year (FY) 2018.

Self-Assessment Results

Overall Conclusion

Through the review conducted in this self-assessment, the Texas Department of Motor Vehicles (TxDMV or Department) – Internal Audit Division (IAD) concluded that it passed its peer review and was in compliance with the following applicable audit standards during the peer review period: the IIA Standards, GAGAS, Act. The IAD generally complies (Pass) with the auditing standards.

Although the IAD is in compliance with the applicable auditing standards, the IAD should continue to work on improving its function by refining its performance measures and by continuing to add-value to the Department.

IIA Code of Ethics

The IAD maintains an ethical environment and complies with the IIA Code of Ethics by including the Code of Ethics in its Internal Audit Charter and Internal Audit Policies and Procedures Manual (standard operating procedures). In addition, the IAD demonstrates its commitment to ethics by being an active participant in reducing fraud, waste, and abuse in the Department and by conducting work in an ethical manner.

Purpose, Authority, and Responsibility

The IAD maintains an active Internal Audit Charter where the purpose, authority, roles, and responsibilities are defined. The charter also provides information on the IAD's mission and the audit standards it must follow. The Internal Audit Charter is reviewed every year during the Quality Assurance & Improvement Program (QAIP) – Internal Assessment and is updated as necessary.

The most recent update to the Internal Audit Charter was in November 2016 when there was a new Internal Audit Director (Chief Audit Executive), Board Chairman, and Finance & Audit Committee Chairman. The charter was signed by the Executive Director, the Internal Audit Director, the Finance & Audit Committee Chairman, and the Board Chairman after it was approved by the Board. The Internal Audit Charter was sent to the TxDMV Executive Team.

Independence and Objectivity

The IAD reports directly to the TxDMV Board and also has an administrative line to the Executive Director (and management). This structure ensures that the IAD is independent. Independence is confirmed during each engagement. Staff assigned to an engagement must confirm their independence prior to starting the engagement.

The IAD is objective since the IAD has no management responsibility. Moreover, the TxDMV Board is responsible for approving the audit plan, operating budget, and the appointment of the Internal Audit Director. The Internal Audit Charter also identifies roles and responsibilities to ensure independence and objectivity.

Proficiency and Due Professional Care

The IAD assures internal auditors are proficient and have due professional care by having job descriptions that accurately describe roles and responsibilities and by having an annual training planning process that develops staff for current and future engagements. Currently, the IAD has over

30 years of audit experience and has staff with active certifications. Staff currently have the following certifications: Certified Internal Auditor, Certified Government Auditing Professional, Certified Fraud Examiner, and Certified Information Security Auditor.

Each year, the Internal Audit Director meets with the internal audit staff to go over individual training plans. The development of the training plan follows the process set in the IAD's standard operating procedures.

The standard operating procedures also outline the necessary steps needed to ensure that internal staff (including internal and external specialists) have sufficient proficiency and due professional care to meet audit standards. Information related to proficiency and due professional care is captured through proficiency forms and the TeamMate³ control programs⁴.

Quality Assurance and Improvement Program

The IAD has a comprehensive QAIP that ensures audit standards are met. For each engagement, the IAD follows the review steps outlined in the Teammate control programs and the standard operating procedures. This ensures that each engagement has sufficient, relevant, and appropriate evidence and that performance audit standards are followed. On an annual basis, the IAD conducts an internal assessment to ensure conformance and compliance with the applicable auditing standards. The internal assessment is done in accordance to the steps outlined in the standard operating procedures. Every three years, the IAD obtains a peer review to ensure conformance and compliance with the applicable auditing standards. The last peer review was done in 2015.

In addition, the QAIP also involves obtaining feedback on the division's performance through its two performance measures. The current performance measures are the recommendation implementation rate and customer satisfaction. The IAD also obtains feedback through staff evaluations.

Although the IAD has established two performance measures and consistently obtains feedback, it is still in the process of defining its performance measures and request that the Peer Review team make recommendations on which performance measures could be used to evaluate the IAD's performance. The IAD also request that the Peer Review team determine the IAD's current level on *Internal Audit Capability Model for the Public Sector* (see Appendix 1) to help with their evolution in developing performance measures.

Previous Peer Review Recommendation Status

The IAD has implemented the previous Peer Review recommendation that recommended the IAD consider obtaining additional audit resources whose primary expertise and responsibility is auditing technology, including the complexities of contracts required for technology projects. The IAD believes this recommendation is fully implemented by having staff obtain specialized Information Technology (IT) audit knowledge. All staff take IT training each year as it continues to be a risk for the Department and the Auditor VI has joined the Information Systems Audit and Control Association (ISACA) to get access to more specialized IT training and knowledge. The Internal Audit Director, also, is a Certified Information Systems Auditor (CISA) and is currently working on her associate's degree in Computer science.

³ TeamMate is the audit software used by the IAD.

⁴ A TeamMate control program details the steps used to perform the engagement. The control program also ensures audit standards are followed. The IAD has two TeamMate control programs: Audit Engagement TeamMate Control Program and Advisory Service (Consulting) Engagement TeamMate Control Program.

Managing the Internal Audit Activity

The IAD is managed through the division's standard operating procedures and TeamMate control programs. The activity is also managed by continuously assessing risk and through the annual audit plan. Throughout the year, the IAD collects risks that may need to be audited in future years⁵. The risks are evaluated by reviewing data and obtaining stakeholder and staff feedback. The risks that are considered high are added to a future audit plan. The audit plan is reviewed and approved the TxDMV Board.

The TxDMV Board also approves the IAD's operating budget and allocation of the number of full-time equivalents (FTEs). The TxDMV Board is kept abreast on the audit plan status through board meetings and through biweekly and monthly conversations with the Board Chairman and the Finance & Audit Chairman, respectively. In addition, TxDMV Executive Office is kept abreast on the audit plan status through monthly meetings.

Nature of Work

The IAD is aligned with the Department's missions, vision, and goals to provide assurance on the risks that may have the most impact to the Department. For each risk identified, the IAD ties that risk to the Department's strategic plan, goal, and the Legislative Budget Board (LBB) performance and budget area/strategy. The IAD's risk approach provides the division a comprehensive view of the risk areas throughout the Department and which areas may have more risk.

The IAD's mission statement supports the Department's mission by being a value-added, technologically advanced internal audit unit that identifies, addresses, and helps mitigate high and emerging information technology, financial, contracting, and operational risks that impact the TxDMV's service to the public and achievement of its vision, mission, and goals. By aligning the IAD's mission to the Department's mission, the IAD can focus on where it can add-value and have the most impact.

Engagement Planning

The IAD uses its standard operating procedures and the TeamMate Control programs to plan engagements. The IAD staff obtain an understanding of the process being evaluated, based on the preliminary objectives established in the audit plan. The staff collect and evaluate information from several sources: program data, interviews, and documented procedures. Next, the staff evaluate the risks to the Department and which controls are in place to mitigate the risk. The staff uses this information to develop final audit objective and fieldwork testing program. All testing and final objectives are approved by the IAD Director. The staff communicates this information to the clients through an entrance conference or over e-mail, depending on availability.

Performing the Engagement

The IAD uses its standard operating procedures and the TeamMate control programs to perform its engagements. All engagements are documented within TeamMate. The IAD staff document work and summarize conclusions based on evidence gathered during fieldwork and as outlined in the fieldwork program. All work is reviewed by the engagement lead and the IAD Director, or designee. Work that may need clarification receives coaching notes and the staff address those coaching notes. Upon completion of coaching notes, the IAD Director or designee reviews and finalizes the corrected work.

⁵ Any risk that is significant will be audited at the time (see the revision to the FY 2017 Annual Audit Plan).

While performing the engagement, staff enter and keep track of potential findings, observations, management discussions, and other items through the use of an issue tracker spreadsheet or through the Issue Viewer in TeamMate. The issues that become findings and observations are reviewed by the IAD Director to ensure sufficient, appropriate, and relevant evidence is used to support the finding or observation.

Communicating Results

Results are communicated to TxDMV management and Board members in a timely manner. TxDMV management (client) obtains written and verbal communication on the audit's progress and results regularly. IAD has established a goal of communicating with the client every two weeks during the fieldwork phase. In addition, results and progress are communicated to the TxDMV Executive Office and the Finance & Audit Chair monthly. Moreover, the Board Chair receives an update on audit results and progress every two weeks.

Draft reports are reviewed by TxDMV Management, TxDMV Executive Office, TxDMV Finance & Audit Committee, and the TxDMV Board Chair prior to being issued. All audit reports are presented to the TxDMV Board during Board meetings.

Monitoring Progress

The IAD monitors the progress of the issued recommendations (external and internal) as they become due. The IAD uses TeamMate - TeamCentral to track and determine if recommendations have been fully implemented. Based on the severity of the audit recommendation (high or low priority), the IAD may conduct additional testing when the audit recommendation is implemented. Beginning in FY 2018, TxDMV Management use TeamCentral to document its implementation and provide the IAD with the necessary documentation to evaluate if the recommendation was fully implemented. The monitoring progress process is detailed in the standard operating procedures.

Resolution of Senior Management's Acceptance of Risks

The IAD would report any risk acceptance (management accepted risk) that were considered outside acceptable risk levels, as required by audit standards. During the review period, the Department did not accept any risk that the IAD found to be outside acceptable risk levels. Risk acceptance communication is implied and discussed in the standard operating procedures and TeamMate control programs.

Appendix 1: Internal Audit Capability Model for the Public Sector

The TxDMV Internal Audit Division requests that the Peer Review team review the *Capability Model for the Public Sector* and provide an assessment on the current level of the Internal Audit Division (see next page). The Internal Audit Division plans to use this information in the future to develop more refined performance measures and to provide the TxDMV Board with information on its role and function within the Department.

Internal Audit Capability Model for the Public Sector Levels

The Institute of Internal Auditors (IIA) Research Foundation developed the *Internal Audit Capability Model for the Public Sector*. The framework identifies the fundamentals needed an effective internal audit function in the public sector. The framework describes the path an internal audit function in the public sector should follow to meet the needs the organization's governance needs and professional expectations. The framework consists of five levels of maturity:

- **Level 1 - *Initial***: no sustainable, repeatable capabilities - dependent upon individual efforts
- **Level 2 - *Infrastructure***: sustainable and repeatable internal audit practices and procedures
- **Level 3 - *Integrated***: internal audit management and professional practices uniformly applied
- **Level 4 - *Managed***: internal integrates information from across the organization to improve governance and risk management
- **Level 5 - *Optimizing***: internal audit learning from inside and outside the organization for continuous improvement

While each level establishes key process that must be implemented to attain, many key processes require coordination and action by both the internal audit activity and the organization.

TxDMV Internal Audit Division – Capability Model

Internal Audit Capability Model for the Public Sector TXDMV Internal Audit Division						
	Services & Role of IA	People Management	Professional Practices	Performance Management & Accountability	Organizational Relationships & Culture	Governance Structure
Level 5 Optimizing	IA Recognized as Key Agent of Change	Leadership Involvement in Professional Bodies Workforce Projection	Continuous Improvement in Professional Practices Strategic IA Planning	Public Reporting of IA Effectiveness	Effective and Ongoing Relationships	Independence, Power, & Authority of the IA Activity
Level 4 Managed	Overall Assurance on Governance, Risk Management, & Control	IA Contributes to Management Development IA Activity Supports Professional Bodies Workforce Planning	Audit Strategy Leverages Organization's Management of Risks	Integration of Qualitative & Quantitative Performance Measures	CAE Advises & Influences Top-level Management	Independent Oversight of the IA Activity CAE Reports to Top-level Authority
Level 3 Integrated	Advisory Services	Team Building & Competency	Quality Management Framework	Performance Measures	Coordination with Other Review Groups	Management Oversight of the IA Activity
	Performance/ Value for Money Audits	Professionally Qualified Staff Workforce Coordination	Risk-based Audit Plans	Cost Information IA Management Reports	Integral Component of Management Team	Funding Mechanisms
Level 2 Infrastructure	Compliance Auditing	Individual Professional Development Skilled People Identified & Recruited	Professional Practices & Processes Framework Audit Plan Based on Management/ Stakeholder Priorities	IA Operating Budget IA Business Plan	Managing within the IA Activity	Full Access to Organization's Information, Assets, & People Reporting Relationships Established
Level 1 Initial	Ad hoc and unstructured; isolated single audits or reviews of documents and transactions for accuracy and compliance; outputs dependent upon the skills of specific individuals holding the position; no specific professional practices established other than those provided by professional associations; funding approved by management, as needed; absence of infrastructure; auditors likely part of a larger organizational unit; no established capabilities; therefore, no key process areas.					
	Indicates the activity has been fully institutionalized by the Internal Audit Division					
	Indicates the activity is in progress , with the Internal Audit Division working towards institutionalization					
	Indicates the activity has not been started by the Internal Audit Division					
	Activities that Internal Audit Division can institutionalize independent of management					

DATE: February 8, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Sandra Menjivar – Suddeath, Internal Audit Director
Agenda Item: 8F
Subject: Internal Audit Division Status

RECOMMENDATION

None.

PURPOSE AND EXECUTIVE SUMMARY

The status update provides information on current Internal Audit Division (IAD) activities. This status update includes information on audit and advisory service engagements and external coordination and reviews.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

Status of Fiscal Year (FY) 2018 Internal Audit Plan

The IAD has finalized or is currently working on six engagements:

- Fraud, Waste, and Abuse Risk Assessment Advisory Service
- FY 2018 Internal Audit Follow-Up
- Travel and Training Audit
- Texas Commission for Law Enforcement (TCOLE) Advisory Service
- TxDMV Fund Audit
- Open Records (Public Information Requests) Process Audit

Of those six internal projects, the TxDMV Fund Audit and Public Information Requests Process Audit have been finalized. In addition, the TCOLE Advisory Service began in January 2018.

TCOLE Advisory Service

In December 2017, the Enforcement Division requested an advisory service to review whether the Department was in compliance with the TCOLE requirements for training that is provided to law enforcement. The IAD agreed. The agreed upon objectives are included in the advisory service agreement.

TxDMV Fund Audit Summary

The TxDMV has conducted detailed reviews of the TxDMV Fund to ensure appropriate revenues are correctly deposited; that interfaces are working appropriately; and, that processes have been developed to ensure revenue is distributed as intended. The TxDMV has processes to consistently monitor revenue account codes in the TxDMV Fund. Those processes ensure that appropriate fees are deposited to the TxDMV fund. Those processes, however, are not formally documented. In addition, the Department does not monitor changes made to data tables after those changes are in the production environment.

Public Information Request Process Audit Summary

The Texas Department of Motor Vehicles' FOIAXpress (FX) system provides the public with a central online portal to submit all PIR to the Department and a tracking number to follow the progress of the PIR being processed. The TxDMV's Office of General Counsel has provided training to the Department's Public Information Coordinators (PIC) outlining their responsibilities and the Department's obligations when receiving a public information request, statutory requirements and timelines, and how to use the FX system. In addition, the TxDMV complies with the Texas Public Information Act requirements. While the TxDMV has met requirements and provided training, it could streamline the process by consolidating additional PIR processes and improve guidance to divisions on PIR processing practices.

Internal Audit Division Status Update

Status of Fiscal Year (FY) 2018 Internal Audit Plan

Project	Description	Status
Fraud, Waste, and Abuse Risk Assessment Advisory Service	An advisory service to identify and rank fraud, waste, and abuse risks for the department.	Fieldwork Anticipated release date: August 2018
FY 2018 Internal Audit Follow-Up	This project verifies if outstanding audit recommendations have been fully implemented. Currently, the IAD is reviewing internal recommendations that had a completion date or that a division submitted an implementation action between December 1, 2017 to February 28, 2018.	Fieldwork Anticipated release date: August 2018
Travel and Training Audit	An audit to determine if training and travel requests have appropriate approvals and justifications as well as determining if the requests are appropriate and meet the need of the TxDMV.	Fieldwork Anticipated release date: April 2018
Management Request - Texas Commission for Law Enforcement (TCOLE)	An advisory service, requested by TxDMV management, to review the Texas Commission for Law Enforcement (TCOLE) training compliance.	Planning Signed Advisory Service Agreement attached. Anticipated release date: April 2018
TxDMV Fund Audit	An audit to determine if appropriate revenue is being deposited to the TxDMV Fund as well as whether correct amounts of revenue are being transferred to counties per agency rule.	Completed Report attached.
Open Records (Public Information Requests) Process Audit	An audit to determine if open records request, also known as Public Information Requests (PIRs) are handled consistently and in accordance with state law. In addition, the audit is reviewing whether the PIRs cost are appropriate.	Completed Report attached.

Attachments

1. TxDMV Fund Audit Report
2. Public Information Requests Process Audit Report
3. TCOLE Advisory Service Agreement



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

TxDMV Fund Audit Report Audit 18-02

Internal Audit Division
January 2018

Table of Contents

Overall Conclusion	1
Maturity Assessment Rating.....	1
Strengths	1
Improvements.....	1
Observation	1
Background	2
TxDMV Fund	2
TxDMV Fund Data Table Changes	3
Audit Results.....	4
TxDMV Fund monitoring process should be documented and table changes should be validated once in production.....	4
Appendix 1: Objectives, Scope, Methodology and Maturity Assessment.....	6



Texas Department of Motor Vehicles

TxDMV Fund, 18-02 Executive Summary

BACKGROUND

The Texas Department of Motor Vehicles (TxDMV or Department) collects fees to support three Treasury Funds: TxDMV (Fund 0010), State Highway (Fund 0006), and General Revenue (Fund 0001). These funds support transportation initiatives (Fund 0006), general government operations (Fund 0001), and the Department’s operations (Fund 0010).

The TxDMV relies on the revenue deposits made into the TxDMV Fund to make its monthly payroll, postage, contracts, and other expenses, which is why it is important that appropriate revenues are distributed correctly. The TxDMV Fund revenue deposits are reported using 13 Texas Comptroller object codes (Comp Object Codes). The TxDMV Fund receives revenue deposits for fees it collects. The fees are for a variety of services to the public and the fees are primarily set by Texas State Statutes and enforced by the TxDMV. In fiscal year 2017, the Department collected \$144,143,998 in fees, or revenue, in Fund 0010.

The audit objective was to determine whether appropriate revenues are deposited to the TxDMV Fund and whether appropriate fees are distributed to counties.

RECOMMENDATIONS

The Internal Audit Division made two recommendations to ensure revenues are appropriately deposited to the TxDMV Fund. The two recommendations are monitoring data table changes in the production environment for effectiveness and formally documenting the monitoring process.

RESULTS

The TxDMV has conducted detailed reviews of the TxDMV Fund to ensure appropriate revenues are correctly deposited; that interfaces are working appropriately; and, that processes have been developed to ensure revenue is distributed as intended. The TxDMV has processes to consistently monitor revenue account codes in the TxDMV Fund. Those processes ensure that appropriate fees are deposited to the TxDMV fund. Those processes, however, are not formally documented.

In addition, the Department does not monitor changes made to data tables after those changes are in the production environment. The Department does, however, test those changes in the testing environment. Data table changes that are not reviewed in production could result in revenue being distributed to incorrect account codes or funds.

MANAGEMENT RESPONSE

Management agrees with the recommendations in this report. Finance and Administrative Services Division (FAS) will monitor data table changes for fee modifications after implementation in production and will document current revenue monitoring processes.

Overall Conclusion

Maturity Assessment Rating

3 - *Defined Process Level*: The process has been standardized, communicated, and is being followed. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.

Other possible ratings and definitions can be found in Appendix 1, under Maturity Assessment Rating Definition.

Strengths

The Texas Department of Motor Vehicles (TxDMV or Department) has processes to ensure revenues are distributed as intended to the TxDMV Fund and the counties.

The Finance and Administrative Services (FAS) Division has conducted detailed reviews of the TxDMV Fund to ensure appropriate revenue are correctly deposited and interfaces are working appropriately. The FAS Division has worked with several stakeholders, including the Enterprise Project Management Office, the Information Technology Service (ITS) Division, and the Texas Comptroller, to make sure funding is correctly deposited when significant changes are made to the fund structure.

In addition, the FAS Division conducts monthly, quarterly, and annual reviews of the fund to ensure that Texas Comptroller object codes are reviewed to ensure fees are appropriately collected and deposited. Monitoring of these codes ensures that collection errors are identified. At the end of each fiscal year, FAS Division collaborates with program areas on a fee-level basis and validates revenue deposits through program applications. FAS Division also performs reconciliations for Regional Service Center revenue transactions daily and monitors process and handling fees. Any discrepancies are noted and referred to the Vehicle Titles and Registration (VTR) Division for further review and analysis.

Improvements

The FAS Division could improve the review of revenue and documentation related to monitoring the TxDMV Fund. Below are the audit results that further expand on these areas.

Audit Result #1: TxDMV Fund monitoring process should be documented and table changes should be validated once in production.

The detailed audit results can be found under the Audit Results section of this report (begins on page 4).

Observation

The Internal Audit Division (IAD) attempted to test the TxDMV Fund by reviewing a sample of transactions. The IAD was not able to conduct the transactional review because obtaining the data would require an estimated 1,500 hours of RTS data table programming, which would be a significant constraint for the ITS Division. In addition, the information was not available through the Centralized Accounting and Payroll/Personnel System (CAPPS). Current system reporting and resource constraints may continue to impact the entire Department.

Background

The TxDMV collects various fees for the State of Texas. All fees are deposited to the Texas Treasury through data interface tables between the CAPPs, the Uniform Statewide Accounting System (USAS), the State Treasury, and the various TxDMV revenue systems. Fees collected by the TxDMV and deposited at the Texas Treasury are transferred to the State Highway Fund (Fund 0006), which supports transportation initiatives; the General Revenue Fund (Fund 0001), which supports government operations; and to the TxDMV Fund, which supports the Department's operations (Fund 0010). Below are the totals deposited to each fund in fiscal year (FY) 2017.

Total Combined Revenue (Funds 0001, 0006, and 0010)	\$ 1,796,455,892
Fund 0001 General Revenue Fund	\$ 104,289,828
Fund 0006 State Highway Fund	\$1,548,022,066
Fund 0010 TxDMV Fund	\$ 144,143,998

TxDMV Fund

The TxDMV Fund was recreated by S.B. 1512, 84th Legislature, Regular Session, with a beginning date of September 1, 2016. The Department implemented the TxDMV Fund revenue collection and reporting processes utilizing the Enterprise Project Management Office's (EPMO) approved project management process. The process was designed to provide a strategic framework for project governance and project implementation.

Revenue was reported using 13 Texas Comptroller object codes (Comp Object Codes or Revenue Categories) grouping the TxDMV Fund's 120 fees. The 13 Comp Object Codes include 3012, 3014, 3018, 3035, and nine comptroller objects grouped into one miscellaneous category. The TxDMV fund receives payments and revenue from fees collected for the Texas International Registration Plan, on-line Temporary Permits, Oversize/Overweight Permits, vehicle plates, dealer licensing, titles, processing and handling fees and enforcement penalties. The TxDMV fund receives revenues from various types of fees collected through several different payment methods. The fees are collected online; by mail, by phone, and in person at Texas County Tax Assessor-Collector offices or at TxDMV Regional Service Centers. Below are the fund revenues collected in FY 2017.

Fund 0010 TxDMV Fund Revenue Categories	\$ 144,143,998
Motor Vehicle Certificates of Title (3012)	\$ 40,210,435
Motor Vehicle Registration Fees (3014)	\$ 43,152,484
Motor Carrier – Oversize/Overweight (3018)	\$ 13,401,328
Business Dealer License (3035)	\$ 8,013,945

Miscellaneous Revenue ¹	\$ 2,895,360
Processing and Handling Fee (3727)	\$ 36,470,446

The Department safeguards revenue receipts through the monitoring done by the FAS Division. The FAS Division monitors the Comptroller object codes on a high level by reviewing projected revenue to current revenue. Comp Object Codes monitored include the Motor Vehicle Certificates of Title; Motor Vehicle Registration Fees; Motor Carrier Oversize/Overweight; Business Dealer Licenses; Miscellaneous Revenue; and Processing and Handling Fee.

In addition, the Department has processes in place to ensure that fee revenues are deposited in the correct amounts to the correct statutory funds on a monthly basis. The FAS Division reviews revenues at the Comptroller-object level. This review includes a detailed analysis of the Processing and Handling Fee (Transportation Code Section 502.1911), since the fee is new and composes a third of the fund deposits made into the TxDMV Fund.

TxDMV Fund Data Table Changes

Any changes made to the Comp Object Codes, revenue deposit amounts, or the revenue fund location for the TxDMV Fund, also known as data table changes, are reviewed, approved, and submitted to the ITS Division by the FAS management. Prior to submitting data table changes, FAS staff review statutes and determine which funds need to be changed. The ITS Division programmers update data tables, and the ITS Quality Assurance team tests the changes to ensure completeness and accuracy. Upon completion of testing, the ITS Quality Assurance Manager notifies the FAS staff that testing has been completed. All testing is completed and reviewed in the testing environment, which should replicate the production environment

This audit was included in the Fiscal Year 2018 Audit Plan. The Internal Audit Division conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the Internal Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit was performed by Jason Gonzalez (Senior Internal Auditor) and Sandra Menjivar-Suddeath (Internal Audit Director).

In accordance with the Texas Internal Auditing Act, this report is distributed to the Board of the Texas Department of Motor Vehicles, Governor’s Office of Budget, Planning, and Policy, Legislative Budget Board, State Auditor’s Office, and the Sunset Advisory Commission. The report was also distributed to the Department’s executive management team.

¹ Miscellaneous Revenue includes: the following Comp Object Codes: 3727, Fees for Administrative Services (excluding P&H fee revenue); 3036, Motor Vehicle Complaints/Protests; 3719, Fees for Copies or Filing of Records; 3050, Abandoned Motor Vehicles; 3022, Assigned VIN Fees; 3081, Equipment Lease to County RTS; 3851, Interest on State Deposits; 3775, certain nonsufficient funds service charges and 3717, Civil Penalties.

Audit Results

TxDMV Fund monitoring process should be documented and table changes should be validated once in production.

Condition

The Department could create a process to validate data table changes in the production environment and to document the overall monitoring process for the TxDMV Fund, so as to strengthen monitoring of revenue that comprise the fees deposited to the TxDMV Fund.

While data table change testing does occur in the testing environment prior to production environment implementation, no detailed and formalized monitoring is done after those changes are in production to ensure code changes were operating as intended.

The Department's monitoring of revenue is performed monthly, quarterly and annually. The monthly review includes comparing projected revenue with current revenue collected, a high-level review of Comp Object Codes, and a detailed review of the Processing & Handling fee. The monthly review includes all Comp Object Codes, such as the Comp Object Codes for Motor Vehicle Certificates of Title, Motor Vehicle Registration Fees, Motor Carrier Oversize/Overweight; Business Dealer Licenses; and Miscellaneous Revenue. Although monitoring is occurring, the monitoring process is not formally documented.

Effect

Data table changes that are not reviewed in production could result in revenue being distributed to incorrect account codes or funds. Similarly, a lack of detailed continuous revenue monitoring could lead to difficulty in identifying causes for discrepancies during year-end financial reporting.

Cause

Programming constraints impact the Department's ability to monitor changes within the production environment. In addition, attempts to formally document the process have begun, but they have not been finalized due to resource constraints.

Criteria

Best practices state that documented revenue control and management policies should establish proper control over all receipts and receivables and ensure sound financial management policies. This includes monitoring changes made to the data tables in the production environment.

Evidence

The following evidence was collected to develop this result:

- Although monitoring processes existed, there was no formally documented process of that monitoring.
- Two data table changes occurred during our scope period. Both changes were not monitored after going into production to ensure changes occurred correctly.

Recommendations

The Internal Audit Division recommends the following:

- 1.1 FAS Division should develop and document a process to monitor data table changes in the production environment until FAS management is comfortable with data table changes. (High)
- 1.2 FAS Division should formally document a monitoring plan to ensure that any revenue discrepancies are within acceptable tolerance levels. (Low)

Management's Response and Action Plan

Management Response & Action Plan 1.1

Management agrees with the recommendation. FAS Division will monitor revenue deposits after fee data table changes. FAS will document a process to validate data table changes.

Management Action Plan Owners: Sergio Rey, Director of Accounting, FAS Division; Linda Flores, Chief Financial Officer, FAS Division

Anticipated Completion Date: December 31, 2018

Management Response & Action Plan 1.2

Management agrees with the recommendation. FAS Division will document current processes to monitor revenue.

Management Action Plan Owners: Brian Kline, Revenue Section, FAS Division; Linda Flores, Chief Financial Officer, FAS Division

Anticipated Completion Date: August 31, 2018

Appendix 1: Objectives, Scope, Methodology and Maturity Assessment

Objectives

The objective of this audit was to determine whether appropriate revenues, including registration fees, are deposited to the TxDMV Fund appropriately; and, whether appropriate amounts are transferred to counties per Department rules.

Scope and Methodology

The scope of the audit included areas of risks within the Department's processes; revenue receipts; and, revenue information of FY 2017.

The IAD reviewed reconciliations, Texas Comptroller object codes, quarterly and annual reporting detail, and data table structure changes.

Information and documents that we reviewed included the following:

- TxDMV IAD Audit Report 15-04 Administration Statutes and Rules through TACs
- State Auditor's Office (SAO) Audit 17-036 An Audit Report on Complaint Processing at the Department of Motor Vehicles on 5.23.17
- SAO Audit 16-555 State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended 8.31.15 on 3.14.16
- SAO Audit 15-555 State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended 8.31.14 on 2.27.15
- SAO Audit 15-015 A Report on Analysis of Quality Assurance Team Projects on 12.22.14
- SAO Audit 13-026 An Audit Report on Selected State of Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program on 3.18.13
- SAO Audit 11-007 An Audit Report on the Department of Motor Vehicles on 10.11.10.
- Regional Service Center revenue reconciliations
- FY 2017 Quarterly and Annual Financial Reporting Revenue Receipts and Forecast
- Interviews with Department division directors, division managers, and division staff

Maturity Assessment Rating Definitions

The maturity assessment rating and information were derived from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model and the Enterprise Risk Management (ERM) Maturity Model. The model was adapted for the TxDMV assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. Below are the definitions for each rating level.

0 - A rating level of 0, also known as a non-existent process level, is defined as no process has been defined or used.

1 - A rating level of 1, also known as an initial and ad-hoc process level, is defined as a standardized process has not been developed and an ad hoc approach is being used when issues arise.

- 2 - A rating level of a 2, also known as repeatable but intuitive process level, is defined as having developed a process where similar procedures are followed by several employees, but the results may not be consistent. The process is not documented and has not been sufficiently evaluated to address risks.
- 3 - A rating level of a 3, also known as a defined process level, is defined as having a standardized, documented, communicated, and followed process. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.
- 4 - A rating level of a 4, also known as a managed and measurable process level, is defined as having a standardized, documented, communicated, and followed process. Management monitors and measures compliance with process. Process is under constant improvement and provides good practice. The use of information technology would help automate workflow and improve quality and effectiveness.
- 5 - A rating level of a 5, also known as refined level, is defined as having a good process (e.g., standardized, documented, communicated, and followed process) as a result of continuous improvement and the use of technology. Information technology is used in an integrated way to automate workflow and to improve quality and effectiveness.



Texas Department
of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Public Information Request Processes
Audit Report
Audit 18-03

Internal Audit Division
January 2018

Table of Contents

Overall Conclusion and Executive Management Response	1
Maturity Assessment Rating.....	1
Strengths	1
Improvements.....	1
Executive Director’s Management Response	1
Background	2
Audit Results	4
The TxDMV has multiple methods to receive PIRs.....	4
The TxDMV applies different processing and response practices across multiple divisions.....	6
Appendix 1: Objectives, Scope, Methodology and Maturity Assessment.....	8
Objectives.....	8
Scope and Methodology.....	8
Maturity Assessment Rating Definitions	8

Public Information Request Processes, 18-03
Executive Summary

BACKGROUND

A public information request (PIR) is a request for information written, produced, collected, assembled, or maintained in connection with the transaction of a governmental body's official business. A PIR is governed by the Texas Public Information Act (Act). The Act defines releasable information and stipulates how long an agency has to provide the information.

Although a PIR is routed through the Office of General Counsel (OGC), each division is responsible for coordinating and providing the information for the PIR. To facilitate the coordination of PIRs, a new application, FOIAXpress, was procured and configured.

Between March 1, 2017 and August 31, 2017, 12,334 PIRs were processed.

The audit objectives are to determine if public information requests:

- are handled consistently throughout the department;
- assess appropriate cost; and
- are handled in accordance with state laws.

RECOMMENDATIONS

The Internal Audit Division made four recommendations related to consolidation of the multiple PIR intake points and development of uniform guidance on issues related to law enforcement requests and requests that may require executive management attention.

RESULTS

The Texas Department of Motor Vehicles' (TxDMV or Department) FOIAXpress (FX) system provides the public with a central online portal to submit all PIR to the Department and a tracking number to follow the progress of the PIR being processed. The TxDMV's Office of General Counsel (OGC) has provided training to the Department's Public Information Coordinators (PIC) outlining their responsibilities and the Department's obligations when receiving a public information request, statutory requirements and timelines, and how to use the FX system.

The TxDMV complies with the Texas Public Information Act requirements. In the 44 PIRs tested, response time to the requestor was within the required 10 business days and fees to the requestor were applied or waived in accordance with requirements.

The TxDMV could streamline the process by consolidating additional PIR processes and improve guidance to divisions on PIR processing practices. Currently, there are multiple PIR intake points in the Department creating PIR reporting errors due to redundant data entry. In addition, the TxDMV applies different internal PIR response practices across the Department. Varying methods of defining law enforcement requests, identifying requests which should be brought to executive management's attention, and applying charges for PIR processing may result in requestors being charged inconsistently for the same request or executive management remaining unaware of public interest in certain information.

MANAGEMENT RESPONSE

TxDMV Management agrees with the recommendations contained in this report. The recommendations will be addressed by Motor Carrier Division, Motor Vehicle Division, Vehicle Titles and Registration, Information Technology Services Division, and Office of General Counsel. All recommendations will be addressed no later than December 1, 2018.

Overall Conclusion and Executive Management Response

Maturity Assessment Rating

3 - Defined Process Level: The process has been standardized, documented, communicated, and is being followed. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.

Other possible ratings and definitions can be found in Appendix 1, under Maturity Assessment Rating Definition.

Strengths

The Texas Department of Motor Vehicles (TxDMV or Department) has taken the initiative to simplify public information requests (PIR) for the general public and provide more insight into the processing status of their PIR. The TxDMV's FOIAXpress (FX) system provides the public with a central online portal to submit all PIR to the Department and a tracking number to follow the progress of the PIR being processed.

The TxDMV's Office of General Counsel (OGC) has provided training to Public Information Coordinators (PICs) stationed in each division outlining their responsibilities and the Department's obligations when receiving a public information request, statutory requirements and timelines, and how to use the FX system. The OGC has also hired an additional attorney in October 2017 specializing in assisting the Department with open records processes and inquiries.

The TxDMV complies with the Texas Public Information Act requirements. In the 44 PIR requests tested, response time to the requestor was within the required 10 business days and fees to the requestor were applied or waived in accordance with requirements.

Improvements

The TxDMV could streamline the process by consolidating additional PIR processes and improve guidance to divisions on uniform PIR processing practices. Below are the audit results that further expand on these areas.

Audit Result #1: The TxDMV has multiple methods to receive PIRs.

Audit Result #2: The TxDMV applies different processing and response practices across multiple divisions.

The detailed audit results can be found under the Audit Results section beginning on page 4.

Executive Director's Management Response

TxDmv Management agrees with the recommendations contained in the Internal Audit Division's (IAD) *Public Information Request Processes Audit Report*. Management has provided its responses to the recommendations and a plan to implement the necessary changes. The recommendations will be addressed by Motor Carrier Division (MCD), Motor Vehicle Division (MVD), Vehicle Titles and Registration (VTR), Information Technology Services Division (ITSD), and OGC. All recommendations will be addressed no later than December 1, 2018.

Background

The Texas Public Information Act (Act) defines public information as information written, produced, collected, assembled, or maintained in connection with the transaction of a governmental body's official business. The Act prescribes it shall be liberally construed in favor of granting a request for information. In addition, the Act defines releasable information and stipulates how long an agency has to provide the information. The TxDMV accepts a written public information request (PIR) in accordance with the Act via email, mail, and the TxDMV's online FOIAXpress (FX) system, a centralized, online PIR processing system.

The TxDMV also accepts and processes Requests for Motor Vehicle Information using the Vehicle Title and Registration Form 275 (VTR-275). The VTR-275 must be used to obtain a title history, certified title history, title and registration verification, certified title and registration verification, or a duplicate registration receipt for the current registration.

The Department processes VTR-275 requests separately from other PIRs because they are statutorily allowed confidentiality exceptions that are not permitted for other PIR. The Act provides the TxDMV authority to redact personal information, as defined by Transportation Code §730, from a motor vehicle record without first seeking an opinion from the Office of the Attorney General (OAG).¹ The VTR-275s were historically treated as a separate workflow to more quickly serve customers requesting copies of their own vehicle information by promptly redacting the confidential information from the requested records.

The TxDMV's Office of General Counsel (OGC) is responsible for managing and implementing the TxDMV's PIR response processes through a decentralized network of TxDMV staff assigned as Public Information Coordinators (PIC) within each division. In addition to their programmatic duties, division PIC responsibilities include responding to PIRs assigned to their division, coordinating with other divisions as needed to compile responses, tracking response progress and timelines in compliance with the Act, identifying and redacting confidential information prior to release of documentation, and tracking PIR volume for public reporting by the OGC.

On March 9, 2017, the TxDMV implemented the FOIAXpress (FX) system, an online centralized PIR management system, which provides the Department's PICs electronic tools to assign, coordinate, and track PIRs and responses. The system also provides additional electronic tools for redacting and document retention. The FX system also allows PICs to electronically invoice requestors using a standardized fee table. Requestors can pay electronically by credit card or automatic clearing house (ACH) through a Texas.gov link provided by a PIC via email.

The OGC provides training and support to PICs regarding statutory requirements, TxDMV internal PIR processes, and FX system use; manages the Department's FX system user license distribution to PICs; reports and works with the FX system vendor to repair system bugs and make modifications as needed; compiles self-reported PIR information for quarterly reporting to the OAG; and refers non-disclosure requests to the OAG for opinion as required by the Act.

¹ Texas Government Code §552.130 states that a governmental body may redact a motor vehicle operator's or driver's license or permit, title or registration, or personal identification document from any information the governmental body discloses without the necessity of requesting a decision from the attorney general.

During the six-month period reviewed, March 1, 2017 through August 31, 2017, the TxDMV processed 12,334 PIR requests.

This audit was included in the fiscal year 2018 Audit Plan. The Internal Audit Division conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the Internal Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit was performed by Derrick Miller (Senior Internal Auditor) and Sandra Menjivar-Suddeath (Internal Audit Director).

In accordance with the Texas Internal Auditing Act, this report is distributed to the Board of the Texas Department of Motor Vehicles, Governor's Office of Budget, Planning, and Policy, Legislative Budget Board, State Auditor's Office, and the Sunset Advisory Commission. The report was also distributed to the Department's executive management team.

Audit Results

The TxDMV has multiple methods to receive PIRs.

Condition

TxDmv implemented one centralized system to handle PIRs, however, three methods outside of the centralized system exist for requesting and obtaining PIR, including two PIR email inboxes and the TxDMV Request for Motor Vehicle Information form (VTR-275).

Effect

Multiple methods for PIR submission could lead to not all request being entered into the appropriate system. During the scope period, 47 requests that were received and responded to from two active open records general email boxes were not recorded in the FX system.

In addition, each division tracks the PIRs they receive and self-reports their PIR activity to the OGC. The OGC manually enters and aggregates the information into a standalone reporting database. The sequence of self-reporting and data entry is a redundant use of TxDMV staff time as PIR volumes could be pulled more directly from the FX system if all PIR were reported into the system. In addition, the OGC database requires the assistance of an Information Technology Services (ITS) Division resource for continued maintenance. Direct reporting from the FX system would minimize the number of data entry points and the resulting increase in data entry errors, and reduce the demand on the Department's ITS Division resources for maintenance of the database.

Cause

Prior to the implementation of the FX system, the general email boxes were used so that a shared location accessible by multiple division staff was available to receive and address PIR inquiries from external or internal sources. When the FX system was implemented, not all email boxes were eliminated and the TxDMV continues to allow requests to come in through these email boxes. Similarly, reporting of PIRs continues to be a manual process even though reporting exists within the FX system.

Criteria

The risk of a process breakdown increases with complexity. A distributed system contains more processing points that need to be monitored for vulnerability or breakdown than compared to a truly centralized system.

Evidence

The following evidence was collected to develop this result:

- 47 requests that were received and responded to from two active open records general email boxes were not recorded in the FX system.
- The OGC reporting database and the OAG Open Records Requests Summary reports containing the TxDMV's self-reported PIR volumes for the months of March-August 2017 did not match. For example, 93 PIR were double counted by the TxDMV in the month of April 2017. Additional smaller line item discrepancies were identified in each month reviewed. OGC

corrected the errors in the OGC reporting database and the OAG public reports as they were identified.

Recommendations

The Internal Audit Division recommends the following:

- 1.1 The TxDMV should consolidate its open records general email boxes to one email intake point. (High)
- 1.2 The TxDMV should review processes to identify how best to consolidate the reporting of requests subject to Transportation Code §730 into the FOIAXpress. (High)

Management's Response and Action Plan

Management Response & Action Plan 1.1

Management agrees with the recommendation and will work with ITSD, and then each affected division, to funnel all initial intake of Public Information Request (PIR) emails through the main FOIAXpress email box maintained by OGC. Each division will still need to maintain a PIA email account, as certain communications, like clarifications with requestors, need to come from Public Information Coordinators (PICs) within the divisions. This would also allow the teams of PICs within the divisions to continue to collaborate on incoming requests.

Management Action Plan Owners: Jimmy Archer (MCD), Daniel Avitia (MVD), Jeremiah Kuntz (VTR), Jonathan O'Quinn (ITSD), David Duncan (OGC - primary)

Anticipated Completion Date: March 1, 2018

Management Response & Action Plan 1.2

Management agrees with the recommendation and will work with VTR, including the Regional Service Centers, ITSD and OGC to determine how to facilitate the accurate reporting of responses to requests of information subject to Transportation Code §730 while minimizing or eliminating manual entry of such data.

Management Action Plan Owners: Jeremiah Kuntz (VTR), David Duncan (OGC - primary)

Anticipated Completion Date: December 1, 2018

The TxDMV applies different processing and response practices across multiple divisions.

Condition

The TxDMV applies different internal public information request (PIR) response practices across the Department including varying methods of defining law enforcement requests, identifying requests which should be brought to executive management's attention, and applying charges for PIR processing.

Different divisions within the Department vary on which entities they consider to be valid law enforcement organizations (LEO) for PIR purposes, as the definition could apply to a range of local, state, and federal enforcement or prosecutorial entities.

Divisions also differ in what topics or information they deem high-profile or sensitive enough to be brought to the attention of executive management, depending on each division's area of business.

In addition, divisions waive fees for some requestors based on varying justifications. For example, requests from LEOs or the legislature are generally waived but media requests may be waived by some divisions, such as the TxDMV's Government and Strategic Communications Division (GSC), but not by others.

Effect

Varying practices may result in the TxDMV inconsistently applying justifications for PIR fees or waivers for similar requests or requestors across the Department or being unaware of public interest in information which executive management needs to be prepared to address.

Cause

The TxDMV has not provided an explicit definition for department-wide use on what entities the Department considers an LEO when considering the source of public information requests.

PIC training provided by the TxDMV's Office of General Counsel (OGC) instructs staff to notify OGC or the GSC of requests submitted by the legislature or media, but does not address division-specific circumstances.

Finally, the Texas Public Information Act allows governmental bodies discretion in waiving fees. The Act states that a state agency may waive or reduce PIR processing fees if it determines that doing so is in the public interest. However, the Act does not provide explicit guidance or requirements for weighing the public interest.

Criteria

The TxDMV should have uniform processes and reasoning across the Department to apply consistent service to all requestors. In the absence of statutory or otherwise authoritative requirements, the Department should create and communicate expectations to staff internally.

Texas Public Information Act §552.267 states that a governmental body shall provide a copy of public information without charge or at a reduced charge if the governmental body determines that waiver or reduction of the charge is in the public interest because providing the copy of the information primarily benefits the general public. Further, if the cost to a governmental body of processing the collection of a

charge for providing a copy of public information will exceed the amount of the charge, the governmental body may waive the charge.

Evidence

The following evidence was collected to develop this result:

- The TxDMV public information coordinators reported uncertainty as to what offices, outside of commissioned law enforcement entities, to treat as valid LEOs.
- Division standards for sensitive or high-profile information are division-specific, such as a motor carrier crash involving a bridge collision for the Department's Motor Carrier Division, or changes to allowable title and registration fees to the TxDMV's Vehicle Title and Registration Division.

Recommendation

The Internal Audit Division recommends the following:

- 2.1 The TxDMV should develop uniform department-wide guidance addressing the TxDMV's definition of valid law enforcement requests and required procedures for validating law enforcement requests. (Low)
- 2.2 The TxDMV should develop guidance on topics, including when to charge PIR fees and when to bring a request to executive management attention. (Low)

Management's Response and Action Plan

Management Response & Action Plan 2.1

Management agrees that there should be standard operating procedures for the issuance of motor vehicle records to law enforcement. Guidance will be developed and all appropriate TxDMV employees will be trained on which entities are considered law enforcement and how those entities can demonstrate their identity as law enforcement.

Management Action Plan Owner: David Duncan (OGC)

Anticipated Completion Date: April 1, 2018

Management Response & Action Plan 2.2

Management agrees with the recommendation and has begun streamlining the process of when to alert the Executive team, namely in regard to media and legislative requests. OGC will include in its law enforcement SOP a section regarding when and how a manager, OGC attorney, and the Executive team should be alerted to sensitive PIRs. Additionally, the board has authorized the department to publish for public comment rules regarding the waiver of fees for law enforcement inquires as well as the requirement to present law enforcement credentials to obtain motor vehicle records. This rulemaking will resolve any uncertainty about what entities or individuals qualify for PIR fee waivers. Upon completion of the rule making process the VTR division will update its standard operating procedures to incorporate the changes.

Management Action Plan Owner: David Duncan (OGC)

Anticipated Completion Date: September 1, 2018

Appendix 1: Objectives, Scope, Methodology and Maturity Assessment

Objectives

The objectives of the audit were to determine if public information requests:

- are handled consistently throughout the department;
- have appropriate costs; and
- are handled in accordance with state laws.

Scope and Methodology

The scope of the audit included public information requests received by the Texas Department of Motor Vehicles between March 1, 2017 and August 31, 2017. Information and documents reviewed in the audit included the following:

- Government Code §552, Texas Public Information Act
- Texas Transportation Code §730, Texas Motor Vehicle Records Disclosure Act
- Texas Administrative Code §70.3, Charges for Providing Copies of Public Information
- Texas Department of Motor Vehicles Office of General Counsel Public Information Request database reports March 2017 – August 2017
- Texas Office of the Attorney General agency open records request reports March 2017 – August 2017
- Texas Department of Motor Vehicles Office of General Counsel Public Information Act training presentation
- Texas Department of Motor Vehicles FOIAXpress Users List
- Texas Department of Motor Vehicles Request for Motor Vehicle Information Form VTR-275
- Interviews with Texas Department of Motor Vehicles division public information coordinators
- FOIAXpress public information request records
- Texas Department of Motor Vehicles divisional public information request tracking sheets

Maturity Assessment Rating Definitions

The maturity assessment rating and information were derived from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model and the Enterprise Risk Management (ERM) Maturity Model. The model was adapted for the TxDMV assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. Below are the definitions for each rating level.

0 - A rating level of 0, also known as a non-existent process level, is defined as no process has been defined or used.

1 - A rating level of 1, also known as an initial and ad-hoc process level, is defined as a standardized process has not been developed and an ad hoc approach is being used when issues arise.

- 2 - A rating level of a 2, also known as repeatable but intuitive process level, is defined as having developed a process where similar procedures are followed by several employees, but the results may not be consistent. The process is not documented and has not been sufficiently evaluated to address risks.
- 3 - A rating level of a 3, also known as a defined process level, is defined as having a standardized, documented, communicated, and followed process. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.
- 4 - A rating level of a 4, also known as a managed and measurable process level, is defined as having a standardized, documented, communicated, and followed process. Management monitors and measures compliance with process. Process is under constant improvement and provides good practice. The use of information technology would help automate workflow and improve quality and effectiveness.
- 5 - A rating level of a 5, also known as refined level, is defined as having a good process (e.g., standardized, documented, communicated, and followed process) as a result of continuous improvement and the use of technology. Information technology is used in an integrated way to automate workflow and to improve quality and effectiveness.



Advisory Service Agreement

Introduction

The Internal Audit Division (IAD) will provide an advisory service to the Enforcement Division. Advisory services are those in which the auditor examines/evaluates a past, present, or future aspect of operations, and renders information to assist management in making decisions.

Management understands and agrees to the following:

- The work to be undertaken is not a formal audit and the work product produced shall not be represented as the results of an audit.
- In the event our work discloses fraud or other breach of law, Internal Audit will deviate from the agreement and work with General Counsel on best course of action.
- Results of the advisory service will be presented to the TxDMV Board and Executive Management.
- Information obtained during the advisory service may be used in other audits or advisory services.
- Auditors do not develop and install procedures or engage in activities that may be seen as management responsibility.
- Management has the necessary knowledge, skills, and abilities to oversee the advisory service.

Advisory Service Objective(s) and Deliverables

The IAD has been requested and has agreed to review the Texas Commission for Law Enforcement (TCOLE) training compliance for the Enforcement Division. This advisory service will provide the following:

- A determination of whether the Texas Department of Motor Vehicles is compliant with TCOLE training requirements.
- An Identification of where improvements may be needed to be in compliance with TCOLE training requirements.
- An evaluation on whether the reporting structure has been sufficiently implemented to monitor TCOLE compliance.

IAD will provide a report with the above information. Recommendations may be made in the report, but the recommendations will not require a management response or action plan. Recommendations are for the use of the Enforcement Division and Executive Management.

The final report of the advisory service will be prepared solely for the use of management and will not be released to other parties by the IAD without first informing management. However, the final report is subject to open records requests. If requests for the report are received through open records, the IAD will inform you of the request.

A description and results of the advisory service project will also be included in the audit status updates to the TxDMV Board and in our statutory required annual report. The annual report is submitted to the TxDMV Board, The Governor's Office, the Legislative Budget Board, the Sunset Advisory Committee and the State Auditor's Office.

Internal Audit Team and Milestones

The advisory service will be led by Jason Gonzalez and Frances Barker will serve as team member. The advisory service will be overseen by Sandra Menjivar-Suddeath, IAD Director.

The advisory service will begin in January 2018 and has an anticipated end date of February 2018. The anticipated release date for the report will be in March 2018, however, preliminary results will be given prior to the report release.

The above terms and conditions are acceptable to both offices.

Corrie Thompson
Enforcement Division Director

Date: 12/21/17

Sandra Menjivar-Suddeath, CIA, CISA, CGAP
Internal Audit Director

Date: 12/21/17



Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 9
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 209, Finance
New, §209.24, Charges for Public Information
(Relating to charges for public information)

RECOMMENDATION

Approve adoption of new section in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the new section is to adopt the attorney general's rules relating to charges for public information.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The department is required to use rules adopted by the attorney general in determining the charges for providing copies of public information.

The proposal was published in the *Texas Register* on November 10, 2017. The comment period closed on December 11, 2017. No comments were received.

If the board adopts the new section during its February 8, 2018, open meeting, staff anticipates:

- publication in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF NEW
43 TAC SECTION 209.24, CHARGES FOR PUBLIC INFORMATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt new Chapter 209, Finance, Subchapter B, Payment of Fees for Department Goods and Services, §209.24, Charges for Public Information.

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

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

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

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

Recommended by:

Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: _____

Date Passed: February 8, 2018

Texas Department of Motor Vehicles
Chapter 209, Finance

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts new
3 Chapter 209, Finance, Subchapter B, Payment of Fees for
4 Department Goods and Services, §209.24, Charges for Public
5 Information.

6

7 EXPLANATION OF ADOPTED NEW SECTION

8 Government Code, §552.262 requires each governmental body to use
9 the rules adopted by the attorney general in determining the
10 charges for providing copies of public information. New §209.24
11 adopts the rules of the attorney general relating to charges for
12 public information.

13

14 COMMENTS

15 No comments on the proposed new section were received.

16

17 STATUTORY AUTHORITY

18 The new section is adopted under Transportation Code, §1002.001,
19 which provides the board of the Texas Department of Motor
20 Vehicles with the authority to adopt rules that are necessary
21 and appropriate to implement the powers and the duties of the
22 department.

23

Texas Department of Motor Vehicles
Chapter 209, Finance

- 1 CROSS REFERENCE TO STATUTE
- 2 Government Code, Chapter 552.

Texas Department of Motor Vehicles
Chapter 209, Finance

1 SUBCHAPTER B. PAYMENT OF FEES FOR DEPARTMENT GOODS AND SERVICES

2 §209.24. Charges for Public Information.

3 In accordance with Government Code, §552.262, the Texas

4 Department of Motor Vehicles adopts the rules of the Office of

5 the Attorney General relating to the Cost of Copies of Public

6 Information at 1 TAC, §§70.1-70.12.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 10
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program Amendments, §210.22, Program
(Relating to the Historically Underutilized Business Program)

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments are to correct a citation to the Comptroller of Public Accounts' (Comptroller) historically underutilized businesses (HUB) rules.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The department is required to adopt the Comptroller's rules related to administering Government Code, Chapter 2161, Historically Underutilized Businesses, Subchapters B and C, as the department's own rules.

The proposal was published in the *Texas Register* on November 10, 2017. The comment period closed on December 11, 2017. No comments were received.

If the board adopts the new section during its February 8, 2018, open meeting, staff anticipates:

- publication in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES
RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 210.22, RELATING TO THE
HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Programs, amendments, §210.22, Historically Underutilized Business Program, Program.

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

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

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

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

Recommended by:

Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: _____

Date Passed: February 8, 2018

Texas Department of Motor Vehicles
Chapter 210, Contract Management

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 210, Contract Management, Subchapter B,
4 Historically Underutilized Business Program, §210.22, Program.

5

6 EXPLANATION OF ADOPTED AMENDMENTS

7 Amendments to §210.22 are adopted to correct a citation to the
8 Comptroller of Public Accounts' historically underutilized
9 businesses (HUB) rules.

10

11 COMMENTS

12 No comments on the proposed amendments were received.

13

14 STATUTORY AUTHORITY

15 The amendments are adopted under Transportation Code, §1002.001,
16 which provides the board of the Texas Department of Motor
17 Vehicles with the authority to adopt rules that are necessary
18 and appropriate to implement the powers and the duties of the
19 department; and more specifically, Government Code, §2161.003,
20 which provides that a state agency shall adopt the commission's
21 rules under §2161.002, Commission Administration; Comptroller
22 Assistance, as the agency's own rules.

23

Texas Department of Motor Vehicles
Chapter 210, Contract Management

- 1 CROSS REFERENCE TO STATUTE
- 2 Government Code, Chapter 2161.

Texas Department of Motor Vehicles
Chapter 210, Contract Management

1 SUBCHAPTER B. HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM
2 §210.22. Program.
3 The board of the Texas Department of Motor Vehicles adopts the
4 rules of the Comptroller of Public Accounts relating to the
5 Historically Underutilized Business (HUB) Program at 34 TAC,
6 Part 1, Chapter 20, Subchapter D, Division 1 [~~B~~].

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Corrie Thompson, Director, Enforcement Division
Agenda Item: 11
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 215, Motor Vehicle Distribution, Amendments, §215.210, Compliance with Order Granting Relief (Relating to compliance with order granting relief for warranty performance obligations)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

The purpose of these amendments is to make §215.210 consistent with Occupations Code, §2301.610 and to replace the acronym “OEM” with “original equipment manufacturer” because “OEM” is not defined in Chapter 215.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposal was published in the *Texas Register* for public comment on November 10, 2017. The comment period closed on December 11, 2017. No comments were received.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication of the adoption in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 215.210, COMPLIANCE WITH ORDER GRANTING RELIEF

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 215, Motor Vehicle Distribution, Subchapter G, Warranty Performance Obligations, §215.210, Compliance with Order Granting Relief.

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

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

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

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

Recommended by:

Corrie Thompson, Director
Enforcement Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 215, Motor Vehicle Distribution,
4 Subchapter G, Warranty Performance Obligations, §215.210,
5 Compliance with Order Granting Relief, without changes to the
6 proposed text as published in the November 10, 2017, issue of
7 the *Texas Register* (42 TexReg 6348). The rule will not be
8 republished.

9

10 EXPLANATION OF ADOPTED AMENDMENTS

11 Amendments to §215.210 make it consistent with Occupations Code,
12 §2301.610 and replace the acronym "OEM" with "original equipment
13 manufacturer" because "OEM" is not defined in Chapter 215.

14

15 COMMENTS

16 No comments on the proposed amendments were received.

17

18 STATUTORY AUTHORITY

19 The amendments are adopted under Transportation Code, §1002.001,
20 which provides the board of the Texas Department of Motor
21 Vehicles (board) with the authority to adopt rules that are
22 necessary and appropriate to implement the powers and the duties
23 of the department under the Transportation Code and Occupation

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 Code; and more specifically, Occupations Code, §2301.602(b),
2 which requires the board to adopt rules for the enforcement and
3 implementation of Subchapter M, Warranties: Rights of Vehicle
4 Owners.

5

6 CROSS REFERENCE TO STATUTE

7 Occupations Code, §2301.610.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 SUBCHAPTER G. WARRANTY PERFORMANCE OBLIGATIONS

2 §215.210. Compliance with Order Granting Relief.

3 (a) Compliance with an order issued by the final order
4 authority will be monitored by the department.

5 (b) A complainant is not bound by a final decision and
6 order.

7 (c) If a complainant does not accept the final decision,
8 the proceeding before the final order authority will be deemed
9 concluded and the complaint file closed.

10 (d) If the complainant accepts the final decision, then the
11 manufacturer, converter, or distributor, and the dealer to the
12 extent of the dealer's responsibility, if any, shall immediately
13 take such action as is necessary to implement the final decision
14 and order.

15 (e) If a manufacturer, converter, or distributor replaces
16 or repurchases a motor vehicle pursuant to an order issued by
17 the final order authority, [~~reacquires a vehicle to settle a~~
18 ~~complaint filed under Occupations Code, §2301.204 or §§2301.601~~
19 ~~—2301.613, or brings a motor vehicle into the State of Texas~~
20 ~~that has been reacquired to resolve a warranty claim in another~~
21 ~~jurisdiction,~~] then the manufacturer, converter, or distributor
22 shall, prior to the resale of such motor vehicle, retitle the
23 vehicle in Texas and shall:

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 (1) issue a disclosure statement on a form provided by or
2 approved by the department; and

3 (2) affix a department-approved disclosure label in a
4 conspicuous location in or on the motor vehicle.

5 (f) The disclosure statement and disclosure label required
6 under subsection (e) of this section shall accompany the motor
7 vehicle through the first retail purchase. No person or entity
8 holding a license or GDN issued by the department under
9 Occupations Code, Chapter 2301 or Transportation Code, Chapter
10 503 shall remove or cause the removal of the disclosure label
11 until delivery of the motor vehicle to the first retail
12 purchaser.

13 (g) A manufacturer, converter, or distributor shall provide
14 to the department the name, address, and telephone number of the
15 transferee to whom the manufacturer, distributor, or converter
16 transfers the motor vehicle on the disclosure statement within
17 60 days of each transfer. The selling dealer shall return the
18 completed disclosure statement to the department within 60 days
19 of the retail sale of a reacquired motor vehicle.

20 (h) The manufacturer, converter, or distributor must repair
21 the defect or condition in the motor vehicle that resulted in
22 the vehicle being reacquired and issue a basic warranty
23 excluding non-original equipment manufacturer [~~non-OEM~~] items or

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 accessories, for a minimum of 12 months or 12,000 miles,
2 whichever comes first. The warranty shall be provided to the
3 first retail purchaser of the motor vehicle.

4 (i) In the event this section conflicts with the terms
5 contained in a cease and desist order, the terms of the cease
6 and desist order shall prevail.

7 (j) The failure of any manufacturer, converter,
8 distributor, or dealer to comply with a final order issued by
9 the final order authority within the time period prescribed in
10 the order may subject the manufacturer, converter, distributor,
11 or dealer to formal action by the department, including the
12 assessment of civil penalties or other sanctions prescribed by
13 Occupations Code, Chapter 2301, for the failure to comply with
14 an order issued by the final order authority.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 12
Subject: Adoption of Rules under Title 43, Texas Administrative Code,
Chapter 215, Motor Vehicle Distribution - Amendments, §215.144
Chapter 217, Vehicle Titles and Registration - Amendments, §§217.71, 217.72, 217.73; and New §217.74
Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators and Salvage Vehicle Rebuilders -
Amendments, §221.72
(Relating to document retention requirements for users of webDEALER, including webSALVAGE)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

Amendments to Chapter 217, Subchapter C, §§217.71, 217.72, and 217.73 rename the subchapter and subsection titles. Amendments also clarify that the purpose of the subchapter is to prescribe the policies and procedures under which the department may make automated equipment for use of RTS available to a county tax assessor-collector and for users who opt to use webDEALER.

Amendments to §217.71(b) add definitions for title application and webDEALER. "Title application" includes the electronic process provided by the department that captures the information required to create a motor vehicle record, and "webDEALER" is defined broadly to include "webSALVAGE" and "webLIEN."

Amendments also add new §217.74, Access to and Use of webDEALER, which includes requirements for submitting a title application through webDEALER, including a requirement that the user must retain the title document or other ownership evidence pertaining to the transaction for a minimum of four calendar years.

Along with the amendments and new section described above, the department is also amending §215.144 and §221.72, which relate to record retention requirements for users of webDEALER who are either a GDN holder or a salvage vehicle dealer.

Additional amendments correct grammatical and punctuation errors, make minor wording changes, including the addition of "county" to "tax assessor-collector," and delete the hyphen in "nonrepairable" for consistency with statute.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The proposed amendments were published in the *Texas Register* for public comment on December 22, 2017. The comment period closed on January 22, 2018. No comments were received.

If the Board adopts the amendment and new section during its February 8, 2018, open meeting, staff anticipates publication in the March 2, 2018, issue of the *Texas Register*, and an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 215.144, RECORDS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 215, Motor Vehicle Distribution, Subchapter E, General Distinguishing Number, §215.144, Records

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

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

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

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

Recommended by:

Corrie Thompson, Director
Enforcement Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 215, Motor Vehicle Distribution,
4 Subchapter E, General Distinguishing Numbers, §215.144, Records,
5 without changes to the proposed text as published in the
6 December 22, 2017, issue of the *Texas Register* (42 TexReg 7366).
7 The rule will not be republished.

8

9 EXPLANATION OF PROPOSED AMENDMENTS

10 Proposed amendments add an exception to the general requirement
11 in §215.144(k) that a license holder may maintain records in
12 electronic format. The exception, proposed §215.144(l),
13 requires a license holder utilizing webDEALER to comply with
14 proposed §217.74 (relating to Access to and Use of webDEALER),
15 which includes a requirement that a physical document be
16 retained at least four calendar years from date of submission.
17 The proposed amendment clarifies that original hard copy titles
18 need not be maintained at the licensed location, but must be
19 made available to the department on request.

20

21 Proposed amendments also correct a punctuation error in
22 §215.144(d).

23

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 COMMENTS

2 No comments were received on the proposed amendments.

3

4 STATUTORY AUTHORITY

5 The amendments are proposed under Transportation Code,
6 §1002.001, which provides the board of the Texas Department of
7 Motor Vehicles with the authority to adopt rules that are
8 necessary and appropriate to implement the powers and the duties
9 of the department; and more specifically, Transportation Code,
10 §501.0041, which authorizes the department to adopt rules to
11 administer Transportation Code, Chapter 501.

12

13 CROSS REFERENCE TO STATUTE

14 Transportation Code, §501.0234.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 SUBCHAPTER E. GENERAL DISTINGUISHING NUMBERS

2 §215.144. Records.

3 (a) Purchases and sales records. A dealer must maintain a
4 complete record of all vehicle purchases and sales for a minimum
5 period of 48 months and make the record available for inspection
6 and copying by a representative of the department during
7 business hours.

8 (b) Independent mobility motor vehicle dealers. An
9 independent mobility motor vehicle dealer must keep a complete
10 written record of each vehicle purchase, vehicle sale, and any
11 adaptive work performed on each vehicle for a minimum period of
12 36 months after the date the adaptive work is performed on the
13 vehicle.

14 (c) Location of records. A dealer's record reflecting
15 purchases and sales for the preceding 13 months must be
16 maintained at the dealer's licensed location. Original titles
17 are not required to be kept at the licensed location, but must
18 be made available to the agency upon reasonable request. A
19 dealer's record for prior time periods may be kept off-site.

20 (d) Request for records. Within 15 days of receipt of a
21 request sent by mail or electronic document transfer from a
22 representative of the department, a dealer must deliver a copy
23 of the specified records to the address listed in the request.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 If a dealer has a concern about the origin of a records request,
2 the dealer may verify that request with the division prior to
3 submitting its records.

4 (e) Content of records. A dealer's complete record for each
5 vehicle purchase or vehicle sale must contain:

6 (1) the date of the purchase;

7 (2) the date of the sale;

8 (3) the VIN;

9 (4) the name and address of the person selling the
10 vehicle to the dealer;

11 (5) the name and address of the person purchasing the
12 vehicle from the dealer;

13 (6) the name and address of the consignor if the vehicle
14 is offered for sale by consignment;

15 (7) except for a purchase or sale where the Tax Code does
16 not require payment of motor vehicle sales tax, a copy of the
17 receipt, titled "Tax Collector's Receipt for Texas Title
18 Application/Registration/Motor Vehicle Tax";

19 (8) a copy of all documents, forms, and agreements
20 applicable to a particular sale, including a copy of:

21 (A) the title application;

22 (B) the work-up sheet;

23 (C) the front and back of manufacturer's certificate of

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 origin or manufacturer's statement of origin, unless the title
2 is obtained through the electronic title system;

3 (D) the front and back of the title, unless the title
4 is obtained through the electronic title system;

5 (E) the factory invoice;

6 (F) the sales contract;

7 (G) the retail installment agreement;

8 (H) the buyer's order;

9 (I) the bill of sale;

10 (J) any waiver;

11 (K) any other agreement between the seller and
12 purchaser; and

13 (L) Form VTR-136, relating to County of Title Issuance,
14 completed and signed by the buyer;

15 (9) the original manufacturer's certificate of origin,
16 original manufacturer's statement of origin, or original title
17 for motor vehicles offered for sale by a dealer, and a properly
18 stamped original manufacturer's certificate of origin, original
19 manufacturer's statement of origin, or original title for motor
20 vehicles sold by a dealer if the title transaction is entered
21 into the electronic system by the dealer;

22 (10) the dealer's monthly Motor Vehicle Seller Financed
23 Sales Returns, if any; and

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 (11) if the vehicle sold is a motor home or a towable
2 recreational vehicle subject to inspection under Transportation
3 Code, Chapter 548, a copy of the written notice provided to the
4 buyer at the time of the sale, notifying the buyer that the
5 vehicle is subject to inspection requirements.

6 (f) Title assignments.

7 (1) For each vehicle a dealer acquires or offers for
8 sale, the dealer must properly take assignment in the dealer's
9 name of any:

10 (A) title;

11 (B) manufacturer's statement of origin;

12 (C) manufacturer's certificate of origin; or

13 (D) other evidence of ownership.

14 (2) A dealer must apply in the name of the purchaser of a
15 vehicle for the registration of the vehicle with the appropriate
16 county tax assessor-collector as selected by the purchaser.

17 (3) To comply with Transportation Code, §501.0234(f), a
18 registration is considered filed within a reasonable time if the
19 registration is filed within:

20 (A) 20 working days of the date of sale of the vehicle
21 for a vehicle registered in Texas; or

22 (B) 45 days of the date of sale of the vehicle for a
23 dealer-financed transaction involving a vehicle that is

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 registered in Texas.

2 (4) The dealer is required to provide to the purchaser
3 the receipt for the registration application.

4 (5) The dealer is required to maintain a copy of the
5 receipt for the registration application in the dealer's sales
6 file.

7 (g) Out of state sales. For a sales transaction involving a
8 vehicle to be transferred out of state, the dealer must:

9 (1) within 20 working days of the date of sale, either
10 file the application for certificate of title on behalf of the
11 purchaser or deliver the properly assigned evidence of ownership
12 to the purchaser; and

13 (2) maintain in the dealer's record at the dealer's
14 licensed location a photocopy of the completed sales tax
15 exemption form for out of state sales approved by the Texas
16 Comptroller of Public Accounts.

17 (h) Consignment sales. A dealer offering a vehicle for sale
18 by consignment shall have a written consignment agreement or a
19 power of attorney for the vehicle, and shall, after the sale of
20 the vehicle, take assignment of the vehicle in the dealer's name
21 and, pursuant to subsection (f), apply in the name of the
22 purchaser for transfer of title and registration, if the vehicle
23 is to be registered, with the appropriate county tax assessor-

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 collector as selected by the purchaser. The dealer must, for a
2 minimum of 48 months, maintain a record of each vehicle offered
3 for sale by consignment, including the VIN and the name of the
4 owner of the vehicle offered for sale by consignment.

5 (i) Public motor vehicle auctions.

6 (1) A GDN holder that acts as a public motor vehicle
7 auction must comply with subsection (h) of this section.

8 (2) A public motor vehicle auction:

9 (A) is not required to take assignment of title of a
10 vehicle it offers for sale;

11 (B) must take assignment of title of a vehicle from a
12 consignor prior to making application for title on behalf of the
13 buyer; and

14 (C) must make application for title on behalf of the
15 purchaser and remit motor vehicle sales tax within 20 working
16 days of the sale of the vehicle.

17 (3) A GDN holder may not sell another GDN holder's
18 vehicle at a public motor vehicle auction.

19 (j) Wholesale motor vehicle auction records. A wholesale
20 motor vehicle auction license holder must maintain, for a
21 minimum of 48 months, a complete record of each vehicle purchase
22 and sale occurring through the wholesale motor vehicle auction.
23 The wholesale motor vehicle auction license holder shall make

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 the record available for inspection and copying by a
2 representative of the department during business hours.

3 (1) A wholesale motor vehicle auction license holder must
4 maintain at the licensed location a record reflecting each
5 purchase and sale for at least the preceding 24 months. Records
6 for prior time periods may be kept off-site.

7 (2) Within 15 days of receipt of a request sent by mail
8 or by electronic document transfer from a representative of the
9 department, a wholesale motor vehicle auction license holder
10 must deliver a copy of the specified records to the address
11 listed in the request.

12 (3) A wholesale motor vehicle auction license holder's
13 complete record of each vehicle purchase and sale shall, at a
14 minimum, contain:

15 (A) the date of sale;

16 (B) the VIN;

17 (C) the name and address of the person selling the
18 vehicle;

19 (D) the name and address of the person purchasing the
20 vehicle;

21 (E) the dealer license number of both the selling
22 dealer and the purchasing dealer, unless either is exempt from
23 holding a license;

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 (F) all information necessary to comply with the Truth
2 in Mileage Act;

3 (G) auction access documents, including the written
4 authorization and revocation of authorization for an agent or
5 employee, in accordance with §215.148 of this title (relating to
6 Dealer Agents);

7 (H) invoices, bills of sale, checks, drafts, or other
8 documents that identify the vehicle, the parties, or the
9 purchase price;

10 (I) any information regarding the prior status of the
11 vehicle such as the Reacquired Vehicle Disclosure Statement or
12 other lemon law disclosures; and

13 (J) a copy of any written authorization allowing an
14 agent of a dealer to enter the auction.

15 (k) Electronic records. A license holder may maintain a
16 record in an electronic format if the license holder can print
17 the record at the licensed location upon request by a
18 representative of the department, except as provided by
19 subsection (l) of this section. [~~A license holder does not have~~
20 ~~to maintain a copy of a vehicle title if the title is submitted~~
21 ~~through the electronic title system. Original hard copy titles~~
22 ~~are not required to be kept at the licensed location, but must~~
23 ~~be made available to the department upon request.~~]

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 (1) Use of webDEALER. A license holder utilizing the
2 department's web-based title application known as webDEALER, as
3 defined in §217.71 of this title (relating to Automated and Web-
4 Based Vehicle Registration and Title Systems), must comply with
5 §217.74 of this title (relating to Access to and Use of
6 webDEALER). Original hard copy titles are not required to be
7 kept at the licensed location, but must be made available to the
8 department upon request.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.71-217.73, AND NEW SECTION 217.74, RELATING TO
REGISTRATION AND TITLE SYSTEM

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter C, Registration and Title System, §217.71, Automated Vehicle Registration and Title System, §217.72, Automated Equipment, and §217.73, Agreement; and add new §217.74, Access to and Use of webDEALER.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

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

1

2 Adopted amendments to §217.71(b) add a definition for title
3 application and webDEALER and correct a grammatical error.

4

5 Adopted amendments to §217.72 rename the section Automated
6 Equipment for the Registration and Title System and make a minor
7 wording change in subsection (d)(2), clarifying that automated
8 equipment may be located at sites other than the county tax
9 assessor-collector's office at the discretion, as opposed to
10 election, of a county tax assessor-collector.

11

12 Adopted amendments to §217.73 rename the section Agreement
13 Related to Automated Equipment.

14

15 Adopted new §217.74, Access to and Use of webDEALER, and provide
16 that at the discretion of a county tax assessor-collector, the
17 county may request access to, and accept title applications
18 submitted through, webDEALER. The adopted new section provides
19 that a person who wishes to become a user of webDEALER must
20 receive authorization from each entity to whom they submit title
21 applications, that a deputy appointed by a county tax assessor-
22 collector may be authorized to use webDEALER, and that a person
23 authorized to use webDEALER may have their authorization

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

1 revoked, rescinded, or cancelled at any time at the discretion
2 of a county tax assessor-collector or the department. Finally,
3 the adopted new section establishes the requirements for
4 submitting a title application through webDEALER, including a
5 requirement that the user must retain the title document or
6 other ownership evidence pertaining to the transaction for a
7 minimum of four calendar years.

8

9 Finally, adopted amendments add county to tax assessor-collector
10 throughout.

11

12 COMMENTS

13 No comments were received on the proposed amendments and new
14 section.

15

16 STATUTORY AUTHORITY

17 The amendments and new section are adopted under Transportation
18 Code, §1002.001, which provides the board of the Texas
19 Department of Motor Vehicles with the authority to adopt rules
20 that are necessary and appropriate to implement the powers and
21 the duties of the department; and more specifically,
22 Transportation Code, §501.0041, which authorizes the department
23 to adopt rules to administer Transportation Code, Chapters 501;

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

1 and §502.0021, which authorizes the department to adopt rules to
2 administer Transportation Code, Chapter 502.

3

4 CROSS REFERENCE TO STATUTE

5 Transportation Code, §§501.022, 501.023, and 501.0234.

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

1 SUBCHAPTER C. REGISTRATION AND TITLE SYSTEMS[~~SYSTEM~~]

2 §217.71. Automated and Web-Based Vehicle Registration and Title
3 Systems[~~System~~].

4 (a) Purpose.

5 (1) Transportation Code, Chapters 501 and 502, charge the
6 department with the responsibility for issuing titles and
7 registering vehicles operating on the roads, streets, and
8 highways of the state.

9 (2) To provide a more efficient, cost-effective system
10 for registering and titling vehicles, submitting title and
11 registration records to county tax assessor-collectors and the
12 department, maintaining records, improving inventory control of
13 accountable items, and collecting and reporting of applicable
14 fees consistent with those statutes, the department has
15 designed:

16 (A) an automated system known as the registration and
17 title system. This system expedites registration and titling
18 processes, provides a superior level of customer service to the
19 owners and operators of vehicles, and facilitates availability
20 of the department's motor vehicle records for official law
21 enforcement needs. Automated equipment compatible with the
22 registration and title system is indispensable to the
23 operational integrity of the system; and[~~-~~]

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

1 (B) a web-based system known as webDEALER. This system
2 expedites registration and titling processes, provides a
3 superior level of customer service to the owners and operators
4 of vehicles, and facilitates availability of the department's
5 motor vehicle records for official law enforcement needs.

6 (3) This subchapter prescribes the policies and
7 procedures under which the department may make the automated
8 [~~that~~] equipment available to a county tax assessor-collector as
9 designated agent of the state for processing title and vehicle
10 registration documents and the policies and procedures for users
11 who opt to use webDEALER.

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

15 (1) Automated equipment--Equipment associated with the
16 operation of the registration and titling system, including, but
17 not limited to, microcomputers, printers, software, and cables.

18 (2) Department--The Texas Department of Motor Vehicles.

19 (3) Executive director--The executive director of the
20 Texas Department of Motor Vehicles.

21 (4) Fair share allocation--The amount of automated
22 equipment determined by the department to be effective at
23 providing a reasonable level of service to the public. This

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

1 amount will be determined on transaction volumes, number of
2 county substations, and other factors relating to a particular
3 county's need.

4 (5) RTS--The department's registration and title system.

5 (6) Title application--A form as defined by §217.2 of
6 this title (relating to Definitions), and includes the
7 electronic process provided by the department that captures the
8 information required by the department to create a motor vehicle
9 title record.

10 (7) webDEALER--The department's web-based titling and
11 registration system used to submit title applications to county
12 tax assessor-collectors and the department. This term includes
13 any other web-based system which facilitates electronic
14 submission of title applications, including webSALVAGE and
15 webLIEN.

16

17 §217.72. Automated Equipment for the Registration and Title
18 System.

19 (a) Initial allocation of automated equipment. When
20 requested by resolution of the commissioners court of a county,
21 and subject to the terms and conditions specified in subsection
22 (d) of this section, the department will:

23 (1) make a fair share allocation of automated equipment

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

1 available to that county to be used by its county tax assessor-
2 collector in implementing and operating RTS;

3 (2) provide the county tax assessor-collector with
4 computer programs and personnel training; and

5 (3) furnish official automated forms and, for the initial
6 start-up of the system, automated equipment supplies.

7 (b) Additional automated equipment. At the request of the
8 county tax assessor-collector of a county, subject to the terms
9 and conditions specified in subsection (d) of this section, and
10 for an amount of consideration that will cover the department's
11 costs, the department will enter into an agreement with the
12 commissioners court of that county under which the department
13 will lease automated equipment to that county in addition to the
14 fair share allocation for that county. Leased equipment will
15 remain the property of the department and will be used primarily
16 for RTS.

17 (c) Automated Registration and Titling System fee. The
18 department will collect an additional fee of \$.50 for each
19 registration for the purposes set forth in Transportation Code,
20 §502.356. The fee shall be deposited into a subaccount in the
21 Texas Department of Motor Vehicles fund.

22 (d) Conditions of availability.

23 (1) A county must:

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

1 (A) meet electrical power supply criteria specified by
2 the department prior to installation of the automated equipment;

3 (B) bear all costs incurred for 24-hour per day
4 electrical power consumption for operation of the equipment;

5 (C) provide for the physical security and protection of
6 the equipment and shall indemnify the department for any loss or
7 damages to the equipment while in the custody and control of the
8 county;

9 (D) provide the department's maintenance personnel
10 access to the equipment during business hours of the involved
11 county office; and

12 (E) notify the department not less than 30 working days
13 prior to relocating or adding automation equipment, or of the
14 closing or remodeling of an office, that may affect automated
15 equipment operations.

16 (2) At the discretion [~~election~~] of a county tax
17 assessor-collector, automated equipment may be located at sites
18 other than those of the county tax assessor-collector, including
19 privately owned, for-profit enterprises performing registration
20 and title functions for the county tax office. With regard to
21 equipment located at sites other than those of the county tax
22 assessor-collector, the department's responsibility will be
23 limited to ensuring that the equipment remains operational. The

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

1 county will be responsible for all training, user support,
2 forms, supplies, user policy and procedures, and other support
3 associated with this equipment.

4 (3) Automated equipment made available to a county
5 pursuant to this section shall remain the property of the
6 department and must be used by the county tax assessor-collector
7 for operation of RTS; provided, however, that while not in RTS
8 usage, the equipment may be utilized for another statutory duty
9 or function of that office.

10

11 §217.73. Agreement Related to Automated Equipment.

12 (a) Prior to receiving automated equipment pursuant to
13 §217.72 of this title (relating to Automated Equipment for the
14 Registration and Title System), a county must enter a written
15 agreement with the department.

16 (b) The agreement shall:

17 (1) be in a form prescribed by the department;

18 (2) include at a minimum each of the terms and conditions
19 specified in §217.72;

20 (3) be executed on behalf of the department by the
21 executive director or the director's designee not below the
22 level of Director of the Vehicle Titles and Registration
23 Division; and

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

1 (4) be approved by resolution or order of the
2 commissioners court and executed on behalf of the county by the
3 county judge and the county tax assessor-collector.

4

5 §217.74. Access to and Use of webDEALER.

6 (a) At the discretion of a county tax assessor-collector,
7 the county may request access to, and accept title applications
8 submitted through, webDEALER. A county tax assessor-collector
9 must utilize webDEALER in order to accept a title application in
10 the county as provided by subsection (b) of this section.

11 (b) A person who wishes to become a user of webDEALER must
12 contact each entity to whom they submit title applications for
13 authorization to utilize webDEALER. A user must receive
14 authorization from each entity, including each county tax
15 assessor-collector, to whom the user submits title applications.
16 Title applications submitted to the department require the
17 authorization by the department.

18 (c) A county tax assessor-collector may authorize a deputy
19 appointed by the county tax assessor-collector in accordance
20 with Subchapter H of this chapter (relating to Deputies) to
21 utilize webDEALER.

22 (d) A person authorized under subsection (b) of this
23 section may have their authorization to use webDEALER revoked,

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

1 rescinded, or cancelled at any time, with no notice, at the
2 discretion of a county tax assessor-collector or the department.

3 (e) When submitting a title application through webDEALER,
4 a user must:

5 (1) stamp the word "SURRENDERED" across the front, face
6 and the next open assignment or reassignment space of any secure
7 title document or other acceptable ownership evidence as
8 determined by the department in:

9 (A) arial font;

10 (B) black ink; and

11 (C) a size of 1/4" height x 2 1/4" length;

12 (2) retain the physical document described in subsection
13 (e)(1) of this section for a minimum of four calendar years from
14 the date of submitting a scanned copy of the stamped title
15 document using the webDEALER system; and

16 (3) submit any documents required to be submitted with
17 the title application with a scanned resolution of at least 200
18 dots per inch (DPI).

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 221.72, RECORDS RETENTION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators and Salvage Vehicle Rebuilders, Subchapter D, Records, §221.72, Records Retention.

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

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

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

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

Recommended by:

Corrie Thompson, Director
Enforcement Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

Texas Department of Motor Vehicles
Chapter 221, Salvage Vehicle Dealers, Salvage Pool
Operators and Salvage Vehicle Rebuilders

1 based system which facilitates electronic submission of title
2 applications, including webSALVAGE.

3

4 Other adopted amendments correct the punctuation of
5 "nonrepairable" motor vehicles to be consistent with statute by
6 deleting the unnecessary hyphen.

7

8 COMMENTS

9 No comments were received on the proposed amendments.

10

11 STATUTORY AUTHORITY

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

19

20 CROSS REFERENCE TO STATUTE

21 Transportation Code, §§501.095, 501.1003, 501.108.

Texas Department of Motor Vehicles
Chapter 221, Salvage Vehicle Dealers, Salvage Pool
Operators and Salvage Vehicle Rebuilders

1 SUBCHAPTER D. RECORDS

2 §221.72. Record Retention.

3 (a) A salvage vehicle dealer must retain at the licensed
4 business location, or have electronic access at the licensed
5 business location of records stored electronically, a complete
6 record of all purchases and sales of salvage motor vehicles and
7 nonrepairable~~[non-repairable]~~ motor vehicles for a minimum
8 period of 36 months from the date of the transaction.

9 (b) A salvage vehicle dealer shall maintain at the licensed
10 business location a record of each vehicle that is scrapped or
11 destroyed, and a photocopy of the front and back of all salvage
12 vehicle titles and nonrepairable~~[non-repairable]~~ vehicle titles,
13 or a photocopy or electronic copy of all salvage records of
14 title, and nonrepairable~~[non-repairable]~~ records of title, and,
15 if applicable, a photocopy of any out-of-state evidence of
16 ownership surrendered to the department, until the fourth
17 anniversary of the date the report was acknowledged as received
18 by the department.

19 (c) A salvage vehicle dealer utilizing the department's
20 web-based title application known as webDEALER, as defined in
21 §217.71 of this title (relating to Automated and Web-Based
22 Vehicle Registration and Title Systems), must comply with

Texas Department of Motor Vehicles
Chapter 221, Salvage Vehicle Dealers, Salvage Pool
Operators and Salvage Vehicle Rebuilders

- 1 §217.74 of this title (relating to Access to and Use of
- 2 webDEALER). Original hard copy titles are not required to be
- 3 kept at the licensed location, but must be made available to the
- 4 department upon request.



Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 13-1
Subject: Adoption of Rule under Title 43, Texas Administrative Code
Chapter 217, Vehicle Titles and Registration
Amendments, §217.2
(Relating to clarification of definitions of All-Terrain Vehicle (ATV) and Recreational Off-highway Vehicle (ROV))

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

Amendments add the definitions for an all-terrain vehicle (ATV) and a recreational off-highway vehicle (ROV) by reference to Transportation Code, §502.001. The amendments specify that an ATV and ROV are designed primarily for recreational use. Other amendments rearrange the definitions to maintain alphabetical order and paragraphs are renumbered accordingly.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposed amendments were published in the *Texas Register* for public comment on December 22, 2017. The comment period closed on January 22, 2018. No comments were received.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication of the adoption in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 217.2, DEFINITIONS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter A, Motor Vehicle Titles, §217.2, Definitions.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter A, Motor Vehicle Titles, §217.2, Definitions, without
5 changes to the proposed text as published in the December 22,
6 2017, issue of the *Texas Register* (42 TexReg 7369). The rule
7 will not be republished.

8

9 EXPLANATION OF ADOPTED AMENDMENTS

10 Amendments to §217.2 add the definitions for an all-terrain
11 vehicle (ATV) and a recreational off-highway vehicle (ROV) by
12 reference to Transportation Code, §502.001. The amendments
13 specify that an ATV and ROV are designed primarily for
14 recreational use. Other amendments correct punctuation and
15 rearrange the definitions to maintain alphabetical order. The
16 paragraphs are renumbered accordingly.

17

18 COMMENTS

19 No comments on the proposed amendments were received.

20

21 STATUTORY AUTHORITY

22 The amendments are adopted under Transportation Code, §1002.001,
23 which provides the board of the Texas Department of Motor

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

1 Vehicles with the authority to adopt rules that are necessary
2 and appropriate to implement the powers and the duties of the
3 department; and more specifically, Transportation Code,
4 §501.0041, which provides the department may adopt rules to
5 administer Chapter 501.

6

7 CROSS REFERENCE TO STATUTE

8 Transportation Code, §§501.002, 502.001 and 663.001.

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

1 SUBCHAPTER A. MOTOR VEHICLE TITLES

2 §217.2 Definitions.

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

6 (1) Alias--The name of a vehicle owner reflected on a
7 title, when the name on the title is different from the name of
8 the legal owner of the vehicle.

9 (2) Alias title--A title document issued by the
10 department for a vehicle that is used by an exempt law
11 enforcement agency in covert criminal investigations.

12 (3) All-terrain vehicle or ATV--A motor vehicle as
13 defined by Transportation Code, §502.001, and designed primarily
14 for recreational use. The term does not include a "utility
15 vehicle" as defined by Transportation Code, §663.001, or a self-
16 propelled, motor-driven vehicle designed or marketed by the
17 manufacturer primarily for non-recreational uses.

18 (4)[(3)] Bond release letter--Written notification from
19 the United States Department of Transportation authorizing
20 United States Customs to release the bond posted for a motor
21 vehicle imported into the United States to ensure compliance
22 with federal motor vehicle safety standards.

23 ~~[(4) Title application--A form prescribed by the division~~

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

1 ~~director that reflects the information required by the~~
2 ~~department to create a motor vehicle title record.]~~

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

5 (6) Division director--The director of the department's
6 Vehicle Titles and Registration Division.

7 (7) Executive administrator--The director of a federal
8 agency, the director of a Texas state agency, the sheriff of a
9 Texas county, or the chief of police of a Texas city who by law
10 possesses the authority to conduct covert criminal
11 investigations.

12 (8) Exempt agency--A governmental body exempt by law from
13 paying title or registration fees for motor vehicles.

14 (9) Federal motor vehicle safety standards--Motor vehicle
15 safety requirements promulgated by the United States Department
16 of Transportation, National Highway Traffic Safety
17 Administration, set forth in Title 49, Code of Federal
18 Regulations.

19 (10) House moving dolly--An apparatus consisting of metal
20 beams and axles used to move houses. House moving dollies, by
21 nature of their construction and use, actually form large
22 semitrailers.

23 (11) Identification certificate--A form issued by an

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

1 inspector of an authorized safety inspection station in
2 accordance with Transportation Code, Chapter 548.

3 (12) Implements of husbandry--Farm implements, machinery,
4 and tools used in tilling the soil, including self-propelled
5 machinery specifically designed or especially adapted for
6 applying plant food materials or agricultural chemicals. This
7 term does not include an implement unless it is designed or
8 adapted for the sole purpose of transporting farm materials or
9 chemicals. This term does not include any passenger car or
10 truck. This term does include a towed vehicle that transports to
11 the field and spreads fertilizer or agricultural chemicals; or a
12 motor vehicle designed and adapted to deliver feed to livestock.

13 (13) Manufacturer's certificate of origin--A form
14 prescribed by the department showing the original transfer of a
15 new motor vehicle from the manufacturer to the original
16 purchaser, whether importer, distributor, dealer, or owner, and
17 when presented with an application for title, showing, on
18 appropriate forms prescribed by the department, each subsequent
19 transfer between distributor and dealer, dealer and dealer, and
20 dealer and owner.

21 (14) Moped--A motor-driven [~~motor-driven~~] cycle whose
22 attainable speed is not more than 30 miles per hour and that is
23 equipped with a motor that produces not more than two-brake

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

1 horsepower. If an internal combustion engine is used, the piston
2 displacement may not exceed 50 cubic centimeters and the power
3 drive system may not require the operator to shift gears.

4 (15) Motor vehicle importation form--A declaration form
5 prescribed by the United States Department of Transportation and
6 certified by United States Customs that relates to any motor
7 vehicle being brought into the United States and the motor
8 vehicle's compliance with federal motor vehicle safety
9 standards.

10 (16) Non United States standard motor vehicle--A motor
11 vehicle not manufactured in compliance with federal motor
12 vehicle safety standards.

13 (17) Obligor--An individual who is required to make
14 payments under the terms of a support order for a child.

15 (18) Person--An individual, firm, corporation, company,
16 partnership, or other entity.

17 (19) Recreational off-highway vehicle or ROV--A motor
18 vehicle as defined by Transportation Code, §502.001, and
19 designed primarily for recreational use. The term does not
20 include a "utility vehicle" as defined by Transportation Code,
21 §663.001, or a self-propelled, motor-driven vehicle designed or
22 marketed by the manufacturer primarily for non-recreational
23 uses.

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

1 (20)~~(19)~~ Safety certification label--A label placed on
2 a motor vehicle by a manufacturer certifying that the motor
3 vehicle complies with all federal motor vehicle safety
4 standards.

5 (21)~~(20)~~ Statement of fact--A written declaration that
6 supports an application for a title, that is executed by an
7 involved party to a transaction involving a motor vehicle, and
8 that clarifies an error made on a title or other negotiable
9 evidence of ownership. An involved party is the seller or an
10 agent of the seller involved in the motor vehicle transaction.
11 When a written declaration is necessary to correct an odometer
12 disclosure error, the signatures of both the seller and buyer
13 when the error occurred are required.

14 (22) Title application--A form prescribed by the division
15 director that reflects the information required by the
16 department to create a motor vehicle title record.

17 (23)~~(21)~~ Verifiable proof--Additional documentation
18 required of a vehicle owner, lienholder, or agent executing an
19 application for a certified copy of a title.

20 (A) Individual applicant. If the applicant is an
21 individual, verifiable proof consists of a copy of a current
22 photo identification issued by this state or by the United
23 States or foreign passport.

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

1 (B) Business applicant. If the applicant is a business,
2 verifiable proof consists of an original or copy of a letter of
3 signature authority on letterhead, a business card, or employee
4 identification and a copy of current photo identification issued
5 by this state or by the United States or foreign passport.

6 (C) Power of attorney. If the applicant is a person in
7 whose favor a power of attorney has been executed by the owner
8 or lienholder, verifiable proof consists of the documentation
9 required under subparagraph (A) or (B) of this paragraph both
10 for the owner or lienholder and for the person in whose favor
11 the power of attorney is executed.



Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 13-2
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.41
(Relating to HB 1790 on application for new disabled placard following seizure of placard)

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to implement HB 1790, which eliminates the requirement that the department conduct a hearing to determine whether the revocation of a disabled parking placard should continue or be rescinded and adds that a person from whom a placard has been seized can apply for a new placard by submitting an application under Transportation Code, §681.003.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The amendments:

- delete the requirement for a hearing to determine whether the revocation of a disabled parking placard should continue or be rescinded;
- add and clarify language that a person can apply for a new placard by submitting an application to the county tax assessor-collector of the county in which the person with the disability resides or in which the person is seeking medical treatment if the person is not a resident of this state;
- delete the requirement that a law enforcement officer who has seized and destroyed a placard provide the department with a notice that the placard was destroyed, a copy of the citation issued, and a brief summary of events giving rise to the citation; and
- require a law enforcement officer who seizes and destroys a placard to notify the department by email.

The proposal was published in the *Texas Register* on December 22, 2017. The comment period closed January 22, 2018. No comments were received.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 217.41, DISABLED PERSON LICENSE PLATES AND
IDENTIFICATION PLACARDS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.41, Disabled Person License Plates and Identification Placards.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____ Date Passed: February 8, 2018
February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter B, Motor Vehicle Registration, §217.41, Disabled
5 Person License Plates and Identification Placards, without
6 changes to the proposed text as published in the December 22,
7 2017 issue of the *Texas Register* (42 TexReg 7371). The rule
8 will not be republished.

9

10 EXPLANATION OF ADOPTED AMENDMENTS

11 House Bill (HB) 1790, 85th Legislature, Regular Session, 2017,
12 amended Transportation Code, §681.012(b), eliminating the
13 requirement that the department conduct a hearing to determine
14 whether the revocation of a disabled parking placard should
15 continue or be rescinded. The amended statute allows a person
16 from whom a placard has been seized to apply for a new
17 application by submitting an application under Transportation
18 Code, §681.003.

19

20 The amendments are necessary to implement the changes made by HB
21 1790. Specifically, amendments are adopted to §217.41 to
22 eliminate the requirement for a hearing and clarify that a
23 person may apply for a new placard by submitting an application

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

1 to the county tax assessor-collector of the county in which the
2 person with the disability resides or is seeking medical
3 treatment if the person is not a resident of this state.

4 Amendments are also adopted to delete the requirement that a law
5 enforcement officer who has seized and destroyed a placard must
6 provide the department with a notice that the placard was
7 destroyed, a copy of the citation issued, and a brief summary of
8 events giving rise to the citation. Instead, the adopted
9 amendment would require a law enforcement officer who seizes and
10 destroys a placard to notify the department by electronic mail.

11

12 COMMENT

13 No comments were received on the proposed amendments.

14

15 STATUTORY AUTHORITY

16 The amendments are adopted under Transportation Code, §1002.001,
17 which provides the board of the Texas Department of Motor
18 Vehicles (board) with the authority to adopt rules that are
19 necessary and appropriate to implement the powers and the duties
20 of the department under the Transportation Code; and more
21 specifically, Transportation Code, §504.0011, which authorizes
22 the board to adopt rules to implement and administer
23 Transportation Code, Chapter 504; and Transportation Code,

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

1 §681.002, which requires the department to provide for the
2 issuance of a disabled parking placard to a person with a
3 disability.

4

5 CROSS REFERENCE TO STATUTE

6 Transportation Code, Chapters 504 and 681.

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

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.41. Disabled Person License Plates and Identification
3 Placards.

4 (a) Purpose. Transportation Code, Chapters 504 and 681,
5 charge the department with the responsibility for issuing
6 specially designed license plates and identification placards
7 for disabled persons. For the department to perform these duties
8 efficiently and effectively, this section prescribes the
9 policies and procedures for the application, issuance, and
10 renewal of Disabled Person license plates and placards.

11 (b) Issuance.

12 (1) Disabled Person license plates.

13 (A) Eligibility. In accordance with Transportation
14 Code, §504.201, the department will issue specially designed
15 license plates displaying the international symbol of access to
16 permanently disabled persons or their transporters instead of
17 regular motor vehicle license plates.

18 (B) Specialty license plates. The department will issue
19 Disabled Person insignia on those specialty license plates that
20 can accommodate the identifying insignia and that are issued in
21 accordance with §217.45 of this title (relating to Specialty
22 License Plates, Symbols, Tabs, and Other Devices).

23 (C) License plate number. Disabled Person license

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

1 plates will bear a license plate number assigned by the
2 department or will bear a personalized license plate number
3 issued in accordance with §217.45.

4 (2) Windshield identification placards. The department
5 will issue removable windshield identification placards to
6 temporarily or permanently disabled persons and to the
7 transporters of permanently disabled persons. A person who has
8 been issued a windshield identification placard shall hang the
9 placard from a vehicle's rearview mirror when the vehicle is
10 parked in a disabled person parking space or shall display the
11 placard on the center portion of the dashboard if the vehicle
12 does not have a rearview mirror.

13 (c) Renewal of Disabled Person license plates. Disabled
14 Person license plates are valid for a period of 12 months from
15 the date of issuance, and are renewable as specified in §217.28
16 of this title (relating to Vehicle Registration Renewal).

17 (d) Replacement.

18 (1) License plates. If Disabled Person license plates are
19 lost, stolen, or mutilated, the owner may obtain replacement
20 license plates by applying with a county tax assessor-collector.

21 (A) Accompanying documentation. To replace permanently
22 Disabled Person license plates, the owner must present the
23 current year's registration receipt and personal identification

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

1 acceptable to the county tax assessor-collector.

2 (B) Absence of accompanying documentation. If the
3 current year's registration receipt is not available and the
4 county cannot verify that the Disabled Person license plates
5 were issued to the owner, the owner must reapply in accordance
6 with this section.

7 (2) Disabled Person identification placards. If a
8 Disabled Person identification placard becomes lost, stolen, or
9 mutilated, the owner may obtain a new identification placard in
10 accordance with this section.

11 (e) Transfer of Disabled Person license plates and
12 identification placards.

13 (1) License plates.

14 (A) Transfer between persons. Disabled Person license
15 plates may not be transferred between persons. An owner who
16 sells or trades a vehicle to which Disabled Person license
17 plates have been issued shall remove the Disabled Person license
18 plates from the vehicle. The owner shall return the license
19 plates to the department and shall obtain appropriate
20 replacement license plates to place on the vehicle prior to any
21 transfer of ownership.

22 (B) Transfer between vehicles. Disabled Person license
23 plates may be transferred between vehicles if the county or the

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

1 department can verify the plate ownership and the owner of the
2 vehicle is the disabled person or the vehicle is used to
3 transport the disabled person.

4 (i) Plate ownership verification may include:

5 (I) a Registration and Title System (RTS) inquiry;

6 (II) a copy of the department Application for
7 Disabled Person license plates; or

8 (III) the owner's current registration receipt.

9 (ii) An owner who sells or trades a vehicle with
10 Disabled Person license plates must remove the plates from the
11 vehicle.

12 (2) Identification placards.

13 (A) Transfer between vehicles. Disabled Person
14 identification placards may be displayed in any vehicle driven
15 by the disabled person or in which the disabled person is a
16 passenger.

17 (B) Transfer between persons. Disabled Person
18 identification placards may not be transferred between persons.

19 (f) Seizure and revocation of placard.

20 (1) If [~~After~~] a law enforcement officer seizes and
21 destroys a placard under Transportation Code, §681.012, the
22 officer shall notify the department by email. [~~not later than~~
23 ~~the fifth day after the date of the seizure, the officer shall~~

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

1 ~~destroy the placard and provide the department with the~~
2 ~~following items:]~~

3 ~~[(A) a notice that the placard was destroyed;]~~

4 ~~[(B) a copy of the citation issued under Transportation~~
5 ~~Code, §681.011(a) or (d); and]~~

6 ~~[(C) a brief summary of the events giving rise to the~~
7 ~~citation.]~~

8 (2) The person to whom the seized placard was issued may
9 apply for a new placard by submitting an application to the
10 county tax assessor-collector of the county in which the person
11 with the disability resides or in which the applicant is seeking
12 medical treatment if the applicant is not a resident of this
13 state. [~~petition for a hearing under Chapter 206, Subchapter D~~
14 ~~of this title (relating to Procedures in Contested Cases).]~~

15 ~~[(A) If the department has not received the items~~
16 ~~specified in paragraph (1) of this subsection, the department~~
17 ~~will advise the petitioner to obtain a replacement placard from~~
18 ~~the county tax assessor-collector.]~~

19 ~~[(B) If the department determines from written evidence~~
20 ~~that the citation was dismissed or withdrawn, the department~~
21 ~~will advise the petitioner to obtain a replacement placard from~~
22 ~~the county tax assessor-collector.]~~

23 ~~[(C) If the department has received the items specified~~

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

1 ~~in paragraph (1) of this subsection and if the citation has not~~
2 ~~been dismissed or withdrawn, the department may negotiate a~~
3 ~~settlement providing for issuance of a replacement placard,~~
4 ~~including an agreement by the petitioner to abide by all laws~~
5 ~~regarding placards. If a settlement is not reached, the~~
6 ~~department will refer the matter to the State Office of~~
7 ~~Administrative Hearings for a hearing.]~~

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 13-3
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.123 and §217.124
(Relating to charges for motor vehicle records; waiving fees for governmental entities)

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to clarify procedures for and access to motor vehicle records and associated cost of records.

FINANCIAL IMPACT

There will be positive fiscal implications for state or local governments and toll project entities as a result of enforcing or administering the amendments. Texas state and local governmental entities and toll project entities that regularly access motor vehicle record information will have access to certain records at no cost resulting in savings for those entities.

BACKGROUND AND DISCUSSION

The proposal was published in the *Texas Register* on December 22, 2017. The comment period closed on January 22, 2018.

A comment was received from Ruben Gonzalez, El Paso County Tax Assessor-Collector, requesting clarification of the provision in the proposed rule that requires a law enforcement officer to provide a copy of current law enforcement credentials.

In response to the comment, the language in the proposed rule is clear. A business card is not sufficient as it is not a law enforcement credential. The rule requires a copy of photo identification that includes a unique identification number.

The amendments include:

- **§217.123** -adding a copy of law enforcement credentials to the list of identification documents needed in order to receive records; expanding the scope of public entities that are exempt from certain fees to include all Texas governmental entities and toll project entities, and adding subsection (e) to address deposits and balances; and
- **§217.124** - providing law enforcement access to certain records at no cost. In addition, deposit, minimum balance and fee information has been reorganized and simplified to better inform department customers. The amendments to §217.124 add subsection (f) to address reciprocity agreements.

If the board adopts the new section during its February 8, 2018, open meeting, staff anticipates:

- publication in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

From: Ruben P. Gonzalez [<mailto:RuGonzalez@epcounty.com>]
Sent: Monday, January 22, 2018 4:31 PM
To: Duncan, David <David.Duncan@txdmv.gov>
Cc: Arturo Pastrana <APastrana@epcounty.com>; Sofia Dovalina <SDoalina@epcounty.com>; Melissa Frescas <MFrescas@epcounty.com>; Sergio H. Garcia <SeGarcia@epcounty.com>
Subject: Proposed Rule - 217.123(b)(6)

Mr. Duncan:

We submit the following comment for your review and consideration:

Regarding the proposed amendment to §217.123. Specifically, §217.123(b)(6):

(b) Identification required. A person may not apply for receipt of personal information unless the person present current photo identification containing a unique identification number. The identification document must be a:

(6) copy of current law enforcement credentials if the requestor is a law enforcement officer.

Request that the department provide and clarify what is considered acceptable law enforcement credentials? Specifically, what forms of credentials are we to accept. Currently, when law enforcement requests motor vehicle record information to include personal information, they complete the VTR-275 and reflect their badge number under "Identification Number" on the form. Is the department wanting a copy of their badge and/or number? Can a business card suffice? Or are you requesting that all law enforcement agencies provide some sort of photo ID?

Thank you.

Ruben P. Gonzalez
County Tax Assessor-Collector
County of El Paso
301 Manny Martinez Dr.
El Paso, TX. 79905
e-mail: rugonzalez@epcounty.com
(915) 771-2305



The Office of the El Paso County Tax Assessor-Collector is raising the bar to a
New Renaissance in **Quality Customer Service!**

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.123 AND 217.124 RELATING TO
MOTOR VEHICLE RECORD INFORMATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter F, Motor Vehicle Record Information, §217.123, Access to Motor Vehicle Records; and §217.124, Cost of Motor Vehicle Records.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____

Date Passed: February 8, 2018

February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter F, Motor Vehicle Record Information, §217.123, Access
5 to Motor Vehicle Records, and §217.124, Cost of Motor Vehicle
6 Records, without changes to the proposed text as published in
7 the December 22, 2017, issue of the *Texas Register* (42 TexReg
8 7375). The rules will not be republished.

9

10 EXPLANATION OF ADOPTED AMENDMENTS

11 Amendments are adopted to §217.123 and §217.124 to clarify
12 procedures for and access to motor vehicle records and
13 associated cost of records.

14

15 The changes to §217.123 add a requirement that law enforcement
16 officers seeking to access personal information provide a copy
17 of current law enforcement credentials. The changes expand the
18 scope of public entities that are exempt from certain fees to
19 include all Texas governmental entities and Texas toll project
20 entities. Also, amendments throughout §217.123 change "agency"
21 to "Texas governmental entity" and renumber paragraphs as
22 necessary.

23

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

1 The amendments to §217.124 provide for law enforcement access to
2 certain records at no cost. In addition, deposit, minimum
3 balance and fee information has been reorganized and simplified
4 to better inform department customers. The amendments to
5 §217.124 add a new subsection (f) to address department
6 reciprocity agreements with other governmental entities for
7 records access.

8

9 COMMENT:

10 The department received a comment from Ruben Gonzalez, El Paso
11 County Tax Assessor-Collector, requesting clarification of the
12 provision in the proposed rule that requires a law enforcement
13 officer to provide a copy of current law enforcement
14 credentials.

15

16 RESPONSE:

17 In response to the comment, the language in the proposed rule is
18 clear. A business card is not sufficient as it is not a law
19 enforcement credential. The rule requires a copy of photo
20 identification that includes a unique identification number.

21

22 STATUTORY AUTHORITY

23 The amendments are adopted under Transportation Code, §1002.001,

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

1 which provides the board of the Texas Department of Motor
2 Vehicles (board) with the authority to adopt rules that are
3 necessary and appropriate to implement the powers and the duties
4 of the department under the Transportation Code; and more
5 specifically, Transportation Code, §730.014, which provides that
6 the department may adopt rules to implement and administer
7 Chapter 730, Motor Vehicle Records Disclosure Act.

8

9 CROSS REFERENCE TO STATUTE

10 Government Code, §552.130; Transportation Code, Chapter 730; and
11 18 U.S.C. §2721 et seq.

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

1 SUBCHAPTER F. MOTOR VEHICLE RECORD INFORMATION

2 §217.123. Access to Motor Vehicle Records.

3 (a) Request for records. A person seeking motor vehicle
4 record information shall submit a written request on the form
5 required by the department. Information will be released in
6 accordance with Title 18 U.S.C. §2721 et seq., Transportation
7 Code, Chapter 730, and Government Code, §552.130. A completed
8 and properly executed form must include, at a minimum:

9 (1) the name and address of the requestor;

10 (2) the Texas license number, title or document
11 number, or vehicle identification number of the motor vehicle
12 about which information is requested;

13 (3) a photocopy of the requestor's identification;

14 (4) a statement that the requested information may
15 only be released if the requestor is the subject of the record,
16 if the requestor has written authorization for release from the
17 subject of the record, or if the intended use is for a permitted
18 use as indicated on the form;

19 (5) a certification that the statements made on the
20 form are true and correct; and

21 (6) the signature of the requestor.

22 (b) Identification required. A person may not apply for
23 receipt of personal information unless the person presents

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

1 current photo identification containing a unique identification
2 number. The identification document must be a:

3 (1) driver's license or state identification
4 certificate issued by a state or territory of the United States;

5 (2) United States or foreign passport;

6 (3) United States military identification card;

7 (4) United States Department of Homeland Security,
8 United States Citizenship and Immigration Services, or United
9 States Department of State identification document; ~~[-or]~~

10 (5) concealed handgun license or license to carry a
11 handgun issued by the Texas Department of Public Safety under
12 Government Code, Chapter 411, Subchapter H; or ~~[-]~~

13 (6) copy of current law enforcement credentials if the
14 requestor is a law enforcement officer.

15 (c) Electronic access. The department may make motor
16 vehicle record information available under the terms of a
17 written service agreement.

18 (1) Agreement with business or individuals. The
19 written service agreement with a business or individual must
20 contain:

21 (A) the specified purpose of the agreement;

22 (B) an adjustable account, if applicable, in
23 which an initial deposit and minimum balance is maintained in

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

1 accordance with §217.124 of this title (relating to Cost of
2 Motor Vehicle Records);~~[the amount of:]~~

3 ~~[(i) \$200 for an on line access account; or]~~

4 ~~[(ii) \$1,000 for a prepaid account for batch~~
5 ~~purchase of motor vehicle record information;]~~

6 (C) termination and default provisions;

7 ~~[(D) service hours for access to motor vehicle~~
8 ~~records for on line access;]~~

9 (D)~~[(E)]~~ the contractor's signature;

10 (E)~~[(F)]~~ a statement that the use of motor
11 vehicle record information obtained by virtue of a service
12 agreement is conditional upon its being used:

13 (i) in accordance with 18 U.S.C. §2721 et
14 seq. and Transportation Code, Chapter 730; and

15 (ii) only for the purposes defined in the
16 agreement; and

17 (F)~~[(G)]~~ the statements required by subsection
18 (a) of this section.

19 (2) Agreements with Texas governmental
20 entities~~[agencies]~~.

21 (A) The written service agreement with a Texas
22 governmental entity~~[an agency]~~ must contain:

23 (i) the specified purpose of the agreement;

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

1 [~~(ii) method of payment;~~]

2 [~~(iii) notification regarding the charges;~~]

3 (ii)[~~(iv)~~]a statement that the use of motor
4 vehicle record information obtained by virtue of a service
5 agreement is conditional upon its being used in accordance with
6 18 U.S.C. §2721 et seq. and Transportation Code, Chapter 730,
7 and only for the purposes defined in the agreement;

8 (iii)[~~(v)~~] the statements required by
9 subsection (a) of this section;

10 (iv)[~~(vi)~~] the signature of an authorized
11 official; and

12 (v)[~~(vii)~~] an attached statement citing the
13 entity's[~~agency's~~] authority to obtain social security number
14 information, if applicable.

15 (B) Texas governmental entities, as defined in
16 Government Code, §2252.001, and including the Texas Law
17 Enforcement Telecommunication System and toll project entities,
18 as defined by Transportation Code, §372.001, are [~~access is~~]
19 exempt from the payment of fees, except as provided by
20 §217.124(e) of this title.

21 (d) Ineligibility to receive personal information. The
22 department may prohibit a person, business, or Texas
23 governmental entity[~~agency~~] from receiving personal information

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

1 if the department finds a violation of a term or condition of
2 the agreement entered into in accordance with subsection (c) of
3 this section.

4 (e) Initial deposits and minimum balances. Notwithstanding
5 §217.124 of this title, the department may modify initial
6 deposit and minimum balance requirements on a case by case basis
7 depending on customer usage.

8

9 §217.124. Cost of Motor Vehicle Records.

10 (a) Standard costs. The department will charge fees in
11 accordance with Government Code, Chapter 552 and the cost rules
12 promulgated by the Office of the Attorney General in 1 Texas
13 Administrative Code, Chapter 70 (relating to Cost of Copies of
14 Public Information).

15 (b) Law enforcement. An employee of a state, federal or
16 local law enforcement entity is exempt from the payment of fees
17 for motor vehicle records in subsection (c)(1)-(4) of this
18 section if the records are necessary to carry out lawful
19 functions of the law enforcement agency.

20 (c) Motor vehicle record costs. For new contracts and
21 renewals, the costs are:

22 (1) Title history - \$5.75;

23 (2) Certified title history - \$6.75;

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

1 (3) Title and registration verification (record
2 search) - \$2.30;

3 (4) Certified title and registration verification
4 (record search) - \$3.30; and

5 (5) Duplicate registration receipt for current
6 registration period - \$2.

7 (d) Electronic motor vehicle records and files.

8 (1) Master file of motor vehicle registration and
9 title database - \$5,000 plus \$.38 per 1,000 records;

10 (2) Weekly updates to motor vehicle registration and
11 title database - deposit of \$1,755 and \$135 per week;

12 (3) e-Tag file - deposit of \$845 and \$65 per week;

13 (4) Dealer supplemental file - deposit of \$1,235 and
14 \$95 per week;

15 (5) Special plates file - deposit of \$1,235 and \$95
16 per week;

17 (6) Batch inquiry to motor vehicle registration and
18 title database - deposit of \$1,000, minimum balance of \$750 and
19 \$23 per run plus \$.12 per record;

20 (7) Online motor vehicle inquiry (MVInet) access -
21 deposit of \$200, minimum balance of \$150 and \$23 per month plus
22 \$.12 per record; and

23 (8) Scofflaw remarks (inquiry, addition or deletion) -

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

1 deposit of \$500, minimum balance of \$350 and \$23 per run plus
2 \$.12 per record.

3 (e) Exemption applicability. The exemption granted in
4 §217.123(c)(2)(B) of this title (relating to Access to Motor
5 Vehicle Records) does not apply to subsection (d)(1), (6), or
6 (8) of this section.

7 [~~The cost for motor vehicle information will be:~~]

8 [~~(1) Title and registration verification (record~~
9 ~~search) — \$2.30;~~]

10 [~~(2) Title history — \$5.75;~~]

11 [~~(3) Online access to motor vehicle records database —~~
12 ~~\$23 per month plus \$.12 per record entry;~~]

13 [~~(4) Motor vehicle registration and title database —~~
14 ~~\$5,000 plus \$.38 per 1,000 records copied to media;~~]

15 [~~(5) Weekly updates to motor vehicle registration and~~
16 ~~title database, with media provided by the department — \$135;~~
17 ~~and]~~

18 [~~(6) Batch inquiry to motor vehicle records database —~~
19 ~~\$23 per computer run plus \$.12 per record searched.]~~

20 (f) Reciprocity agreements. The department may enter into
21 reciprocity agreements for records access with other
22 governmental entities that may waive some or all of the fees
23 established in this section.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 14
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §§217.43, 217.45, and 217.46
(Relating to amending registration expiration dates to 12 months for consistency)

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to:

- Stagger various license plate expiration dates to coincide with programming changes to the department's Registration and Title System (RTS);
- Add "Fertilizer" to the list of specialty plates for which the vehicle is issued one plate;
- Add "Golf Cart" and "Package Delivery" to the categories of plates for which personalized plates are not available and that are non-transferable between vehicles; and
- Make minor language clean-up and grammatical corrections.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The amendments include:

- **§217.43** - removes the March 31 expiration date for Congressional Medal of Honor license plates and make the registration period for all military specialty license plates valid for 12 months from the month of issuance.
- **§217.45** - adds "Fertilizer" to the list of vehicles that are issued one plate; includes "Golf Cart" and "Package Delivery" to the categories of plates for which personalized plates are not available and that cannot be transferred; removes the March expiration date for Cotton Vehicle and Disaster Relief Plates, the June expiration date for Honorary Consul license plates, and the September expiration date for Log Loader license plates; makes the length of validation for these license plates 12 months from the month of issuance; and removes requirement that State Official license plates for members of the Railroad Commission be assigned first to the presiding officer followed by the remaining members based on their seniority.
- **§217.46** - removes the March expiration for City Bus license plates, combination license plates unless the vehicle with a combination license plate is part of a fleet under §217.54, and Motor Bus license plates; adds a hyphen to truck-tractor for consistency with statute and corrects a typographical error.

The proposal was published in the *Texas Register* on December 1, 2017. The comment period closed January 2, 2018. No comments were received.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.43, 217.45, AND 217.46, RELATING TO
MOTOR VEHICLE REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.43, Military Specialty License Plates, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.46, Commercial Vehicle Registration.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____

Date Passed: February 8, 2018

February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter B, Motor Vehicle Registration, §217.43, Military
5 Specialty License Plates, §217.45, Specialty License Plates,
6 Symbols, Tabs, and Other Devices, and §217.46, Commercial
7 Vehicle Registration, without changes to the proposed text as
8 published in the December 1, 2017, issue of the *Texas Register*
9 (42 TexReg 6777). The rules will not be republished.

10

11 EXPLANATION OF ADOPTED AMENDMENTS

12 Amendments are adopted to stagger license plate expiration dates
13 to coincide with programming changes to the department's
14 Registration and Title System (RTS).

15

16 Amendments to §217.43 delete the March 31 expiration date for
17 Congressional Medal of Honor license plates and make the
18 registration period for all military specialty license plates
19 valid for 12 months from the month of issuance.

20

21 Amendments to §217.45 add "Fertilizer" to the list of specialty
22 license plates for which the vehicle is issued one plate. "Golf
23 Cart" and "Package Delivery" are added to the categories of

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

1 plates for which personalized plates are not available and that
2 are non-transferable between vehicles. Also, amendments delete
3 the March expiration date for Cotton Vehicle and Disaster Relief
4 Plates, the June expiration date for Honorary Consul license
5 plates, and the September expiration date for Log Loader license
6 plates. With these amendments, the length of validation for
7 these license plates will be 12 months from the month of
8 issuance.

9
10 Other amendments to §217.45(d)(2) delete the language regarding
11 a five-year registration period for Antique Vehicles, Antique
12 Motorcycle license plates, Antique tabs, and registration
13 numbers; the seven year registration period for Foreign
14 Organization license plates and registration numbers; and the
15 December expiration dates for certain United States and state
16 officials and federal, state, and county judges as this language
17 is duplicative of statute and unnecessary for the rule. The
18 amendments add references to the statutory citations for those
19 plates and registration periods.

20
21 An amendment also deletes the requirement that State Official
22 license plates for members of the Railroad Commission are
23 assigned first to the presiding officer followed by the

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

1 remaining members based on their seniority and adds that the
2 license plate fee for a package delivery license plate is to be
3 paid on an annual basis.

4

5 Amendments to §217.46 delete the March expiration for City Bus
6 license plates, combination license plates unless the vehicle
7 with a combination license plate is part of a fleet under
8 §217.54, and Motor Bus license plates. Also, amendments
9 hyphenate truck-tractor to be consistent with statute. An
10 amendment also corrects a grammatical error in the rule.

11

12 COMMENTS

13 No comments on the proposed amendments were received.

14

15 STATUTORY AUTHORITY

16 The amendments are adopted under Transportation Code, §1002.001,
17 which provides the board of the Texas Department of Motor
18 Vehicles (board) with the authority to adopt rules that are
19 necessary and appropriate to implement the powers and the duties
20 of the department under the Transportation Code; and more
21 specifically, Transportation Code, §504.0011, which authorizes
22 the board to adopt rules to implement and administer
23 Transportation Code, Chapter 504, and Transportation Code,

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

1 §502.0021, which authorizes the department to adopt rules to
2 administer Transportation Code, Chapter 502, Registration of
3 Vehicles.

4

5 CROSS REFERENCE TO STATUTE

6 Transportation Code, Chapters 502 and 504.

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

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.43. Military Specialty License Plates.

3 (a) Purpose and Scope. Transportation Code, Chapter 504
4 authorizes the department to issue military specialty license
5 plates. This section prescribes the policies and procedures for
6 the application, issuance, and renewal of military specialty
7 license plates.

8 (b) Classification and fees. The department will issue
9 specialty plates for the military and charge fees as authorized
10 by Transportation Code, §504.202 and Chapter 504, Subchapter D.

11 (c) Application. Applications for military specialty
12 license plates must be made to the department and include
13 evidence of eligibility. The evidence of eligibility may
14 include, but is not limited to:

15 (1) an official document issued by a governmental entity;

16 (2) a letter issued by a governmental entity on that
17 agency's letterhead;

18 (3) discharge papers;

19 (4) a death certificate; or

20 (5) an identification card issued by any branch of the
21 military under the jurisdiction of the United States Department
22 of Defense or the United States Department of Homeland Security
23 indicating that the member is retired.

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

1 (d) Period. Military specialty license plates shall be
2 valid for 12 months from the month of issuance or for a prorated
3 period of at least 12 months coinciding with the expiration of
4 registration and [~~The registration for Congressional Medal of~~
5 ~~Honor license plates expires each March 31. All other specialty~~
6 ~~plates for the military~~] may be replaced in accordance with
7 §217.32 of this title (relating to Replacement of License
8 Plates, Symbols, Tabs, and Other Devices).

9 (e) Assignment and Transfer. Military plates may not be
10 assigned and may only be transferred to another vehicle owned by
11 the same vehicle owner.

12 (f) Applicability. Section 217.45 of this title (relating
13 to Specialty License Plates, Symbols, Tabs, and Other Devices)
14 applies to military plates, symbols, tabs, or other devices as
15 to:

16 (1) what is considered one set of plates per vehicle as
17 determined by vehicle type;

18 (2) issuance of validation tabs and insignia;

19 (3) stolen or replaced plates;

20 (4) payment of other applicable fees;

21 (5) personalization, except that Congressional Medal of
22 Honor plates may not be personalized;

23 (6) renewal, except that the owner of a vehicle with

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

1 Congressional Medal of Honor license plates must return the
2 documentation and specialty license plate fee, if any, directly
3 to the department;

4 (7) refunds; and

5 (8) expiration.

6

7 §217.45. Specialty License Plates, Symbols, Tabs, and Other
8 Devices.

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

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

23 (1) Application Process.

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

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

5 (B) Form requirements. The application form shall at a
6 minimum require the name and complete address of the applicant.

7 (2) Fees and Documentation.

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

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

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

21 (D) The application must be accompanied by prescribed
22 local fees or other fees that are collected in conjunction with
23 registering a vehicle, with the exception of vehicles bearing

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

1 license plates that are exempt by statute from these fees.

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

5 (i) an official document issued by a governmental
6 entity; or

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

9 (F) Initial applications for license plates for display
10 on Exhibition Vehicles must include a photograph of the
11 completed vehicle.

12 (3) Place of application. Applications for specialty
13 license plates may be made directly to the county tax assessor-
14 collector, except that applications for the following license
15 plates must be made directly to the department:

16 (A) County Judge;

17 (B) Federal Administrative Law Judge;

18 (C) State Judge;

19 (D) State Official;

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

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

22 (G) U.S. Judge.

23 (4) Gift plates.

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

1 (A) A person may purchase general distribution
2 specialty license plates as a gift for another person if the
3 purchaser submits an application for the specialty license
4 plates that provides:

5 (i) the name and address of the person who will
6 receive the plates; and

7 (ii) the vehicle identification number of the vehicle
8 on which the plates will be displayed.

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

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

16 (1) Issuance. On receipt of a completed initial
17 application for registration, accompanied by the prescribed
18 documentation and fees, the department will issue specialty
19 license plates, symbols, tabs, or other devices to be displayed
20 on the vehicle for which the license plates, symbols, tabs, or
21 other devices were issued for the current registration period.
22 If the vehicle for which the specialty license plates, symbols,
23 tabs, or other devices are issued is currently registered, the

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

1 owner must surrender the license plates currently displayed on
2 the vehicle, along with the corresponding license receipt,
3 before the specialty license plates may be issued.

4 (2) Classic Motor Vehicles, Classic Travel Trailers,
5 Custom Vehicles, Street Rods, and Exhibition Vehicles.

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

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

13 (ii) the license plate is a qualifying plate type
14 that originally required the owner to meet one or more
15 eligibility requirements; or

16 (iii) the alpha numeric pattern is already in use on
17 another vehicle.

18 (B) Validation stickers and tabs. The department will
19 issue validation stickers and tabs for display on license plates
20 that are displayed as provided by subparagraph (A) of this
21 paragraph.

22 (3) Number of plates issued.

23 (A) Two plates. Unless otherwise listed in subparagraph

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

1 (B) of this paragraph, two specialty license plates, each
2 bearing the same license plate number, will be issued per
3 vehicle.

4 (B) One plate. One license plate will be issued per
5 vehicle for all motorcycles and for the following specialty
6 license plates:

7 (i) Antique Vehicle (includes Antique Auto, Antique
8 Truck, Antique Motorcycle, and Antique Bus);

9 (ii) Classic Travel Trailer;

10 (iii) Rental Trailer;

11 (iv) Travel Trailer;

12 (v) Cotton Vehicle;

13 (vi) Disaster Relief;

14 (vii) Forestry Vehicle;

15 (viii) Golf Cart;

16 (ix) Log Loader;

17 (x) Military Vehicle; ~~and~~

18 (xi) Package Delivery Vehicle; and~~[-]~~

19 (xii) Fertilizer.

20 (C) Registration number. The identification number
21 assigned by the military may be approved as the registration
22 number instead of displaying Military Vehicle license plates on
23 a former military vehicle.

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

1 (4) Assignment of plates.

2 (A) Title holder. Unless otherwise exempted by law or
3 this section, the vehicle on which specialty license plates,
4 symbols, tabs, or other devices is to be displayed shall be
5 titled in the name of the person to whom the specialty license
6 plates, symbols, tabs, or other devices is assigned, or a title
7 application shall be filed in that person's name at the time the
8 specialty license plates, symbols, tabs, or other devices are
9 issued.

10 (B) Non-owner vehicle. If the vehicle is titled in a
11 name other than that of the applicant, the applicant must
12 provide evidence of having the legal right of possession and
13 control of the vehicle.

14 (C) Leased vehicle. In the case of a leased vehicle,
15 the applicant must provide a copy of the lease agreement
16 verifying that the applicant currently leases the vehicle.

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

22 (6) Number of vehicles. An owner may obtain specialty
23 license plates, symbols, tabs, or other devices for an unlimited

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

1 number of vehicles, unless the statute limits the number of
2 vehicles for which the specialty license plate may be issued.

3 (7) Personalized plate numbers.

4 (A) Issuance. The department will issue a personalized
5 license plate number subject to the exceptions set forth in this
6 paragraph.

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

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

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

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

22 (iii) is currently issued to another owner.

23 (D) Classifications of vehicles eligible for

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

1 personalized plates. Unless otherwise listed in subparagraph (E)
2 of this paragraph, personalized plates are available for all
3 classifications of vehicles.

4 (E) Categories of plates for which personalized plates
5 are not available. Personalized license plate numbers are not
6 available for display on the following specialty license plates:

7 (i) Amateur Radio (other than the official call
8 letters of the vehicle owner);

9 (ii) Antique Motorcycle;

10 (iii) Antique Vehicle (includes Antique Auto, Antique
11 Truck, and Antique Bus);

12 (iv) Apportioned;

13 (v) Cotton Vehicle;

14 (vi) Disaster Relief;

15 (vii) Farm Trailer (except Go Texan II);

16 (viii) Farm Truck (except Go Texan II);

17 (ix) Farm Truck Tractor (except Go Texan II);

18 (x) Fertilizer;

19 (xi) Forestry Vehicle;

20 (xii) Log Loader;

21 (xiii) Machinery;

22 (xiv) Permit;

23 (xv) Rental Trailer;

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

- 1 (xvi) Soil Conservation; [~~and~~]
2 (xvii) Texas Guard; [~~-~~]
3 (xviii) Golf Cart; and
4 (xix) Package Delivery Vehicle.

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

8 (G) Priority. Once a personalized license plate number
9 has been assigned to an applicant, the owner shall have priority
10 to that number for succeeding years if a timely renewal
11 application is submitted to the county tax assessor-collector
12 each year in accordance with subsection (d) of this section.

13 (d) Specialty license plate renewal.

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

18 (2) Length of validation. Except as provided by
19 Transportation Code, §§504.401, 504.4061, or 504.502, [~~with the~~
20 ~~following exceptions,~~] all specialty license plates, symbols,
21 tabs, or other devices shall be valid for 12 months from the
22 month of issuance or for a prorated period of at least 12 months
23 coinciding with the expiration of registration.

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

1 [~~(A) Five-year period. Antique Vehicle (includes~~
2 ~~Antique Auto, Antique Truck, and Antique Bus) and Antique~~
3 ~~Motorcycle license plates, Antique tabs, and registration~~
4 ~~numbers are issued for a five-year period.]~~

5 [~~(B) Seven-year period. Foreign Organization license~~
6 ~~plates and registration numbers are issued for a seven-year~~
7 ~~period.]~~

8 [~~(C) March expiration dates. The registration for~~
9 ~~Cotton Vehicle and Disaster Relief license plates expires each~~
10 ~~March 31.]~~

11 [~~(D) June expiration dates. The registration for the~~
12 ~~Honorary Consul license plate expires each June 30.]~~

13 [~~(E) September expiration dates. The registration for~~
14 ~~the Log Loader license plate expires each September 30.]~~

15 [~~(F) December expiration dates. The registration for~~
16 ~~the following license plates expires each December 31:]~~

17 [~~(i) County Judge;~~]

18 [~~(ii) Federal Administrative Law Judge;~~]

19 [~~(iii) State Judge;~~]

20 [~~(iv) State Official;~~]

21 [~~(v) U.S. Congress—House;~~]

22 [~~(vi) U.S. Congress—Senate; and]~~

23 [~~(vii) U.S. Judge.]~~

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

1 ~~[(C) Except as otherwise provided in this paragraph, if~~
2 ~~a vehicle's registration period is other than 12 months, the~~
3 ~~expiration date of the specialty license plate, symbol, tab, or~~
4 ~~other device will be set to align it with the expiration of~~
5 ~~registration.]~~

6 (3) Renewal.

7 (A) Renewal notice. Approximately 60 days before the
8 expiration date of a specialty license plate, symbol, tab, or
9 other device, the department will send each owner a renewal
10 notice that includes the amount of the specialty plate fee and
11 the registration fee.

12 (B) Return of notice. The owner must return the fee and
13 any prescribed documentation to the tax assessor-collector of
14 the county in which the owner resides, except that the owner of
15 a vehicle with one of the following license plates must return
16 the documentation and specialty license plate fee, if
17 applicable, directly to the department and submit the
18 registration fee to the county tax assessor-collector:

19 (i) County Judge;

20 (ii) Federal Administrative Law Judge;

21 (iii) State Judge;

22 (iv) State Official;

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

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

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

2 (vii) U.S. Judge.

3 (C) Expired plate numbers. The department will retain a
4 specialty license plate number for 60 days after the expiration
5 date of the plates if the plates are not renewed on or before
6 their expiration date. After 60 days the number may be reissued
7 to a new applicant. All specialty license plate renewals
8 received after the expiration of the 60 days will be treated as
9 new applications.

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

15 (E) Lost or destroyed renewal notices. If a renewal
16 notice is lost, destroyed, or not received by the vehicle owner,
17 the specialty license plates, symbol, tab, or other device may
18 be renewed if the owner provides acceptable personal
19 identification along with the appropriate fees and
20 documentation. Failure to receive the notice does not relieve
21 the owner of the responsibility to renew the vehicle's
22 registration.

23 (e) Transfer of specialty license plates.

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

1 (1) Transfer between vehicles.

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

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

8 (ii) meets the vehicle classification requirements
9 for that particular specialty license plate, symbol, tab, or
10 other device.

11 (B) Non-transferable between vehicles. The following
12 specialty license plates, symbols, tabs, or other devices are
13 non-transferable between vehicles:

14 (i) Antique Vehicle license plates (includes Antique
15 Auto, Antique Truck, and Antique Bus), Antique Motorcycle
16 license plates, and Antique tabs;

17 (ii) Classic Auto, Classic Truck, Classic Motorcycle,
18 Classic Travel Trailer, Street Rod, and Custom Vehicle license
19 plates;

20 (iii) Forestry Vehicle license plates; [~~and~~]

21 (iv) Log Loader license plates; [~~+~~]

22 (v) Golf Cart license plates; and

23 (vi) Package Delivery Vehicle license plates.

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

1 (C) New specialty license plates. If the department
2 creates a new specialty license plate under Transportation Code,
3 §504.801, the department will specify at the time of creation
4 whether the license plate may be transferred between vehicles.

5 (2) Transfer between owners.

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

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

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

20 (f) Replacement.

21 (1) Application. When specialty license plates, symbols,
22 tabs, or other devices are lost, stolen, or mutilated, the owner
23 shall apply directly to the county tax assessor-collector for

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

1 the issuance of replacements, except that Log Loader license
2 plates must be reapplied for and accompanied by the prescribed
3 fees and documentation.

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

14 (3) Stolen specialty license plates.

15 (A) The department or county tax assessor-collector
16 will not approve the issuance of replacement license plates with
17 the same personalized license plate number if the department's
18 records indicate either the vehicle displaying the personalized
19 license plates or the license plates are reported as stolen to
20 law enforcement. The owner will be directed to contact the
21 department for another personalized plate choice.

22 (B) The owner may select a different personalized
23 number to be issued at no charge with the same expiration as the

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

1 stolen specialty plate. On recovery of the stolen vehicle or
2 license plates, the department will issue, at the owner's or
3 applicant's request, replacement license plates, bearing the
4 same personalized number as those that were stolen.

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

11 (1) The sponsoring entity must submit a written
12 application. The application must be on a form approved by the
13 director and include, at a minimum:

14 (A) the name of the license plate;

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

16 (C) the name and telephone number of a person

17 authorized to act for the sponsoring entity; and

18 (D) the deposit.

19 (2) A sponsoring entity is not an agent of the department
20 and does not act for the department in any matter, and the
21 department does not assume any responsibility for fees or
22 applications collected by a sponsoring entity.

23 (h) Assignment procedures for state, federal, and county

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

1 officials.

2 (1) State Officials. State Official license plates
3 contain the distinguishing prefix "SO." Members of the state
4 legislature may be issued up to three sets of State Official
5 specialty license plates with the distinguishing prefix "SO," or
6 up to three sets of State Official specialty license plates that
7 depict the state capitol, and do not display the distinguishing
8 prefix "SO." An application by a member of the state
9 legislature, for a State Official specialty license plate, must
10 specify the same specialty license plate design for each
11 applicable vehicle. State Official license plates are assigned
12 in the following order:

13 (A) Governor;

14 (B) Lieutenant Governor;

15 (C) Speaker of the House;

16 (D) Attorney General;

17 (E) Comptroller;

18 (F) Land Commissioner;

19 (G) Agriculture Commissioner;

20 (H) Secretary of State;

21 (I) Railroad Commission [~~Presiding Officer followed by~~
22 ~~the remaining members based on their seniority~~];

23 (J) Supreme Court Chief Justice followed by the

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

1 remaining justices based on their seniority;

2 (K) Criminal Court of Appeals Presiding Judge followed
3 by the remaining judges based on their seniority;

4 (L) Members of the State Legislature, with Senators
5 assigned in order of district number followed by Representatives
6 assigned in order of district number, except that in the event
7 of redistricting, license plates will be reassigned; and

8 (M) Board of Education Presiding Officer followed by
9 the remaining members assigned in district number order, except
10 that in the event of redistricting, license plates will be
11 reassigned.

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

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

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

19 (3) Federal Judge.

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

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

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

1 (ii) Judges of the United States District Courts;

2 (iii) United States Bankruptcy Judges; and

3 (iv) United States Magistrates.

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

7 (C) A federal judge who retired on or before August 31,
8 2003, and who held license plates expiring in March 2004 may
9 continue to receive federal judge plates. A federal judge who
10 retired after August 31, 2003, is not eligible for U.S. Judge
11 license plates.

12 (4) State Judge.

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

15 (i) Appellate District Courts;

16 (ii) Presiding Judges of Administrative Regions;

17 (iii) Judicial District Courts;

18 (iv) Criminal District Courts; and

19 (v) Family District Courts and County Statutory
20 Courts.

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

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

1 (C) A state judge who retired on or before August 31,
2 2003, and who held license plates expiring in March 2004 may
3 continue to receive state judge plates. A state judge who
4 retired after August 31, 2003, is not eligible for State Judge
5 license plates.

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

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

12 (i) Development of new specialty license plates.

13 (1) Procedure. The following procedure governs the
14 process of authorizing new specialty license plates under
15 Transportation Code, §504.801, whether the new license plate
16 originated as a result of an application or as a department
17 initiative.

18 (2) Applications for the creation of new specialty
19 license plates. An applicant for the creation of a new specialty
20 license plate, other than a vendor specialty plate under §217.52
21 of this title (relating to Marketing of Specialty License Plates
22 through a Private Vendor), must submit a written application on
23 a form approved by the executive director. The application must

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

1 include:

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

4 (B) certification on Internal Revenue Service
5 letterhead stating that the applicant is a not-for-profit
6 entity;

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

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

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

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

14 (G) a letter from the executive director of the
15 sponsoring state agency stating that the agency agrees to
16 receive and distribute revenue from the sale of the specialty
17 license plate and that the use of the funds will not violate a
18 statute or constitutional provision; and

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

21 (3) Review process. The board:

22 (A) will not consider incomplete applications;

23 (B) may request additional information from an

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

1 applicant if necessary for a decision; and

2 (C) will consider specialty license plate applications
3 that are restricted by law to certain individuals or groups of
4 individuals (qualifying plates) using the same procedures as
5 applications submitted for plates that are available to everyone
6 (non-qualifying plates).

7 (4) Request for additional information. If the board
8 determines that additional information is needed, the applicant
9 must return the requested information not later than the
10 requested due date. If the additional information is not
11 received by that date, the board will return the application as
12 incomplete unless the board:

13 (A) determines that the additional requested
14 information is not critical for consideration and approval of
15 the application; and

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

18 (5) Board decision. The board's decision will be based
19 on:

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

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

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

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

1 (ii) whether the design meets the standards
2 established by the department for uniqueness;

3 (iii) other information provided during the
4 application process;

5 (iv) the criteria designated in §217.27 as applied to
6 the design; and

7 (v) whether a design is similar enough to an existing
8 plate design that it may compete with the existing plate sales;
9 and

10 (C) the applicant's ability to comply with
11 Transportation Code, §504.702 relating to the required deposit
12 or application that must be provided before the manufacture of a
13 new specialty license plate.

14 (6) Public comment on proposed design. All proposed plate
15 designs will be considered by the board as an agenda item at a
16 regularly or specially called open meeting. Notice of
17 consideration of proposed plate designs will be posted in
18 accordance with Office of the Secretary of State meeting notice
19 requirements. Notice of each license plate design will be posted
20 on the department's Internet website to receive public comment
21 at least 25 days in advance of the meeting at which it will be
22 considered. The department will notify all other specialty plate
23 organizations and the sponsoring agencies who administer

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

1 specialty license plates issued in accordance with
2 Transportation Code, Chapter 504, Subchapter G, of the posting.
3 A comment on the proposed design can be submitted in writing
4 through the mechanism provided on the department's Internet
5 website for submission of comments. Written comments are welcome
6 and must be received by the department at least 10 days in
7 advance of the meeting. Public comment will be received at the
8 board's meeting.

9 (7) Final approval.

10 (A) Approval. The board will approve or disapprove the
11 specialty license plate application based on all of the
12 information provided pursuant to this subchapter at an open
13 meeting.

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

18 (i) the applicant has additional, required
19 documentation; or

20 (ii) the design has been altered to an acceptable
21 degree.

22 (8) Issuance of specialty plates.

23 (A) If the specialty license plate is approved, the

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

1 applicant must comply with Transportation Code, §504.702 before
2 any further processing of the license plate.

3 (B) Approval of the plate does not guarantee that the
4 submitted draft plate design will be used. The board has final
5 approval authority of all specialty license plate designs and
6 may adjust or reconfigure the submitted draft design to comply
7 with the format or license plate specifications.

8 (C) If the board, in consultation with the applicant,
9 adjusts or reconfigures the design, the adjusted or reconfigured
10 design will not be posted on the department's website for
11 additional comments.

12 (9) Redesign of specialty license plate.

13 (A) Upon receipt of a written request from the
14 applicant, the department will allow redesign of a specialty
15 license plate.

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

19 (C) An approved license plate redesign does not require
20 the deposit required by Transportation Code, §504.702, but the
21 applicant must pay a redesign cost to cover administrative
22 expenses.

23 (j) Golf carts.

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

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

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

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

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

12 (k) Package delivery vehicle.

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

16 (2) The license plate fee for a package delivery license
17 plate is \$25 to be paid on an annual basis.

18

19 §217.46. Commercial Vehicle Registration.

20 (a) Eligibility. A motor vehicle, other than a motorcycle,
21 designed or used primarily for the transportation of property,
22 including any passenger car that has been reconstructed to be
23 used, and is being used, primarily for delivery purposes, with

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

1 the exception of a passenger car used in the delivery of the
2 United States mail [~~mails~~], must be registered as a commercial
3 vehicle.

4 (b) Commercial vehicle registration classifications.

5 (1) Apportioned license plates. Apportioned license
6 plates are issued in lieu of Combination, Motor Bus, or Truck
7 license plates to Texas carriers who proportionally register
8 their fleets in other states, in conformity with §217.56 of this
9 title (relating to Registration Reciprocity Agreements).

10 (2) City bus license plates. A street or suburban bus
11 shall be registered with license plates bearing the legend "City
12 Bus."

13 (3) Combination license plates.

14 (A) Specifications. A truck or truck-tractor [~~truck~~
15 ~~tractor~~] with a gross weight in excess of 10,000 pounds used or
16 to be used in combination with a semitrailer having a gross
17 weight in excess of 6,000 pounds, may be registered with
18 combination license plates. Such vehicles must be registered for
19 a gross weight equal to the combined gross weight of all the
20 vehicles in the combination, but not less than 18,000 pounds.
21 Only one combination license plate is required and must be
22 displayed on the front of the truck or truck-tractor [~~truck~~
23 ~~tractor~~]. When displaying a combination license plate, a truck

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

1 or truck-tractor [~~truck-tractor~~] is not restricted to pulling a
2 semitrailer licensed with a Token Trailer license plate and may
3 legally pull semitrailers and full trailers displaying other
4 types of Texas license plates or license plates issued out of
5 state. The following vehicles may not be registered in
6 combination:

7 (i) trucks or truck-tractors [~~truck-tractors~~] having
8 a gross weight of less than 10,000 pounds or trucks or truck-
9 tractors [~~truck-tractors~~] to be used exclusively in combination
10 with semitrailers having gross weights not exceeding 6,000
11 pounds;

12 (ii) semitrailers with gross weights of 6,000 pounds
13 or less, or semitrailers that are to be operated exclusively
14 with trucks or truck-tractors [~~truck-tractors~~] having gross
15 weight of less than 10,000 pounds;

16 (iii) trucks or truck-tractors [~~truck-tractors~~] used
17 exclusively in combination with semitrailer-type vehicles
18 displaying Machinery, Permit, or Farm Trailer license plates;

19 (iv) trucks or truck-tractors [~~truck-tractors~~] used
20 exclusively in combination with travel trailers and manufactured
21 housing;

22 (v) trucks or truck-tractors [~~truck-tractors~~] to be
23 registered with Farm Truck or Farm Truck Tractor license plates;

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

1 (vi) trucks or truck-tractors [~~truck-tractors~~] and
2 semitrailers to be registered with disaster relief license
3 plates;

4 (vii) trucks or truck-tractors [~~truck-tractors~~] and
5 semitrailers to be registered with Soil Conservation license
6 plates;

7 (viii) trucks or truck-tractors [~~truck-tractors~~] and
8 semitrailers to be registered with U.S. Government license
9 plates or Exempt license plates issued by the State of Texas;
10 and

11 (ix) vehicles that are to be issued temporary
12 permits, such as 72-Hour Permits, 144-Hour Permits, One Trip
13 Permits, or 30-Day Permits in accordance with Transportation
14 Code, §502.094 and §502.095.

15 (B) Converted semitrailers. Semitrailers that are
16 converted to full trailers by means of auxiliary axle assemblies
17 will retain their semitrailer status, and such semitrailers are
18 subject to the combination and token trailer registration
19 requirements.

20 (C) Axle assemblies. Various types of axle assemblies
21 that are specially designed for use in conjunction with other
22 vehicles or combinations of vehicles may be used to increase the
23 load capabilities of such vehicles or combinations.

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

1 (i) Auxiliary axle assemblies such as trailer axle
2 converters, jeep axles, and drag axles, which are used in
3 conjunction with truck-tractor [~~truck-tractor~~] and semitrailer
4 combinations, are not required to be registered; however, the
5 additional weight that is acquired by the use of such axle
6 assemblies must be included in the combined gross weight of the
7 combination.

8 (ii) Ready-mixed concrete trucks that have an
9 auxiliary axle assembly installed for the purpose of increasing
10 a load capacity of such vehicles must be registered for a weight
11 that includes the axle assembly.

12 (D) Exchange of Combination license plates. Combination
13 license plates shall not be exchanged for another type of
14 registration during the registration year, except that:

15 (i) if a major permanent reconstruction change
16 occurs, Combination license plates may be exchanged for Truck
17 license plates, provided that a corrected title is applied for;

18 (ii) if the department initially issues Combination
19 license plates in error, the plates will be exchanged for
20 license plates of the proper classification;

21 (iii) if the department initially issues Truck or
22 Trailer license plates in error to vehicles that should have
23 been registered in combination, such plates will be exchanged

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

1 for Combination and Token Trailer license plates; or

2 (iv) if a Texas apportioned carrier acquires a
3 combination license power unit, the Combination license plates
4 will be exchanged for Apportioned license plates.

5 (4) Cotton Vehicle license plates. The department will
6 issue Cotton Vehicle license plates in accordance with
7 Transportation Code, §504.505 and §217.45 of this title
8 (relating to Specialty License Plates, Symbols, Tabs, and Other
9 Devices).

10 (5) Forestry Vehicle license plates. The department will
11 issue Forestry Vehicle license plates in accordance with
12 Transportation Code, §504.507 and §217.45 of this title.

13 (6) In Transit license plates. The department may issue
14 an In Transit license plate annually to any person, firm, or
15 corporation engaged in the primary business of transporting and
16 delivering by means of the full mount, saddle mount, tow bar, or
17 any other combination, new vehicles and other vehicles from the
18 manufacturer or any other point of origin to any point of
19 destination within the State. Each new vehicle being
20 transported, delivered, or moved under its own power in
21 accordance with this paragraph must display an In Transit
22 license plate in accordance with Transportation Code, §503.035.

23 (7) Motor Bus license plates. A motor bus as well as a

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

1 taxi and other vehicles that transport passengers for
2 compensation or hire, must display Motor Bus license plates when
3 operated outside the limits of a city or town, or adjacent
4 suburb, in which its company is franchised to do business.

5 (8) Token Trailer license plates.

6 (A) Qualification. The department will issue Token
7 Trailer license plates for semitrailers that are required to be
8 registered in combination.

9 (B) Validity. A Token Trailer license plate is valid
10 only when it is displayed on a semitrailer that is being pulled
11 by a truck or a truck-tractor [~~truck-tractor~~] that has been
12 properly registered with Forestry Vehicle (in accordance with
13 Transportation Code, §504.507), Combination (in accordance with
14 Transportation Code, §502.255), or Apportioned (in accordance
15 with Transportation Code, §502.091) license plates for combined
16 gross weights that include the weight of the semitrailer, unless
17 exempted by Transportation Code, §502.094 and §623.011.

18 (C) House-moving dollies. House-moving dollies are to
19 be registered with Token Trailer license plates and titled as
20 semitrailers; however, only one such dolly in a combination is
21 required to be registered and titled. The remaining dolly (or
22 dollies) is permitted to operate unregistered, since by the
23 nature of its construction, it is dependent upon another such

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

1 vehicle in order to function. The pulling unit must display a
2 Combination or Apportioned license plate.

3 (D) Full trailers. The department will not issue a
4 Token Trailer license plate for a full trailer.

5 (9) Tow Truck license plates. A Tow Truck license plate
6 must be obtained for all tow trucks operating and registered in
7 this state. The department will not issue a Tow Truck license
8 plate unless the Texas Department of Licensing and Regulation
9 has issued a permit for the tow truck under Occupations Code,
10 Chapter 2308, Subchapter C.

11 (c) Application for commercial vehicle registration.

12 (1) Application form. An applicant shall apply for
13 commercial license plates through the appropriate county tax
14 assessor-collector upon forms prescribed by the director and
15 shall require, at a minimum, the following information:

16 (A) owner name and complete address;

17 (B) complete description of vehicle, including empty
18 weight; and

19 (C) motor number or serial number.

20 (2) Empty weight determination.

21 (A) The weight of a Motor Bus shall be the empty weight
22 plus carrying capacity, in accordance with Transportation Code,
23 §502.055.

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

1 (B) The weight of a vehicle cannot be lowered below the
2 weight indicated on a Manufacturer's Certificate of Origin
3 unless a corrected Manufacturer's Certificate of Origin is
4 obtained.

5 (C) In all cases where the department questions the
6 empty weight of a particular vehicle, the applicant should
7 present a weight certificate from a public weight scale or the
8 Department of Public Safety.

9 (3) Gross weight.

10 (A) Determination of Weight. The combined gross weight
11 of vehicles registering for combination license plates shall be
12 determined by the empty weight of the truck or truck-tractor
13 [~~truck-tractor~~] combined with the empty weight of the heaviest
14 semitrailer or semitrailers used or to be used in combination
15 therewith, plus the heaviest net load to be carried on such
16 combination during the motor vehicle registration year, provided
17 that in no case may the combined gross weight be less than
18 18,000 pounds.

19 (B) Restrictions. The following restrictions apply to
20 combined gross weights.

21 (i) After a truck or truck-tractor [~~truck-tractor~~] is
22 registered for a combined gross weight, such weight cannot be
23 lowered at any subsequent date during the registration year. The

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

1 owner may, however, lower the gross weight when registering the
2 vehicle for the following registration year, provided that the
3 registered combined gross weight is sufficient to cover the
4 heaviest load to be transported during the year and provided
5 that the combined gross weight is not less than 18,000 pounds.

6 (ii) A combination of vehicles is restricted to a
7 total gross weight not to exceed 80,000 pounds; however, all
8 combinations may not qualify for 80,000 pounds unless such
9 weight can be properly distributed in accordance with axle load
10 limitations, tire size, and distance between axles, in
11 accordance with Transportation Code, §623.011.

12 (4) Motor number or serial number. Ownership must be
13 established by a court order if no motor or serial number can be
14 identified. Once ownership has been established, the department
15 will assign a number upon payment of the fee.

16 (5) Accompanying documentation. Unless otherwise exempted
17 by law, completed applications for commercial license plates
18 shall be accompanied by:

19 (A) prescribed registration fees;

20 (B) prescribed local fees or other fees that are
21 collected in conjunction with registering a vehicle;

22 (C) evidence of financial responsibility as required by
23 Transportation Code, §502.046 if the applicant is a motor

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

1 carrier as defined by §218.2 of this title (relating to
2 Definitions), proof of financial responsibility may be in the
3 form of a registration listing or an international stamp
4 indicating that the vehicle is registered in compliance with
5 Chapter 218, Subchapter B of this title (relating to Motor
6 Carrier Registration);

7 (D) an application for Texas Title in accordance with
8 Subchapter A of this chapter, or other proof of ownership;

9 (E) proof of payment of the Federal Heavy Vehicle Use
10 Tax, if applicable;

11 (F) an original or certified copy of the current permit
12 issued in accordance with Occupations Code, Chapter 2308,
13 Subchapter C, if application is being made for Tow Truck license
14 plates; and

15 (G) other documents or fees required by law.

16 (6) Proof of payment required. Proof of payment of the
17 Federal Heavy Vehicle Use Tax is required for vehicles with a
18 gross registration weight of 55,000 pounds or more, or in cases
19 where the vehicle's gross weight is voluntarily increased to
20 55,000 pounds or more. Proof of payment shall consist of an
21 original or photocopy of the Schedule 1 portion of Form 2290
22 receipted by the Internal Revenue Service (IRS), or a copy of
23 the Form 2290 with Schedule 1 attached as filed with the IRS,

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

1 along with a photocopy of the front and back of the canceled
2 check covering the payment to the IRS.

3 (7) Proof of payment not required. Proof of payment of
4 the Federal Heavy Vehicle Use Tax is not required:

5 (A) for new vehicles when an application for title and
6 registration is supported by a Manufacturer's Certificate of
7 Origin;

8 (B) on used vehicles when an application for title and
9 registration is filed within 60 days from the date of transfer
10 to the applicant as reflected on the assigned title, except that
11 proof of payment will be required when an application for Texas
12 title and registration is accompanied by an out-of-state title
13 that is recorded in the name of the applicant;

14 (C) when a vehicle was previously wrecked, in storage,
15 or otherwise out of service and, therefore, not registered or
16 operated during the current registration year or during the
17 current tax year, provided that a non-use affidavit is signed by
18 the operator; and

19 (D) as a prerequisite to registration of vehicles
20 apprehended for operating without registration or reciprocity or
21 when an owner or operator purchases temporary operating permits
22 or additional weight.

23 (d) Renewal of commercial license plates.

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

1 (1) Registration period. The department will establish
2 the registration period for commercial vehicles, unless
3 specified by statute. Commercial license plates are issued for
4 established annual registration periods as follows.

5 (A) March expiration. If a fleet under §217.54 of this
6 title (relating to Registration of Fleet Vehicles) contains a
7 vehicle with a combination license plate, the established annual
8 registration period for the fleet is April 1st through March
9 31st. [~~The following license plates are issued for the~~
10 ~~established annual registration period of April 1st through~~
11 ~~March 31st of the following year:~~]

12 [~~(i) City Bus license plates;~~]
13 [~~(ii) Combination license plates; and~~]
14 [~~(iii) Motor Bus license plates.~~]

15 (B) Five-year registration with March 31st expiration.
16 The following license plates are available with a five-year
17 registration period. Registration fees for the license plates
18 listed below may be paid on an annual basis, or may be paid up
19 front for the entire five-year period:

20 (i) Five-year Rental Trailer license plates issued
21 for rental trailers that are part of a rental fleet; and

22 (ii) Five-year Token Trailer license plates,
23 available to owners of semitrailers to be used in combination

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

1 with truck-tractors displaying Apportioned or Combination
2 license plates.

3 (2) License Plate Renewal Notice. The department will
4 mail a License Plate Renewal Notice, indicating the proper
5 registration fee and the month and year the registration
6 expires, to each vehicle owner approximately six to eight weeks
7 prior to the expiration of the vehicle's registration.

8 (3) Return of License Plate Renewal Notices. License
9 Plate Renewal Notices should be returned by the vehicle owner to
10 the department or the appropriate county tax assessor-collector,
11 as indicated on the License Plate Renewal Notice. Unless
12 otherwise exempted by law, License Plate Renewal Notices may be
13 returned either in person or by mail, and shall be accompanied
14 by:

15 (A) statutorily prescribed registration renewal fees;

16 (B) prescribed local fees or other fees that are
17 collected in conjunction with registration renewal;

18 (C) evidence of financial responsibility as required by
19 Transportation Code, §502.046; and

20 (D) other prescribed documents or fees.

21 (4) Lost or destroyed License Plate Renewal Notice. If a
22 License Plate Renewal Notice is lost, destroyed, or not received
23 by the vehicle owner, the vehicle may be registered if the owner

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

1 presents personal identification acceptable to the county tax
2 assessor-collector. Failure to receive the notice does not
3 relieve the owner of the responsibility to renew the vehicle's
4 registration.

5 (e) Transfer of commercial vehicle license plates.

6 (1) Transfer between persons. With the exceptions noted
7 in paragraph (3) of this subsection, when ownership of a vehicle
8 displaying commercial vehicle license plates is transferred,
9 application for transfer of such license plates shall be made
10 with the county tax assessor-collector in the county in which
11 the purchaser resides. If the purchaser does not intend to use
12 the vehicle in a manner that would qualify it for the license
13 plates issued to that vehicle, such plates must be exchanged for
14 the appropriate license plates.

15 (2) Transfer between vehicles. Commercial vehicle license
16 plates are non-transferable between vehicles.

17 (3) Transfer of Apportioned and Tow Truck license plates.
18 Apportioned and Tow Truck license plates are non-transferable
19 between persons or vehicles, and become void if the vehicle to
20 which the license plates were issued is sold.

21 (f) Replacement of lost, stolen, or mutilated commercial
22 vehicle license plates. An owner of lost, stolen, or mutilated
23 commercial vehicle license plates may obtain replacement license

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

- 1 plates by filing an Application for Replacement Plates and
- 2 remitting the prescribed fee to the county tax assessor-
- 3 collector of the county in which the owner resides.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 15
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.168 and §217.185
(Relating to petition for rulemaking on dealer deputy compensation)

RECOMMENDATION

Approve adoption of amendments in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to change the allocation of the processing and handling fee for registration transactions initiated by a dealer deputy. The \$1 per transaction revenue would go to the County Tax Assessor-Collector (TAC) instead of the dealer deputy.

FINANCIAL IMPACT

As a result of the \$1 being allocated to the county Tax Assessor-Collector instead of the dealer deputy, in fiscal year 2018 the department estimates that \$1.159 million will flow to the TACs instead of the dealer deputies.

BACKGROUND AND DISCUSSION

The amendments were prompted by a February 27, 2017 letter from the Tax Assessor-Collector Association that specifically requested that the department adopt a rule reallocating the \$1 from a dealer deputy transaction.

The proposal was published in the *Texas Register* on November 10, 2017. The comment period closed on December 11, 2017. The department received the attached comments from the following: Karen Phillips, General Counsel, on behalf of the Texas Automobile Dealers Association (TADA), the Houston Automobile Dealers Association (HADA), the Austin Automobile Dealers Association (AADA), the Dallas Fort Worth Metropolitan New Car Dealers Association (DFWNCDA), the New Car Dealers of West Texas (NCDWT), the El Paso New Car Dealers Association (EPNCDA), the Valley Automobile Dealers Association (VADA), the San Antonio Automobile Dealers Association (SAADA), and the Texas Motorcycle Dealers Association (TMDA); Ann Harris-Bennett, Harris County Tax Assessor-Collector and Voter Registrar; Luana Howell, Upshur County Tax Assessor-Collector; John Ames, Dallas County Tax Assessor-Collector; Thomas Spencer, Chief of Staff, on behalf of Ron Wright, Tarrant County Tax Assessor-Collector; John Bridges, Ellis County Tax Assessor-Collector; Larry Gaddes, Williamson County Tax Assessor-Collector; Ruben P. Gonzalez, El Paso County Tax Assessor-Collector; and Donna Willis, Lynn County Tax Assessor-Collector.

All comments received were in favor of adopting the rule as proposed.

The department anticipates the publication of the adoption by April 2018, to coincide with the completion of programming changes to the Registration and Title System.



1108 Lavaca, Suite 800
Austin, Texas 78701
Phone: 512-476-2686
www.tada.org

November 16, 2017

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

Sent via Email to rules@txdmv.gov

Re: Proposed Rule 43 TAC § 217.168 and Proposed Rule 43 TAC § 217.185

Dear Mr. Duncan:

On behalf of the Texas Automobile Dealers Association (TADA), the Houston Automobile Dealers Association (HADA), the Austin Automobile Dealers Association (AADA), the Dallas Fort Worth Metropolitan New Car Dealers Association (DFWNCA), the New Car Dealers of West Texas (NCDWT), the El Paso New Car Dealers Association (EPNCDA), the Valley Automobile Dealers Association (VADA), the San Antonio Automobile Dealers Association (SAADA), and the Texas Motorcycle Dealers Association (TMDA), please accept these comments in support of the proposed rules, 43 TAC § 217.168 and 43 TAC § 217.185 as published in the *Texas Register*, 42 *TexReg* 6351 - 6353 (November 10, 2017).

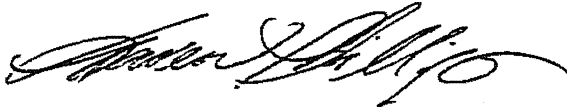
The adoption of these proposed rules gives the current allowable \$1.00 dealer deputy transactional fee from the "processing and handling fee" to the applicable county tax assessor-collector (TAC). The predicted effect is that upwards to \$1.2 million will flow to the TACs instead of to the dealer deputies.

The increase in funding to each TAC through the adoption of this proposal is anticipated to advance allowing for more dealers to be deputies. Additional dealer deputies will inure to the benefit of the public and to the county as the process will be more expeditious and consumer friendly.

Mr. David Duncan
November 16, 2017
page 2

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karen Phillips", written in a cursive style.

Karen Phillips
General Counsel/EVP

**ANN HARRIS BENNETT**

Tax Assessor-Collector & Voter Registrar

www.hctax.net

1001 Preston Houston, Texas 77002 713 274-8002

November 29, 2017

Ms. Whitney Brewster, Executive Director
Mr. David Duncan, General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue, Building I
Austin, Texas 78371

Dear Ms. Brewster and Mr. Duncan:

Thank you and your staff for their work on the proposal to amend 43 TAC §217.168 and §217.185 to allow a county Tax Assessor-Collector to obtain their full compensation of \$2.30 for processing transactions originating from a Dealer Deputy designation. The Harris County Tax Office supports this proposal.

Due to the large number of dealers authorized to issue inventory and utilize webDEALER in Harris County, the fiscal impact has caused a deficit this year with the loss of a portion of our P&H fee. The loss of \$1.00 per transaction for this transaction type has been substantial due to the large volume of dealer deputy transactions performed in our county.

Harris County appreciates a committed working relationship with our dealer communities and dealer organizations. This proposal to allow counties to retain full compensation from the county's portion of the P&H fee for the work performed will insure county funds are kept at the county level to help maintain efficient operations and exceptional service levels our customers are accustomed to.

Sincerely,

A handwritten signature in cursive script that reads "Ann Harris-Bennett".

Ann Harris-Bennett

From: Luana Howell [mailto:lhowell@countyofupshur.com]
Sent: Monday, December 4, 2017 3:45 PM
To: Brewster, Whitney <Whitney.Brewster@txdmv.gov>; Duncan, David <David.Duncan@txdmv.gov>
Subject: Amend 43 TAC 217.163, 217.185

Upshur County supports the proposal to amend 43 TAC 217.168 and 217.185 to allow for \$2.30 compensation for processing transactions originating from Dealer Deputy designation.
Thank you.

Luana Howell, PCC, CTOP
Upshur County Tax Assessor-Collector
215 N Titus
Gilmer, TX 75644
903-843-3085
903-680-8309 Direct Line

From: John Ames [mailto:John.Ames@dallascounty.org]
Sent: Monday, December 4, 2017 3:28 PM
To: Brewster, Whitney <Whitney.Brewster@txdmv.gov>; Duncan, David <David.Duncan@txdmv.gov>
Subject: Comments on Proposed 43 TAC 217.168 and 217.185

Ms. Brewster & Mr. Duncan –

Please accept this email as official support for the proposed rule changes as referenced above. I commend you on reviewing this process and making these changes based upon the feedback of your stakeholders. Please use this email in your reference material to your board members when this item is brought for an official vote.

John R. Ames, PCC, CIA

Tax Assessor/Collector

Dallas County Tax Office

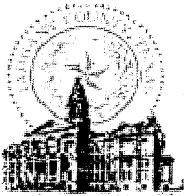
P: 214-653-7630 F: 214-653-7887

jrames@dallascounty.org

This e-mail and any files or attachments transmitted with it contains information that is confidential and privileged. This information is intended only for the use of the individual(s) and entity(ies) to whom it is addressed. If you are the intended recipient, further disclosures are prohibited without proper authorization. If you are not the intended recipient, any disclosure, copying, printing, or use of this information is strictly prohibited and possibly a violation of federal or state law and regulations. If you have received this information in error, please notify Dallas County Tax Office at 214-653-7630.

From: Thomas Spencer [mailto:TSpencer@TarrantCounty.com]
Sent: Tuesday, December 5, 2017 10:52 AM
To: Brewster, Whitney <Whitney.Brewster@txdmv.gov>
Cc: Duncan, David <David.Duncan@txdmv.gov>
Subject: Amend 43 TAC 217.168 & 217.185

On behalf of Ron Wright, Tarrant County Tax Assessor Collector, this office supports the proposal to amend 43 TAC 217.168 and 217.185 to allow a county TAC to obtain their full compensation of \$2.30 for processing transactions originating from a Dealer Deputy designation.



Tom Spencer

Chief of Staff
For Ron Wright, Tax Assessor-Collector
100 E. Weatherford Street, Suite 105, Fort Worth, TX 76196
tspencer@tarrantcounty.com
Phone: 817-884-1107
Fax: 817-884-1555

From: John Bridges [mailto:john.bridges@co.ellis.tx.us]
Sent: Tuesday, December 5, 2017 6:59 AM
To: Brewster, Whitney <Whitney.Brewster@txdmv.gov>
Cc: Duncan, David <David.Duncan@txdmv.gov>
Subject: Amend 43 TAC 217.168

Whitney & David;

We are in favor of amending 43 TAC 217.185 to allow a county TAC to obtain their full compensation of \$2.30 for processing transactions originating from a Dealer Deputy designation.

John Bridges

John Bridges

Tax Assessor Collection, CTA, CSTA

Ellis County Tax Office

109 S. Jackson Street

Waxahachie, TX 75168

John.Bridges@co.ellis.tx.us

Main: (972) 825-5150

From: Larry Gaddes [mailto:lgaddes@wilco.org]
Sent: Monday, December 11, 2017 1:17 PM
To: Duncan, David <David.Duncan@txdmv.gov>; Zz - Resource - GCO_Rules <Rules@txdmv.gov>
Cc: Matt Johnson <matt.johnson@wilco.org>; Alma Lira Russell <arussell@wilco.org>
Subject: TAC Chapter 217 Amendments

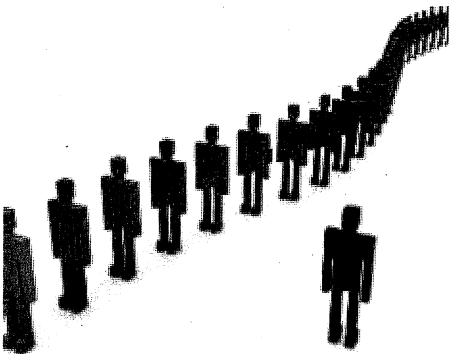
Mr. Duncan,

Please accept this correspondence as the Williamson County Tax Assessor/Collector's office support of the proposed amendments to TAC 217.168 and 217.185 (pg. 6351-6353 of the Texas Register)

Regards,
Larry Gaddes PCAC, CTA
Williamson County Tax Assessor/Collector
904 S Main St
Georgetown, TX 78626
512-943-1954

NEXT TIME SKIP THE LINE

MAKE AN APPOINTMENT AT WILCO.ORG/TAXOFFICE



From: Ruben P. Gonzalez [<mailto:RuGonzalez@epcounty.com>]
Sent: Friday, January 19, 2018 3:15 PM
To: Palacios, Raymond <Raymond.Palacios@txdmv.gov>; Brewster, Whitney <Whitney.Brewster@txdmv.gov>; Kuntz, Jeremiah <Jeremiah.Kuntz@txdmv.gov>; Duncan, David <David.Duncan@txdmv.gov>
Cc: 'Teri Garvey' <tgarvey@co.anderson.tx.us>; Kevin Kieschnick <kevin.kieschnick@nuecesco.com>; Arturo Pastrana <APastrana@epcounty.com>
Subject: Dealer Deputy Fee - \$1.00

TxDMV Board Chair – Mr. Raymond Palacios
TxDMV Executive Director – Whitney Brewster
TxDMV VTR Division Director – Jeremiah Kuntz
TxDMV General Counsel – David Duncan

Greetings:

I would like to take this opportunity to sincerely thank you for all of your efforts both individually and collectively to approve the \$1.00 Dealer Deputy fee. Your support greatly helps all counties who participate in the Web-Dealer Program. As a county with Full Service Deputies (FSD's), we and other similar counties were already experiencing a shortfall in revenue. Your favorable actions will help us maintain financial stability under this program.

I look forward along with other County Tax Collectors in our great state to continue working collaboratively with you to benefit our respective entities, automobile industry, and our citizens.

Thank you very much!

Best regards,

Ruben P. Gonzalez
County Tax Assessor-Collector
County of El Paso
301 Manny Martinez Dr.
El Paso, TX. 79905
e-mail: rugonzalez@epcounty.com
(915) 771-2305



The Office of the El Paso County Tax Assessor-Collector is raising the bar to a New Renaissance in **Quality Customer Service!**

From: Donna Willis [<mailto:dwillis@co.lynn.tx.us>]
Sent: Tuesday, January 23, 2018 10:09 AM
To: 'Raymond.Palacios@TxDMV.gov.'; Brewster, Whitney <Whitney.Brewster@txdmv.gov>; Kuntz, Jeremiah <Jeremiah.Kuntz@txdmv.gov>; Duncan, David <David.Duncan@txdmv.gov>
Subject: Thank you

Chairman Palacios,
Executive Director Whitney Brewster,
Division Director Jeremiah Kuntz
General Counsel David Duncan,

Thank you so much for your year long efforts to help us get the \$1.00 deputy fee reinstatement.
We appreciate your help so much.

Donna Willis
Tax Assessor/Collector
Lynn County
P o box 1205
Tahoka, Tx 79373
806-561-4112

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.168 AND 217.185 RELATING TO VEHICLE TITLES AND
REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and Subchapter I, Fees, §217.185, Allocation of Processing and Handling Fee.

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

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

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____

Date Passed: February 8, 2018

February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and
5 Subchapter I, Fees, §217.185, Allocation of Processing and
6 Handling Fee, without changes to the proposed text as published
7 in the November 10, 2017 issue of the *Texas Register* (42 TexReg
8 6351). The rules will not be republished.

9

10 EXPLANATION OF AMENDMENTS

11 Amendments to §217.168 and §217.185 change the allocation of the
12 processing and handling fee for registration transactions
13 initiated by a deputy dealer. The amendments are in response to
14 the February 27, 2017 letter from the County Tax Assessor-
15 Collector Association that requested that the department adopt a
16 rule reallocating the \$1 from a dealer deputy transaction. The
17 amendments also remove from §217.185(a) language that has become
18 obsolete.

19

20 The intent of the amendment is to have \$1 that the dealer deputy
21 retained from the processing and handling fee go to the County
22 Tax Assessor-Collector (TAC).

23

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

1 COMMENTS

2 The department received comments from Karen Phillips, General
3 Counsel, on behalf of the Texas Automobile Dealers Association
4 (TADA), the Houston Automobile Dealers Association (HADA), the
5 Austin Automobile Dealers Association (AADA), the Dallas Fort
6 Worth Metropolitan New Car Dealers Association (DFWNCDA), the
7 New Car Dealers of West Texas (NCDWT), the El Paso New Car
8 Dealers Association (EPNCDA), the Valley Automobile Dealers
9 Association (VADA), the San Antonio Automobile Dealers
10 Association (SAADA), and the Texas Motorcycle Dealers
11 Association (TMDA); Ann Harris-Bennett, Harris County Tax
12 Assessor-Collector and Voter Registrar; Luana Howell, Upshur
13 County Tax Assessor-Collector; John Ames, Dallas County Tax
14 Assessor-Collector; Thomas Spencer, Chief of Staff, on behalf of
15 Ron Wright, Tarrant County Tax Assessor-Collector; John Bridges,
16 Ellis County Tax Assessor-Collector; Larry Gaddes, Williamson
17 County Tax Assessor-Collector; Ruben P. Gonzalez, El Paso County
18 Tax Assessor-Collector; and Donna Willis, Lynn County Tax
19 Assessor-Collector.

20

21 COMMENTS:

22 All comments were in favor of adopting the rule as proposed.

23

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

1

2 RESPONSE:

3 The department does not recommend any changes to the rule upon
4 adoption.

5

6 STATUTORY AUTHORITY

7 The amendments are adopted under Transportation Code, §1002.001,
8 which provides the board of the Texas Department of Motor
9 Vehicles (board) with the authority to adopt rules that are
10 necessary and appropriate to implement the powers and the duties
11 of the department under the Transportation Code; and more
12 specifically, Transportation Code §502.0021, which provides the
13 department may adopt rules to administer Transportation Code,
14 502, Registration of Vehicles; and Transportation Code
15 §520.0071, which provides the department may adopt rules to
16 prescribe the fees that may be charged or retained by deputies.

17

18 CROSS REFERENCE TO STATUTE

19 Finance Code, Chapter 348; Government Code, Chapter 2054; and
20 Transportation Code, Chapters 502, 504 and 520.

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

1 SUBCHAPTER H. DEPUTIES

2 §217.168. Deputy Fee Amounts.

3 (a) Fees. A county tax assessor-collector may authorize a
4 deputy to charge or retain the fee amounts prescribed by this
5 section according to the type of deputy and transaction type.

6 (b) Title transactions. For each motor vehicle title
7 transaction processed:

8 (1) A full service deputy may charge the customer a fee
9 of up to \$20, as determined by the full service deputy and
10 approved by the tax assessor-collector. The full service deputy
11 retains the entire fee charged to the customer.

12 (2) A dealer deputy may charge the customer a fee of up
13 to \$10, as determined by the dealer deputy and approved by the
14 tax assessor-collector. The dealer deputy retains the entire fee
15 charged to the customer. This section does not preclude a dealer
16 deputy from charging a documentary fee authorized by Finance
17 Code, §348.006.

18 (c) Registration and registration renewals. For each
19 registration transaction processed:

20 (1) A full service deputy may:

21 (A) retain \$1 from the processing and handling fee
22 established by §217.183 of this title (relating to Fee Amount);
23 and

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

1 (B) charge a convenience fee of \$9, except as limited
2 by §217.184 of this title (relating to Exclusions).

3 (2) A limited service deputy may retain \$1 from the
4 processing and handling fee established by §217.183.

5 [~~(3) A dealer deputy may retain \$1 from the processing
6 and handling fee established by §217.183. This section does not
7 preclude a dealer deputy from charging a documentary fee
8 authorized by Finance Code, §348.006.~~]

9 (d) Temporary permit transactions under Transportation
10 Code, §502.094 or §502.095. For each temporary permit
11 transaction processed by a full service deputy, the full service
12 deputy may retain the entire processing and handling fee
13 established by §217.183.

14 (e) Full service deputy convenience fee. The convenience
15 fee authorized by this section is collected by the full service
16 deputy directly from the customer and is in addition to the
17 processing and handling fee established by §217.183. A full
18 service deputy may not charge any additional fee for a
19 registration or registration renewal transaction.

20 (f) Related transactions by a full service deputy. The
21 limitations of subsections (b), (c), (d), and (e) of this
22 section do not apply to other services that a full service
23 deputy may perform that are related to titles or registrations,

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

1 but are not transactions that must be performed through the
2 department's automated vehicle registration and title system.
3 Services that are not transactions performed through the
4 department's automated vehicle registration and title system
5 include, but are not limited to, the additional fees a full
6 service deputy may charge for copying, faxing, or transporting
7 documents required to obtain or correct a motor vehicle title or
8 registration. However, the additional fees that a full service
9 deputy may charge for these other services may be limited by the
10 terms of the county tax assessor-collector's authorization to
11 act as deputy.

12 (g) Posting of fees. At each location where a full service
13 deputy provides titling or registration services, the deputy
14 must prominently post a list stating all fees charged for each
15 service related to titling or registration. The fee list must
16 specifically state each service, including the additional fee
17 charged for that service, that is subject to subsections (b),
18 (c), (d), or (e) of this section. The fee list must also state
19 that each service subject to an additional fee under subsection
20 (b), (c), (d), or (e) of this section may be obtained from the
21 county tax assessor-collector without the additional fee. If the
22 full service deputy maintains a website advertising or offering
23 titling or registration services, the deputy must post the fee

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

1 list described by this subsection on the website.

2 (h) Additional compensation. The fee amounts set forth in
3 this section do not preclude or limit the ability of a county to
4 provide additional compensation to a deputy out of county funds.

5

6

SUBCHAPTER I. FEES

7 §217.185. Allocation of Processing and Handling Fee.

8 (a) For registration transactions, [~~registrations that~~
9 ~~expire on or after January 1, 2017 and registrations that~~
10 ~~expired prior to January 1, 2017 that are submitted for renewal~~
11 ~~on or after July 1, 2017,~~] except as provided in subsection (b)
12 of this section, the fee amount established in §217.183 of this
13 title (relating to Fee Amount) shall be allocated as follows:

14 (1) If the registration transaction was processed in
15 person at the office of the county tax assessor-collector:

16 (A) the county tax assessor-collector may retain \$2.30;

17 and

18 (B) the remaining amount shall be remitted to the
19 department.

20 (2) If the registration transaction was mailed to office
21 of the county tax assessor-collector:

22 (A) the county tax assessor-collector may retain \$2.30;

23 and

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

1 (B) the remaining amount shall be remitted to the
2 department.

3 (3) If the registration transaction was processed through
4 the department or the TxIRP system or is a registration
5 processed under Transportation Code, §§502.0023, 502.091, or
6 502.255; or §217.46(b)(5) or (d)(1)(B)(i) of this title
7 (relating to Commercial Vehicle Registration):

8 (A) \$2.30 will be remitted to the county tax assessor-
9 collector; and

10 (B) the remaining amount shall be retained by the
11 department.

12 (4) If the registration transaction was processed through
13 the department's online registration portal, the fee established
14 in §217.183 is discounted by \$1:

15 (A) Texas Online receives the amount set pursuant to
16 Government Code, §2054.2591, Fees;

17 (B) the county tax assessor-collector may retain \$.25;
18 and

19 (C) the remaining amount shall be remitted to the
20 department.

21 (5) If the registration transaction was processed by a
22 limited service deputy or full service deputy appointed by the
23 county tax assessor-collector in accordance with Subchapter H of

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

1 this chapter (relating to Deputies):

2 (A) the deputy may retain:

3 (i) the amount specified in §217.168(c) of this title
4 (relating to Deputy Fee Amounts). The deputy must remit the
5 remainder of the processing and handling fee to the county tax
6 assessor-collector; and

7 (ii) the convenience fee established in §217.168, if
8 the registration transaction is processed by a full service
9 deputy;

10 (B) the county tax assessor-collector may retain \$1.30;

11 and

12 (C) the county tax assessor-collector must remit the
13 remaining amount to the department.

14 (6) If the registration transaction was processed by a
15 dealer deputy appointed by the county tax assessor-collector in
16 accordance with Subchapter H of this chapter (relating to
17 Deputies):

18 (A) the deputy must remit the processing and handling
19 fee to the county tax assessor-collector;

20 (B) the county tax assessor-collector may retain \$2.30;

21 and

22 (C) the county tax assessor-collector must remit the
23 remaining amount to the department.

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

1 (b) For transactions under Transportation Code, §§502.092-
2 502.095, the entity receiving the application and processing the
3 transaction collects and retains the entire processing and
4 handling fee established in §217.183. A full service deputy
5 processing a temporary permit transaction may not charge a
6 convenience fee for that transaction.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: 16
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration, Amendments, §217.54, Registration of Fleet Vehicles (Relating to HB 1793 - modifying the language regarding the payment of inspection fees and SB 2075 - clarifying the situations in which the one-time fee is due)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

Amendments to §217.54 implement House Bill 1793, 85th Legislature, Regular Session, which amended Transportation Code, §548.203 to require the payment of an inspection fee, regardless of whether the inspection occurred in Texas. Amendments to §217.54 clarify the situations in which the one-time fee of \$10 per vehicle is due under Transportation Code, §502.0023(c)(1), as amended by Senate Bill 2075, 85th Legislature, Regular Session.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposal was published in the *Texas Register* for public comment on November 10, 2017. The comment period closed on December 11, 2017. The department received the attached comment from Ruben P. Gonzalez, County Tax Assessor-Collector, County of El Paso, in which he made statements and asked questions regarding extended registration of commercial fleet vehicles under Transportation Code, §502.0023. He asserts that once a fleet account is established, it places counties at a disadvantage. In addition to making statements about statutes, he requests a statutory change and asks the department questions regarding the extended registration of commercial fleet vehicles.

Government Code, §2001.024(a)(7) requires the department to request comments on proposed amendments to rules. The comment from Mr. Gonzalez does not pertain to the amendments to §217.54. Therefore, the department will not respond to the substance of the comment in the adoption notice that we will publish in the *Texas Register*, other than to explain why the comment does not pertain to the amendments to §217.54. The department will respond directly to Mr. Gonzalez and answer his questions.

The amendments do not impact the counties financially because the \$10 fee is not a local fee. Transportation Code, §502.0023(c-1) says the \$10 fee shall be deposited to the credit of the Texas Department of Motor Vehicles fund. Also, the \$10 fee does not pertain to the processing and handling fee, which is addressed in Transportation Code, §502.1191 and in Chapter 217, Subchapter I.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication of the adoption in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

Walters, Karen

From: Ruben P. Gonzalez <RuGonzalez@epcounty.com>
Sent: Monday, December 11, 2017 5:21 PM
To: Zz - Resource - GCO_Rules
Cc: Arturo Pastrana; Sofia Dovalina; Angela M. Brinkley; Betsy C. Keller; Wallace Hardgrove; Melissa Frescas
Subject: Proposed Rules - Amendments to 217.54 - Registration of Fleet Vehicles

Dear Mr. Duncan,

In reviewing the proposed rules, we have the following questions that we would like clarification.

Once an account is established for local fleet operations, it places counties at a disadvantage for the following reasons:

- a. Counties will lose a P&H fee for up to seven years of plate renewals per fleet. (Minimum fee loss to county is 25 vehicles x's 2.30 = \$57.50 per fleet per year)
- b. For clarification purposes will counties be credited for their local fees for every year after their first year of a fleet registration under TRC 502.198. This is a LOSS of revenue to a county. (Large counties like El Paso are at a disadvantage since our county currently exceeds our annual collections under this R&B formula; and thereafter all fees go to the state general fund. This TRC needs to be revised for a fairer equity in collections for this formula to support our counties.
- c. Under this program, fleets will have the potential to abuse the program, since plates can be interchanged without any law enforcement regulation at the local and state level.
- d. This statute hampers fleets that fluctuate gross vehicle weights during the registration year. This is a loss of revenue to the state and a big procedural change for TxDMV who does not know how to calculate maximum legal weights changed during the registration year.
- e. Will the Department provide counties with relevant information on increases or decreases in revenue (local fees) under this program so we can forecast budget requirements each year within the county?

Thank you for allowing us to provide you with our impact under these rules.

Ruben P. Gonzalez
County Tax Assessor-Collector
County of El Paso
301 Manny Martinez Dr.
El Paso, TX. 79905
e-mail: rugonzalez@epcounty.com
(915) 771-2305



The Office of the El Paso County Tax Assessor-Collector is raising the bar to a New Renaissance in **Quality Customer Service!**

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 217.54, REGISTRATION OF FLEET VEHICLES

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.54, Registration of Fleet Vehicles.

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

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

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

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

Recommended by:

Jimmy Archer, Director
Motor Carrier Division

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

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

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter B, Motor Vehicle Registration, §217.54, Registration
5 of Fleet Vehicles, without changes to the proposed text as
6 published in the November 10, 2017, issue of the *Texas Register*
7 (42 TexReg 6349). The rule will not be republished.

8

9 EXPLANATION OF ADOPTED AMENDMENTS

10 Amendments to §217.54 implement House Bill 1793, 85th
11 Legislature, Regular Session, which amended Transportation Code,
12 §548.203 to require the payment of an inspection fee, regardless
13 of whether the inspection occurred in Texas. Amendments to
14 §217.54 clarify the situations in which the one-time fee of \$10
15 per vehicle is due under Transportation Code, §502.0023(c)(1),
16 as amended by Senate Bill 2075, 85th Legislature, Regular
17 Session.

18

19 COMMENT

20 The department received a comment from Ruben P. Gonzalez, County
21 Tax Assessor-Collector, County of El Paso, in which he made
22 statements and asked questions regarding extended registration
23 of commercial fleet vehicles under Transportation Code,

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

1 §502.0023. Mr. Gonzalez made the following statements and asked
2 the following questions regarding his assertion that once a
3 fleet account is established, it places counties at a
4 disadvantage:

5 1) Counties will lose a P&H (processing and handling) fee for
6 up to seven years of plate renewals per fleet.

7 2) Will counties be credited for their local fees for every
8 year after their first year of a fleet registration under
9 Transportation Code, §502.198? Section 502.198 needs to be
10 revised for a fairer equity in collections for this formula to
11 support our counties.

12 3) Fleets will have the potential to abuse the program, since
13 plates can be interchanged without any law enforcement
14 regulations at the local and state level.

15 4) This statute hampers fleets that fluctuate gross vehicle
16 weights during the registration year. This is a loss of revenue
17 to the state and a big procedural change for the department,
18 which does not know how to calculate maximum legal weights that
19 are changed during the registration year.

20 5) Will the department provide counties with relevant
21 information on increases or decreases in revenue (local fees)
22 under this program so we can forecast budget requirements each
23 year within the county?

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

1

2 RESPONSE TO COMMENT

3 Government Code, §2001.024(a)(7) requires the department to
4 request comments on proposed amendments to rules. The comment
5 from Mr. Gonzalez does not pertain to the amendments to §217.54,
6 and he does not state whether he is for or against the adoption
7 of the amendments. Therefore, the department will not respond to
8 the substance of the comment in this document, other than to
9 explain why the comment does not pertain to the amendments to
10 §217.54.

11

12 The amendments do not impact the counties financially because
13 the \$10 fee is not a local fee. Transportation Code,
14 §502.0023(c-1) says the \$10 fee shall be deposited to the credit
15 of the Texas Department of Motor Vehicles fund. Also, the \$10
16 fee does not pertain to the processing and handling fee, which
17 is addressed in Transportation Code, §502.1191 and in Chapter
18 217, Subchapter I. Further, the following are not comments under
19 Government Code, §2001.024(a)(7): 1) the request for a statutory
20 change; 2) questions regarding the extended registration of
21 commercial fleet vehicles; and 3) statements regarding statutes.

22

23 STATUTORY AUTHORITY

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

1 The amendments are adopted under Transportation Code, §1002.001,
2 which provides the board of the Texas Department of Motor
3 Vehicles (board) with the authority to adopt rules that are
4 necessary and appropriate to implement the powers and the duties
5 of the department under the Transportation Code; and more
6 specifically, Transportation Code, §502.0021, which authorizes
7 the department to adopt rules to administer Transportation Code,
8 Chapter 502, Registration of Vehicles.

9

10 CROSS REFERENCE TO STATUTE

11 Transportation Code, Chapters 502 and 548.

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

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.54. Registration of Fleet Vehicles.

3 (a) Scope. A registrant may consolidate the registration of
4 multiple motor vehicles, including trailers and semitrailers, in
5 a fleet instead of registering each vehicle separately. This
6 section prescribes the policies and procedures for fleet
7 registration.

8 (b) Eligibility. A fleet must meet the following
9 requirements to be eligible for fleet registration.

10 (1) No fewer than 25 vehicles will be registered as a
11 fleet;

12 (2) Vehicles may be registered in annual increments for
13 up to eight years;

14 (3) All vehicles in a fleet must be owned by or leased to
15 the same business entity;

16 (4) All vehicles must be vehicles that are not registered
17 under the International Registration Plan; and

18 (5) Each vehicle must currently be titled in Texas or be
19 issued a registration receipt, or the registrant must submit an
20 application for a title or registration for each vehicle.

21 (c) Application.

22 (1) Application for fleet registration must be in a form
23 prescribed by the department. At a minimum the form will

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

1 require:

2 (A) the full name and complete address of the
3 registrant;

4 (B) a description of each vehicle in the fleet, which
5 may include the vehicle's model year, make, model, vehicle
6 identification number, document number, body style, gross
7 weight, empty weight, and for a commercial vehicle,
8 manufacturer's rated carrying capacity in tons;

9 (C) the existing license plate number, if any, assigned
10 to each vehicle; and

11 (D) any other information that the department may
12 require.

13 (2) The application must be accompanied by the following
14 items:

15 (A) in the case of a leased vehicle, a certification
16 that the vehicle is currently leased to the person to whom the
17 fleet registration will be issued;

18 (B) registration fees prescribed by law for the entire
19 registration period selected by the registrant;

20 (C) local fees or other fees prescribed by law and
21 collected in conjunction with registering a vehicle for the
22 entire registration period selected by the registrant;

23 (D) evidence of financial responsibility for each

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

1 vehicle as required by Transportation Code, §502.046, unless
2 otherwise exempted by law;

3 (E) annual proof of payment of Heavy Vehicle Use Tax;

4 (F) the state's portion of the vehicle inspection fee
5 [~~for the vehicle inspections conducted in Texas~~]; and

6 (G) any other documents or fees required by law.

7 (d) Registration period.

8 (1) The fleet owner will designate a single registration
9 period for a fleet so the registration period for each vehicle
10 will expire on the same date.

11 (2) The fleet registration period will begin on the first
12 day of a calendar month and end on the last day of a calendar
13 month.

14 (e) Insignia.

15 (1) As evidence of registration, the department will
16 issue distinguishing insignia for each vehicle in a fleet.

17 (2) The insignia shall be included on the license plate
18 and affixed to the vehicle.

19 (3) The insignia shall be attached to the rear license
20 plate if the vehicle has no windshield.

21 (4) The registration receipt for each vehicle shall at
22 all times be carried in that vehicle and be available to law
23 enforcement personnel.

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

1 (5) Insignia may not be transferred between vehicles,
2 owners, or registrants.

3 (f) Fleet composition.

4 (1) A registrant may add a vehicle to a fleet at any time
5 during the registration period. An added vehicle will be given
6 the same registration period as the fleet and will be issued
7 fleet registration insignia.

8 (2) A registrant may remove a vehicle from a fleet at any
9 time during the registration period. The fleet registrant shall
10 return the fleet registration insignia for that vehicle to the
11 department at the time the vehicle is removed from the fleet.
12 Credit for any vehicle removed from the fleet for the remaining
13 full year increments can be applied to any vehicle added to the
14 fleet or at the time of renewal. No refunds will be given if
15 credit is not used or the account is closed.

16 (3) If the number of vehicles in an account falls below
17 25 during the registration period, fleet registration will
18 remain in effect. If the number of vehicles in an account is
19 below 25 at the end of the registration period, fleet
20 registration will be canceled. In the event of cancellation,
21 each vehicle shall be registered separately. The registrant
22 shall immediately return all fleet registration insignia to the
23 department.

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

1 (g) Fees.

2 (1) When a fleet is first established, the department
3 will charge a registration fee for each vehicle for the entire
4 registration period selected. A currently registered vehicle,
5 however, will be given credit for any remaining time on its
6 separate registration.

7 (2) When a vehicle is added to an existing fleet, the
8 department will charge a registration fee that is prorated based
9 on the number of months of fleet registration remaining. If the
10 vehicle is currently registered, this fee will be adjusted to
11 provide credit for the number of months of separate registration
12 remaining.

13 (3) When a vehicle is removed from fleet registration, it
14 will be considered to be registered separately. The vehicle's
15 separate registration will expire on the date that the fleet
16 registration would have expired. The registrant must pay the
17 statutory replacement fee to obtain regular registration
18 insignia before the vehicle may be operated on a public highway.

19 (4) In addition to the registration fees prescribed by
20 Transportation Code, Chapter 502, an owner registering a fleet
21 under this section must pay a one-time fee of \$10 per motor
22 vehicle, semitrailer, or trailer in the fleet. This fee is also
23 due as follows:

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

1 (A) for each vehicle added to the owner's existing
2 fleet; and

3 (B) for each vehicle that a buyer registers as a fleet,
4 even though the seller previously registered some or all of the
5 vehicles as a fleet under this section.

6 (h) Payment. Payment will be made in the manner prescribed
7 by the department.

8 (i) Cancellation.

9 (1) The department will cancel registration for non-
10 payment and lack of proof of annual payment of the Heavy Vehicle
11 Use Tax.

12 (2) The department may cancel registration on any fleet
13 vehicle that is not in compliance with the inspection
14 requirements under Transportation Code, Chapter 548 and the
15 Texas Department of Public Safety rules regarding inspection
16 requirements on the anniversary date(s) of the registration.

17 (3) A vehicle with a cancelled registration may not be
18 operated on a public highway.

19 (4) If the department cancels the registration of a
20 vehicle under this subsection, the registrant can request the
21 department to reinstate the registration by doing the following:

22 (A) complying with the requirements for which the
23 department cancelled the registration;

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

1 (B) providing the department with notice of compliance
2 on a form prescribed by the department; and

3 (C) for a registration cancelled under paragraph (2) of
4 this subsection, paying an administrative fee in the amount of
5 \$10.

6 (5) A registrant is only eligible for reinstatement of
7 the registration within 90 calendar days of the department's
8 notice of cancellation.

9 (6) If a registrant fails to timely reinstate the
10 registration of a cancelled vehicle registration under this
11 section, the registrant:

12 (A) is not entitled to a credit or refund of any
13 registration fees for the vehicle; and

14 (B) must immediately return the registration insignia
15 to the department.

16 (j) Inspection fee. The registrant must pay the department
17 by the deadline listed in the invoice for the state's portion of
18 the vehicle inspection fee [~~for a vehicle inspection conducted~~
19 ~~in Texas~~].

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: 17
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 219, Oversize and Overweight Vehicles and Loads Amendments, §§219.11, 219.42-219.45, and 219.62-219.64
(Relating to modernizing the permitting process via electronic submissions and rule language cleanup)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

The amendments improve the terminology, correct errors, modify the language for consistency with other rules in Chapter 219, delete irrelevant language, delete language that is already found in Chapter 219 or in statute, clarify requirements and procedures, make the rules consistent with current practice, and restructure portions of Chapter 219 due to deletions. For example, an applicant for the first quarter of a quarterly hubometer permit under §219.43 currently pays an initial \$31 processing fee, rather than an estimated fee. The minimum fee for the quarterly hubometer permit is \$31, so there is no need for the current refund language in §219.43(e).

The amendments also continue the progress in modernizing the permitting process, such as deleting references to facsimiles. Although the department currently accepts and sends certain documents via facsimile, the goal is to eventually eliminate the use of facsimiles.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposal was published in the *Texas Register* for public comment on November 10, 2017. The comment period closed on December 11, 2017. No comments were received.

Transportation Code, §623.145 and §623.195 require the Board of the Texas Department of Motor Vehicles (board) to consult with the Texas Transportation Commission (commission) prior to the adoption of certain rules regarding oversize and overweight permits for the operation of oil well servicing and drilling machinery and unladen lift equipment motor vehicles. Department staff provided the Texas Department of Transportation (TxDOT) staff with a copy of this Chapter 219 rule package. The commission considered the rule package during its open meeting on December 14, 2017. The commission issued the attached Minute Order on December 14, 2017, to document compliance with Transportation Code, §623.145 and §623.195, and to indicate that TxDOT staff did not have any comments on the proposed amendments.

If the board adopts the amendments during its February 8, 2018, open meeting, staff anticipates:

- publication of the adoption in the March 2, 2018, issue of the *Texas Register*; and
- an effective date of March 8, 2018.

TEXAS TRANSPORTATION COMMISSION

All Counties

MINUTE ORDER

Page 1 of 1

All Districts

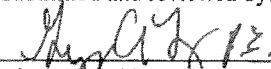
Pursuant to Transportation Code, §623.145 and §623.195, the Department of Motor Vehicles Board (board) must consult with the Texas Transportation Commission (commission) prior to the adoption of rules regarding oversize and overweight permits for the operation of oil well servicing and drilling machinery and unladen lift equipment motor vehicles.

The board proposed changes to 43 TAC Chapter 219, Oversize and Overweight Vehicles and Loads, on October 19, 2017. The proposed rule amendments were published in the *Texas Register* on November 10, 2017.


To comply with the statutory requirements, the board consulted with the commission on the amendments to 43 TAC §§219.11, 219.42, 219.43, 219.44, 219.45, 219.62, 219.63, and 219.64. Texas Department of Transportation (department) staff reviewed the amendments to those provisions and had no comments on the proposed changes.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to continue to work with the board and staff of the Department of Motor Vehicles to ensure compliance with Transportation Code, §623.145 and §623.195 and to provide a copy of this minute order to the board as documentation of the board's consultation with the commission, in accordance with those sections.

Submitted and reviewed by:

 12-4-17
 Director, Bridge Division

Recommended by:


 Executive Director

115122 DEC 14 '17
 Minute Number Date Passed

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 219.11, 219.42, 219.43, 219.44, 219.45, 219.62, 219.63, AND 219.64
RELATING TO OVERSIZE AND OVERWEIGHT VEHICLES AND LOADS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter B, General Permits, §219.11, General Oversize/Overweight Permit Requirements and Procedures; Subchapter D, Permits for Oversize and Overweight Oil Well Related Vehicles, §219.42, Single-Trip Mileage Permits, §219.43, Quarterly Hubometer Permits, §219.44, Annual Permits, and §219.45, Permits for Vehicles Transporting Liquid Products Related to Oil Well Production; and Subchapter E, Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles, §219.62, Single Trip Mileage Permits, §219.63, Quarterly Hubometer Permits, and §219.64, Annual Permits.

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

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

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

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

Recommended by:

Jimmy Archer, Director
Motor Carrier Division

Order Number: _____ Date Passed: February 8, 2018
February 8, 2018

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Adoption Preamble

2 The Texas Department of Motor Vehicles (department) adopts
3 amendments to Chapter 219, Oversize and Overweight Vehicles and
4 Loads, Subchapter B, General Permits, §219.11, General
5 Oversize/Overweight Permit Requirements and Procedures;
6 Subchapter D, Permits for Oversize and Overweight Oil Well
7 Related Vehicles, §219.42, Single-Trip Mileage Permits, §219.43,
8 Quarterly Hubometer Permits, §219.44, Annual Permits, and
9 §219.45, Permits for Vehicles Transporting Liquid Products
10 Related to Oil Well Production; and Subchapter E, Permits for
11 Oversize and Overweight Unladen Lift Equipment Motor Vehicles,
12 §219.62, Single Trip Mileage Permits, §219.63, Quarterly
13 Hubometer Permits, and §219.64, Annual Permits, without changes
14 to the proposed text as published in the November 10, 2017,
15 issue of the *Texas Register* (42 TexReg 6353). The rules will
16 not be republished.

17

18 EXPLANATION OF ADOPTED AMENDMENTS

19 Amendments improve the terminology, correct errors, modify the
20 language for consistency with other rules in Chapter 219, delete
21 irrelevant language, delete language that is already found in
22 Chapter 219 or in statute, clarify requirements and procedures,
23 make the rules consistent with current practice, and restructure

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 portions of Chapter 219 due to deletions. For example, an
2 applicant for the first quarter of a quarterly hubometer permit
3 under §219.43 currently pays an initial \$31 processing fee,
4 rather than an estimated fee. The minimum fee for the quarterly
5 hubometer permit is \$31, so there is no need for the current
6 refund language in §219.43(e) or §219.63(e).

7
8 Amendments also continue the progress in modernizing the
9 permitting process, such as deleting references to facsimiles.
10 Although the department currently accepts and sends certain
11 documents via facsimile, the goal is to eventually eliminate the
12 use of facsimiles.

13
14 COMMENTS

15 No comments on the proposed amendments were received.

16
17 Transportation Code, §623.145 and §623.195 require the Board of
18 the Texas Department of Motor Vehicles (board) to consult with
19 the Texas Transportation Commission (commission) prior to the
20 adoption of certain rules regarding oversize and overweight
21 permits for the operation of oil well servicing and drilling
22 machinery and unladen lift equipment motor vehicles. The
23 commission considered the proposed amendments during its open

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 meeting on December 14, 2017, and issued a Minute Order to
2 document compliance with Transportation Code, §623.145 and
3 §623.195, and to indicate that TxDOT staff did not have any
4 comments on the proposed amendments.

5

6 STATUTORY AUTHORITY

7 The amendments are adopted under Transportation Code, §1002.001,
8 which provides the board with the authority to adopt rules that
9 are necessary and appropriate to implement the powers and the
10 duties of the department under the Transportation Code; and more
11 specifically, Transportation Code, §§621.008, 622.002, and
12 623.002 which authorize the board to adopt rules that are
13 necessary to implement and enforce Chapters 621, 622, and 623.

14

15 CROSS REFERENCE TO STATUTE

16 Transportation Code, Chapters 621, 622, and 623.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 SUBCHAPTER B. GENERAL PERMITS

2 §219.11. General Oversize/Overweight Permit Requirements and
3 Procedures.

4 (a) Purpose and scope. This section contains general
5 requirements relating to oversize/overweight permits, including
6 single-trip permits. Specific requirements for each type of
7 specialty permit are provided for in this chapter.

8 (b) Prerequisites to obtaining an oversize/overweight
9 permit. Unless exempted by law or this chapter, the following
10 requirements must be met prior to the issuance of an
11 oversize/overweight permit.

12 (1) Commercial motor carrier registration or surety bond.
13 Prior to obtaining an oversize/overweight permit, an applicant
14 permitted under the provisions of Transportation Code, Chapter
15 623, Subchapter D, must be registered as a commercial motor
16 carrier under Chapter 218 of this title (relating to Motor
17 Carriers) or, if not required to obtain a motor carrier
18 registration, file a surety bond with the department as
19 described in subsection (n) of this section.

20 (2) Vehicle registration. A vehicle registered with a
21 permit plate will not be issued an oversize/overweight permit
22 under this subchapter. A permitted vehicle operating under this
23 subchapter must be registered with one of the following types of

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 vehicle registration:

2 (A) current Texas license plates that indicate the
3 permitted vehicle is registered for maximum legal gross weight
4 or the maximum weight the vehicle can transport;

5 (B) Texas temporary vehicle registration;

6 (C) current out of state license plates that are
7 apportioned for travel in Texas; or

8 (D) foreign commercial vehicles registered under Texas
9 annual registration.

10 (c) Permit application.

11 (1) An application for a permit shall be made in a form
12 and by the method prescribed by the department, and at a minimum
13 shall include the following:

14 (A) name, address, telephone number, and email address
15 (if requested) of the applicant;

16 (B) applicant's customer identification number;

17 (C) applicant's MCR number or USDOT Number, if
18 applicable;

19 (D) complete load description, including maximum width,
20 height, length, overhang, and gross weight;

21 (E) complete description of vehicle, including truck
22 year, make, license plate number and state of issuance, and
23 vehicle identification number, if required;

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (F) vehicle axle and tire information including number
2 of axles, distance between axles, axle weights, number of tires,
3 and tire size for overweight permit applications; and

4 (G) any other information required by law.

5 (2) Applications transmitted electronically are
6 considered signed if a digital signature is transmitted with the
7 application and intended by the applicant to authenticate the
8 application.

9 (A) The department may only accept a digital signature
10 used to authenticate an application under procedures that comply
11 with any applicable rules adopted by the Department of
12 Information Resources regarding department use or acceptance of
13 a digital signature.

14 (B) The department may only accept a digital signature
15 to authenticate an application if the digital signature is:

16 (i) unique to the person using it;

17 (ii) capable of independent verification;

18 (iii) under the sole control of the person using it;

19 and

20 (iv) transmitted in a manner that will make it
21 infeasible to change the data in the communication or digital
22 signature without invalidating the digital signature.

23 (d) Maximum permit weight limits.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (1) General. An overweight permitted vehicle will not be
2 routed over a load-restricted bridge when exceeding the posted
3 capacity of the bridge, unless a special exception is granted by
4 TxDOT, based on an analysis of the bridge performed by a TxDOT
5 approved licensed professional engineer or by TxDOT. Any
6 analysis by a non-TxDOT engineer must have final approval from
7 TxDOT.

8 (A) An axle group must have a minimum spacing of four
9 feet, measured from center of axle to center of axle, between
10 each axle in the group to achieve the maximum permit weight for
11 the group.

12 (B) The maximum permit weight for an axle group with
13 spacing of five or more feet between each axle will be based on
14 an engineering study of the equipment conducted by TxDOT.

15 (C) A permitted vehicle will be allowed to have air
16 suspension, hydraulic suspension, and mechanical suspension
17 axles in a common weight equalizing suspension system for any
18 axle group.

19 (D) The department may permit axle weights greater than
20 those specified in this section, for a specific individual
21 permit request, based on an engineering study of the route and
22 hauling equipment performed by a TxDOT approved licensed
23 professional engineer or by TxDOT. Any analysis by a non-TxDOT

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 engineer must have final approval from TxDOT.

2 (E) A permitted vehicle or combination of vehicles may
3 not exceed the manufacturer's rated tire carrying capacity,
4 unless expressly authorized in the language on the permit based
5 on an analysis performed by a TxDOT approved licensed
6 professional engineer or by TxDOT. Any analysis by a non-TxDOT
7 engineer must have final approval from TxDOT.

8 (F) Two or more consecutive axle groups having an axle
9 spacing of less than 12 feet, measured from the center of the
10 last axle of the preceding group to the center of the first axle
11 of the following group, will be reduced by 2.5% for each foot
12 less than 12 feet.

13 (2) Maximum axle weight limits. Maximum permit weight for
14 an axle or axle group is based on 650 pounds per inch of tire
15 width or the following axle or axle group weights, whichever is
16 the lesser amount:

17 (A) single axle--25,000 pounds;

18 (B) two axle group--46,000 pounds;

19 (C) three axle group--60,000 pounds;

20 (D) four axle group--70,000 pounds;

21 (E) five axle group--81,400 pounds;

22 (F) axle group with six or more axles--determined by
23 TxDOT based on an engineering study of the equipment, which will

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 include the type of steering system used, the type of axle
2 suspension, the spacing distance between each axle, the number
3 of tires per axle, and the tire size on each axle; or

4 (G) trunnion axles--30,000 pounds per axle if the
5 trunnion configuration has:

6 (i) two axles;

7 (ii) eight tires per axle;

8 (iii) axles a minimum of 10 feet in width; and

9 (iv) at least five feet of spacing between the axles,
10 not to exceed six feet.

11 (3) Weight limits for load restricted roads. Maximum
12 permit weight for an axle or axle group, when traveling on a
13 load restricted road, will be based on 650 pounds per inch of
14 tire width or the following axle or axle group weights,
15 whichever is the lesser amount:

16 (A) single axle--22,500 pounds;

17 (B) two axle group--41,400 pounds;

18 (C) three axle group--54,000 pounds;

19 (D) four axle group--63,000 pounds;

20 (E) five axle group--73,260 pounds;

21 (F) axle group with six or more axles--determined by

22 TxDOT based on an engineering study of the equipment, which will
23 include the type of steering system used, the type of axle

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 suspension, the spacing distance between each axle, the number
2 of tires per axle, and the tire size on each axle;

3 (G) trunnion axles--54,000 pounds; and

4 (H) two or more consecutive axle groups having an axle
5 spacing of less than 12 feet, measured from the center of the
6 last axle of the preceding group to the center of the first axle
7 of the following group will be reduced by 2.5% for each foot
8 less than 12 feet.

9 (e) Permit issuance.

10 (1) General. Upon receiving an application in the form
11 prescribed by the department, the department will review the
12 permit application for the appropriate information and will then
13 determine the most practical route based on information provided
14 by TxDOT. [~~After a route is selected and a permit number is
15 assigned by the department, an applicant requesting a permit by
16 telephone must legibly enter all necessary information on the
17 permit application, including the approved route and permit
18 number. Permit requests made by methods other than telephone
19 will be returned via facsimile, mail, or electronically.~~]

20 (2) Routing.

21 (A) A permitted vehicle will be routed over the most
22 practical route available taking into consideration:

23 (i) the size and weight of the overdimension load in

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 relation to vertical clearances, width restrictions, steep
2 grades, and weak or load restricted bridges;

3 (ii) the geometrics of the roadway in comparison to
4 the overdimension load;

5 (iii) sections of highways restricted to specific load
6 sizes and weights due to construction, maintenance, and
7 hazardous conditions;

8 (iv) traffic conditions, including traffic volume;

9 (v) route designations by municipalities in accordance
10 with Transportation Code, §623.072;

11 (vi) load restricted roads; and

12 (vii) other considerations for the safe transportation
13 of the load.

14 (B) When a permit applicant desires a route other than
15 the most practical, more than one permit will be required for
16 the trip unless an exception is granted by the department.

17 (3) Movement to and from point of origin or place of
18 business. A permitted vehicle will be allowed to:

19 (A) move empty oversize and overweight hauling
20 equipment to and from the job site; and

21 (B) move oversize and overweight hauling equipment with
22 a load from the permitted vehicle's point of origin to pick up a
23 permitted load, and to the permitted vehicle's point of origin

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 or the permittee's place of business after dropping off a
2 permitted load, as long as:

3 (i) the load does not exceed legal size and weight
4 limits under Transportation Code, Chapters 621 and 622; and

5 (ii) the transport complies with the permit, including
6 the time period stated on the permit.

7 (f) Payment of permit fees, refunds.

8 (1) Payment methods. All permit applications must be
9 accompanied by the proper fee, which shall be payable as
10 provided by §209.23 of this title (relating to Methods of
11 Payment).

12 (A) Permit Account Card (PAC). Application for a PAC
13 should be made directly to the issuing institution. A PAC must
14 be established and maintained according to the contract
15 provisions stipulated between the PAC holder and the financial
16 institution under contract to the department and the Comptroller
17 of Public Accounts.

18 (B) Escrow accounts. A permit applicant may establish
19 an escrow account with the department for the specific purpose
20 of paying any fee that is related to the issuance of a permit
21 under this subchapter.

22 (i) A permit applicant who desires to establish an
23 escrow account shall complete and sign an escrow account

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 agreement, and shall return the completed and signed agreement
2 to the department with a check in the minimum amount of \$305,
3 which shall be deposited to the appropriate fund by the
4 department with the Comptroller of Public Accounts. In lieu of
5 submitting a check for the initial deposit to an applicant's
6 escrow account, the applicant may transfer funds to the
7 department electronically.

8 (ii) Upon initial deposit, and each subsequent deposit
9 made by the escrow account holder, \$5 will be charged as an
10 escrow account administrative fee.

11 (iii) The escrow account holder is responsible for
12 monitoring of the escrow account balance.

13 (iv) An escrow account holder must submit a written
14 request to the department to terminate the escrow account
15 agreement. Any remaining balance will be returned to the escrow
16 account holder.

17 (2) Refunds. A permit fee will not be refunded after the
18 permit number has been issued unless such refund is necessary to
19 correct an error made by the permit officer.

20 (g) Amendments. A permit may be amended for the following
21 reasons:

22 (1) vehicle breakdown;

23 (2) changing the intermediate points in an approved

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 permit route;

2 (3) extending the expiration date due to conditions which
3 would cause the move to be delayed;

4 (4) changing route origin or route destination prior to
5 the start date as listed on the permit;

6 (5) changing vehicle size limits prior to the permit
7 start date as listed on the permit, provided that changing the
8 vehicle size limit does not necessitate a change in the approved
9 route; and

10 (6) correcting any mistake that is made due to permit
11 officer error.

12 (h) Requirements for overwidth loads.

13 (1) Unless stated otherwise on the permit, an overwidth
14 load must travel in the outside traffic lane on multi-lane
15 highways, when the width of the load exceeds 12 feet.

16 (2) Overwidth loads are subject to the escort
17 requirements of subsection (k) of this section.

18 (3) A permitted vehicle exceeding 16 feet in width will
19 not be routed on the main lanes of a controlled access highway,
20 unless an exception is granted by TxDOT, based on a route and
21 traffic study. The load may be permitted on the frontage roads
22 when available, if the movement will not pose a safety hazard to
23 other highway users.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (4) An applicant requesting a permit to move a load
2 exceeding 20 feet wide will be furnished with a proposed route.
3 The applicant must physically inspect the proposed route to
4 determine if the vehicle and load can safely negotiate it,
5 unless an exception is granted based on a route and traffic
6 study conducted by TxDOT. A permit application and the
7 appropriate fee are required for every route inspection.

8 (A) The applicant must notify the department in writing
9 whether the vehicle and load can or cannot safely negotiate the
10 proposed route.

11 (B) If any section of the proposed route is
12 unacceptable, the applicant shall provide the department with an
13 alternate route around the unacceptable section.

14 (C) Once a route is decided upon and a permit issued,
15 the permit may not be amended unless an exception is granted by
16 the department.

17 (i) Requirements for overlength loads.

18 (1) Overlength loads are subject to the escort
19 requirements stated in subsection (k) of this section.

20 (2) A single vehicle, such as a motor crane, that has a
21 permanently mounted boom is not considered as having either
22 front or rear overhang as a result of the boom because the boom
23 is an integral part of the vehicle.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (3) When a single vehicle with a permanently attached
2 boom exceeds the maximum legal length of 45 feet, a permit will
3 not be issued if the boom projects more than 25 feet beyond the
4 front bumper of the vehicle, or when the boom projects more than
5 30 feet beyond the rear bumper of the vehicle, unless an
6 exception is granted by TxDOT, based on a route and traffic
7 study.

8 (4) Maximum permit length for a single vehicle is 75
9 feet.

10 (5) A load extending more than 20 feet beyond the front
11 or rearmost portion of the load carrying surface of the
12 permitted vehicle must have a rear escort, unless an exception
13 is granted by TxDOT, based on a route and traffic study.

14 (6) A permit will not be issued for an oversize vehicle
15 and [~~a vehicle and oversize~~] load with:

16 (A) more than 25 feet front overhang; or

17 (B) more than 30 feet rear overhang, unless an
18 exception is granted by TxDOT, based on a route and traffic
19 study.

20 (7) An applicant requesting a permit to move an oversize
21 vehicle and load exceeding 125 feet overall length will be
22 furnished with a proposed route. The applicant must physically
23 inspect the proposed route to determine if the oversize vehicle

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 and load can safely negotiate it, unless an exception is granted
2 based on a route and traffic study conducted by TxDOT. A permit
3 application and the appropriate fee are required for every route
4 inspection.

5 (A) The applicant must notify the department in writing
6 whether the oversize vehicle and load can or cannot safely
7 negotiate the proposed route.

8 (B) If any section of the proposed route is
9 unacceptable, the applicant shall provide the department with an
10 alternate route around the unacceptable section.

11 (C) Once a route is decided upon and a permit issued,
12 the permit may not be amended unless an exception is granted by
13 the department.

14 (8) A permitted vehicle that is not overwidth or
15 overheight, and does not exceed 150 feet overall length, may be
16 moved in a convoy consisting of not more than four overlength
17 permitted vehicles. A permitted vehicle that is not overwidth or
18 overheight that exceeds 150 feet, but does not exceed 180 feet
19 overall length, may be moved in a convoy consisting of not more
20 than two overlength permitted vehicles. Convoys are subject to
21 the requirements of subsection (k) of this section. Each
22 permitted vehicle in the convoy must:

23 (A) be spaced at least 1,000 feet, but not more than

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 2,000 feet, from any other permitted vehicle in the convoy; and

2 (B) have a rotating amber beacon or an amber pulsating
3 light, not less than eight inches in diameter, mounted at the
4 rear top of the load being transported.

5 (j) Requirements for overheight loads.

6 (1) Overheight loads are subject to the escort
7 requirements stated in subsection (k) of this section.

8 (2) An applicant requesting a permit to move an oversize
9 vehicle and load with an overall height of 19 feet or greater
10 will be furnished with a proposed route. The applicant must
11 physically inspect the proposed route to determine if the
12 oversize vehicle and load can safely negotiate it, unless an
13 exception is granted based on a route and traffic study
14 conducted by TxDOT. A permit application and the appropriate fee
15 are required for every route inspection.

16 (A) The applicant must notify the department in writing
17 whether the oversize vehicle and load can or cannot safely
18 negotiate the proposed route.

19 (B) If any section of the proposed route is
20 unacceptable, the applicant shall provide the department with an
21 alternate route around the unacceptable section.

22 (C) Once a route is decided upon and a permit issued,
23 the permit may not be amended unless an exception is granted by

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 the department.

2 (k) Escort vehicle requirements. Escort vehicle
3 requirements are provided to facilitate the safe movement of
4 permitted vehicles and to protect the traveling public during
5 the movement of permitted vehicles. A permittee must provide for
6 escort vehicles and law enforcement assistance when required by
7 TxDOT. The requirements in this subsection do not apply to the
8 movement of manufactured housing, portable building units, or
9 portable building compatible cargo.

10 (1) General.

11 (A) Applicability. The operator of an escort vehicle
12 shall, consistent with applicable law, warn the traveling public
13 when:

14 (i) a permitted vehicle must travel over the center
15 line of a narrow bridge or roadway;

16 (ii) a permitted vehicle makes any turning movement
17 that will require the permitted vehicle to travel in the
18 opposing traffic lanes;

19 (iii) a permitted vehicle reduces speed to cross under
20 a low overhead obstruction or over a bridge;

21 (iv) a permitted vehicle creates an abnormal and
22 unusual traffic flow pattern; or

23 (v) in the opinion of TxDOT, warning is required to

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 ensure the safety of the traveling public or safe movement of
2 the permitted vehicle.

3 (B) Law enforcement assistance. Law enforcement
4 assistance may be required by TxDOT to control traffic when a
5 permitted vehicle is being moved within the corporate limits of
6 a city, or at such times when law enforcement assistance would
7 provide for the safe movement of the permitted vehicle and the
8 traveling public.

9 (C) Obstructions. It is the responsibility of the
10 permittee to contact utility companies, telephone companies,
11 television cable companies, or other entities as they may
12 require, when it is necessary to raise or lower any overhead
13 wire, traffic signal, street light, television cable, sign, or
14 other overhead obstruction. The permittee is responsible for
15 providing the appropriate advance notice as required by each
16 entity.

17 (2) Escort requirements for overwidth loads. Unless an
18 exception is granted based on a route and traffic study
19 conducted by TxDOT, an overwidth load must:

20 (A) have a front escort vehicle if the width of the
21 load exceeds 14 feet, but does not exceed 16 feet, when
22 traveling on a two lane roadway;

23 (B) have a rear escort vehicle if the width of the load

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 exceeds 14 feet, but does not exceed 16 feet, when traveling on
2 a roadway of four or more lanes; and

3 (C) have a front and a rear escort vehicle for all
4 roads, when the width of the load exceeds 16 feet.

5 (3) Escort requirements for overlength loads. Unless an
6 exception is granted by TxDOT, based on a route and traffic
7 study, overlength loads must have:

8 (A) a front escort vehicle when traveling on a two lane
9 roadway if the vehicle exceeds 110 feet overall length, but does
10 not exceed 125 feet overall length;

11 (B) a rear escort vehicle when traveling on a multi-
12 lane highway if the vehicle exceeds 110 feet overall length, but
13 does not exceed 125 feet overall length; and

14 (C) a front and rear escort vehicle at all times if the
15 permitted vehicle exceeds 125 feet overall length.

16 (4) Escort requirements for overheight loads. Unless an
17 exception is granted by TxDOT, based on a route and traffic
18 study, overheight loads must have:

19 (A) a front escort vehicle equipped with a height pole
20 to ensure the vehicle and load can clear all overhead
21 obstructions for any permitted vehicle that exceeds 17 feet in
22 height; and

23 (B) a front and rear escort vehicle for any permitted

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 vehicle exceeding 18 feet in height.

2 (5) Escort requirements for permitted vehicles exceeding
3 legal limits in more than one dimension. When a load exceeds
4 more than one dimension that requires an escort under this
5 subsection, front and rear escorts will be required unless an
6 exception is granted by TxDOT.

7 (6) Escort requirements for convoys. Convoys must have a
8 front escort vehicle and a rear escort vehicle on all highways
9 at all times.

10 (7) General equipment requirements. The following special
11 equipment requirements apply to permitted vehicles and escort
12 vehicles that are not motorcycles.

13 (A) An escort vehicle must be a single unit with a
14 gross vehicle weight (GVW) of not less than 1,000 pounds nor
15 more than 10,000 pounds.

16 (B) An escort vehicle must be equipped with two
17 flashing amber lights or one rotating amber beacon of not less
18 than eight inches in diameter, affixed to the roof of the escort
19 vehicle, which must be visible to the front, sides, and rear of
20 the escort vehicle while actively engaged in escort duties for
21 the permitted vehicle.

22 (C) An escort vehicle must display a sign, on either
23 the roof of the vehicle, or the front and rear of the vehicle,

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 with the words "OVERSIZE LOAD" or "WIDE LOAD." The sign must be
2 visible from the front and rear of the vehicle while escorting
3 the permitted load. The sign must meet the following
4 specifications:

5 (i) at least five feet, but not more than seven feet
6 in length, and at least 12 inches, but not more than 18 inches
7 in height;

8 (ii) the sign must have a yellow background with black
9 lettering;

10 (iii) letters must be at least eight inches, but not
11 more than 10 inches high with a brush stroke at least 1.41
12 inches wide; and

13 (iv) the sign must be visible from the front or rear
14 of the vehicle while escorting the permitted vehicle, and the
15 signs must not be used at any other time.

16 (D) An escort vehicle must maintain two-way
17 communications with the permitted vehicle and other escort
18 vehicles involved with the movement of the permitted vehicle.

19 (E) Warning flags must be either red or orange
20 fluorescent material, at least 12 inches square, securely
21 mounted on a staff or securely fastened by at least one corner
22 to the widest extremities of an overwidth permitted vehicle, and
23 at the rear of an overlength permitted vehicle or a permitted

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 vehicle with a rear overhang in excess of four feet.

2 (8) Equipment requirements for motorcycles.

3 (A) An official law enforcement motorcycle may be used
4 as a primary escort vehicle for a permitted vehicle traveling
5 within the limits of an incorporated city, if the motorcycle is
6 operated by a highway patrol officer, sheriff, or duly
7 authorized deputy, or municipal police officer.

8 (B) An escort vehicle must maintain two-way
9 communications with the permitted vehicle and other escort
10 vehicles involved with the movement of the permitted vehicle.

11 (1) Restrictions.

12 (1) Restrictions pertaining to road conditions. Movement
13 of a permitted vehicle is prohibited when road conditions are
14 hazardous based upon the judgment of the operator and law
15 enforcement officials. Law enforcement officials shall make the
16 final determination regarding whether or not conditions are
17 hazardous. Conditions that should be considered hazardous
18 include, but are not limited to:

19 (A) visibility of less than 2/10 of one mile; or

20 (B) weather conditions such as wind, rain, ice, sleet,
21 or snow.

22 (2) Daylight and night movement restrictions.

23 (A) A permitted vehicle may be moved only during

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 daylight hours unless:

2 (i) the permitted vehicle is overweight only;

3 (ii) the permitted vehicle is traveling on an
4 interstate highway and does not exceed 10 feet wide and 100 feet
5 long, with front and rear overhang that complies with legal
6 standards; or

7 (iii) the permitted vehicle meets the criteria of
8 clause (ii) of this subparagraph and is overweight.

9 (B) An exception may be granted allowing night
10 movement, based on a route and traffic study conducted by TxDOT.
11 Escorts may be required when an exception allowing night
12 movement is granted.

13 (3) Holiday restrictions. The maximum size limits for a
14 permit issued under Transportation Code, Chapter 623, Subchapter
15 D, for holiday movement is 14 feet wide, 16 feet high, and 110
16 feet long, unless an exception is granted based on a route and
17 traffic study conducted by TxDOT. The department may restrict
18 holiday movement of specific loads based on a determination that
19 the load could pose a hazard for the traveling public due to
20 local road or traffic conditions.

21 (4) Curfew restrictions. The operator of a permitted
22 vehicle must observe the curfew movement restrictions of any
23 city or county in which the vehicle is operated. However, only

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 the curfew restrictions listed on the permit apply to the
2 permit.

3 (m) General provisions.

4 (1) Multiple commodities.

5 (A) Except as provided in subparagraph (B) of this
6 paragraph, when a permitted commodity creates a single
7 overdimension, two or more commodities may be hauled as one
8 permit load, provided legal axle weight and gross weight are not
9 exceeded, and provided an overdimension of width, length or
10 height is not created or made greater by the additional
11 commodities. For example, a permit issued for the movement of a
12 12 foot wide storage tank may also include a 10 foot wide
13 storage tank loaded behind the 12 foot wide tank provided that
14 legal axle weight and gross weight are not exceeded, and
15 provided an overdimension of width, length or height is not
16 created.

17 (B) When the transport of more than one commodity in a
18 single load creates or makes greater an illegal dimension of
19 length, width, or height the department may issue an oversize
20 permit for such load subject to each of the following
21 conditions.

22 (i) The permit applicant or the shipper of the
23 commodities files with the department a written certification by

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 the Texas Economic Development and Tourism Office, [~~Department~~
2 ~~of Economic Development, approved by the Office of the~~
3 ~~Governor,~~] attesting that issuing the permit will have a
4 significant positive impact on the economy of Texas and that the
5 proposed load of multiple commodities therefore cannot be
6 reasonably dismantled. As used in this clause the term
7 significant positive impact means the creation of not less than
8 100 new full-time jobs, the preservation of not less than 100
9 existing full-time jobs, that would otherwise be eliminated if
10 the permit is not issued, or creates or retains not less than
11 one percent of the employment base in the affected economic
12 sector identified in the certification.

13 (ii) Transport of the commodities does not exceed
14 legal axle and gross load limits.

15 (iii) The permit is issued in the same manner and
16 under the same provisions as would be applicable to the
17 transport of a single oversize commodity under this section;
18 provided, however, that the shipper and the permittee also must
19 indemnify and hold harmless the department, its board members,
20 officers, and employees from any and all liability for damages
21 or claims of damages including court costs and attorney fees, if
22 any, which may arise from the transport of an oversized load
23 under a permit issued pursuant to this subparagraph.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (iv) The shipper and the permittee must file with the
2 department a certificate of insurance on a form prescribed by
3 the department, or otherwise acceptable to the department,
4 naming the department, its board members, officers, and
5 employees as named or additional insurers on its comprehensive
6 general liability insurance policy for coverage in the amount of
7 \$5 million per occurrence, including court costs and attorney
8 fees, if any, which may arise from the transport of an oversized
9 load under a permit issued pursuant to this subparagraph. The
10 insurance policy is to be procured from a company licensed to
11 transact insurance business in the State of Texas.

12 (v) The shipper and the permittee must file with the
13 department, in addition to all insurance provided in clause (iv)
14 of this subparagraph, a certificate of insurance on a form
15 prescribed by the department, or otherwise acceptable to the
16 department, naming the department, its board members, officers,
17 and employees as insurers under an auto liability insurance
18 policy for the benefit of said insurers in an amount of \$5
19 million per accident. The insurance policy is to be procured
20 from a company licensed to transact insurance business in the
21 State of Texas. If the shipper or the permittee is self-insured
22 with regard to automobile liability then that party must take
23 all steps and perform all acts necessary under the law to

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 indemnify the department, its board members, officers, and
2 employees as if the party had contracted for insurance pursuant
3 to, and in the amount set forth in, the preceding sentence and
4 shall agree to so indemnify the department, its board members,
5 officers, and employees in a manner acceptable to the
6 department.

7 (vi) Issuance of the permit is approved by written
8 order of the board which written order may be, among other
9 things, specific as to duration and routes.

10 (C) An applicant requesting a permit to haul a dozer
11 and its detached blade may be issued a permit, as a non-
12 dismantable load, if removal of the blade will decrease the
13 overall width of the load, thereby reducing the hazard to the
14 traveling public.

15 (2) Oversize hauling equipment. A vehicle that exceeds
16 the legal size limits, as set forth by Transportation Code,
17 Chapter 621, Subchapter C, may only haul a load that exceeds
18 legal size limits unless otherwise noted in this subchapter, but
19 such vehicle may haul an overweight load that does not exceed
20 legal size limits, except for the special exception granted in
21 §219.13(c)(3) of this title (relating to Time Permits).

22 (n) Surety bonds.

23 (1) General. The following conditions apply to surety

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 bonds specified in Transportation Code, §623.075.

2 (A) The surety bond must:

3 (i) be made payable to the Texas Department of
4 Transportation~~[department]~~ with the condition that the applicant
5 will pay the Texas Department of Transportation~~[department]~~ for
6 any damage caused to the highway by the operation of the
7 equipment covered by the surety bond;

8 (ii) be effective the day it is issued and expires at
9 the end of the state fiscal year, which is August 31st. For
10 example, if you obtain a surety bond on August 30th, it will
11 expire the next day at midnight.

12 (iii) include the complete mailing address and zip
13 code of the principal;

14 (iv) be filed with the department and have an original
15 signature of the principal;

16 (v) have a single entity as principal with no other
17 principal names listed; and

18 (vi) A non-resident agent with a valid Texas insurance
19 license may issue a bond on behalf of an authorized insurance
20 company when in compliance with Insurance Code, Chapter 4056.

21 (B) A certificate of continuation will not be accepted.

22 (C) The owner of a vehicle bonded under Transportation
23 Code, §623.075 or §623.163, that damages the state highway

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 system as a result of the permitted vehicle's movement will be
2 notified by certified mail of the amount of damage and will be
3 given 30 days to submit payment for such damage. Failure to make
4 payment within 30 days will result in TxDOT placing the claim
5 with the attorney general for collection.

6 (D) The venue of any suit for a claim against a surety
7 bond for the movement of a vehicle permitted under the
8 provisions of Transportation Code, Chapter 623, Subchapter D,
9 will be any court of competent jurisdiction in Travis County.

10 (2) Permit surety bonds.

11 (A) A surety bond required under the provisions of
12 Transportation Code, Chapter 623, Subchapter D, must be
13 submitted on the department's standard surety bond form in the
14 amount of \$10,000.

15 (B) A facsimile or electronic copy of the surety bond
16 is acceptable in lieu of the original surety bond, for a period
17 not to exceed 10 days from the date of its receipt in the
18 department. If the original surety bond has not arrived in the
19 department by the end of the 10 days, the applicant will not be
20 issued a permit until the original surety bond has been received
21 in the department.

22 (C) The surety bond requirement does apply to the
23 delivery of farm equipment to a farm equipment dealer.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (D) A surety bond is required when a dealer or
2 transporter of farm equipment or a manufacturer of farm
3 equipment obtains a permit.

4 (E) The surety bond requirement does not apply to
5 driving or transporting farm equipment which is being used for
6 agricultural purposes if it is driven or transported by or under
7 the authority of the owner of the equipment.

8 (F) The surety bond requirement does not apply to a
9 vehicle or equipment operated by a motor carrier registered with
10 the department under Transportation Code, Chapters 643 or 645 as
11 amended.

12

13 SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL

14 RELATED VEHICLES

15 §219.42. Single-Trip Mileage Permits.

16 (a) General information.

17 (1) Permits issued under this section are subject to the
18 requirements of §219.41 of this title (relating to General
19 Requirements).

20 (2) A single-trip mileage permit:

21 (A) is limited to a maximum of seven consecutive days;

22 (B) routes the vehicle from the point of origin to the
23 point of destination and has the route listed on the permit; and

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (C) allows the unit to be returned to the point of
2 origin on the same permit, provided the return trip is made
3 within the time period stated in the permit.

4 (3) A unit exceeding 175,000 pounds gross weight must:

5 (A) have front and rear escort vehicles to prevent
6 traffic from traveling beside the unit as it crosses a bridge;

7 (B) cross all multi-lane bridges by centering the unit
8 on a lane line;

9 (C) cross all two-lane bridges in the center of the
10 bridge; and

11 (D) cross each bridge at a speed not greater than 20
12 miles per hour.

13 (4) A unit exceeding 12 feet in width must be centered in
14 the outside traffic lane of any highway that has paved
15 shoulders.

16 (b) Maximum permit weight limits.

17 (1) The maximum permit weight for any single axle [~~not~~
18 ~~connected to another axle by a weight equalizing suspension~~
19 ~~system,~~] must not exceed 30,000 pounds or 850 pounds per inch of
20 tire width, whichever is less.

21 (2) The maximum permit weight for any group of axles on a
22 unit will be determined by calculating the "W" weight for the
23 group, using the formulas shown in Figure 2: 43 TAC §219.42(f),

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 titled "Maximum Permit Weight Formulas," and comparing the
2 calculated "W" weight with the corresponding "W" weight that is
3 established in Figure 1: 43 TAC §219.42(f), titled "Maximum
4 Permit Weight Table."

5 (3) The maximum permit weight per inch of tire width for
6 axles that are steerable must not exceed 950 pounds, and the
7 maximum permit weight per inch of tire width for axles that are
8 not steerable must not exceed 850 pounds.

9 (4) A unit that does not have any group of axles that
10 exceeds the limits established in Figure 1: 43 TAC §219.42(f),
11 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f),
12 "Maximum Permit Weight Formulas" will be permitted with a
13 single-trip mileage or quarterly hubometer permit for travel on
14 any route that does not include a load restricted bridge.

15 (5) A unit that has any group of axles that exceeds the
16 limits established by Figure 1: 43 TAC §219.42(f), "Maximum
17 Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum
18 Permit Weight Formulas" will be eligible, on an individual case-
19 by-case basis, for a single-trip mileage permit only; permit
20 approval or denial will be based on a detailed route study and
21 an analysis conducted by TxDOT of each bridge on the proposed
22 travel route to determine if the road(s) and bridge(s) [~~bridges~~]
23 are capable of sustaining the movement.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (6) A road or bridge that has been analyzed and
2 determined to be incapable of sustaining the unit will be
3 excluded from the permit route.

4 (c) Permit application and issuance.

5 (1) An application [~~Application~~] for a single-trip
6 mileage permit under this section must be made in accordance
7 with §219.41(b) of this title and shall also include the origin
8 and destination points of the unit.

9 [~~(A) The applicant must submit the completed~~
10 ~~application to the department by telephone, facsimile, mail, or~~
11 ~~Internet. The application shall include, at a minimum, the~~
12 ~~following information:~~]

13 [~~(i) name, address, telephone number, and email~~
14 ~~address (if requested) of the applicant;~~]

15 [~~(ii) origin and destination points of the unit;~~]

16 [~~(iii) make and model of the unit;~~]

17 [~~(iv) vehicle identification number of the unit;~~]

18 [~~(v) license plate number of the unit;~~]

19 [~~(vi) size and weight dimensions; and~~]

20 [~~(vii) any other information required by law.~~]

21 (2) [~~(B)~~] Upon receipt of the application, the department
22 will review and verify unit size and weight information, check
23 route and mileage to be traveled, compute the permit fee, and

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 advise the applicant of the permit fee.

2 (3) [~~(2)~~] [~~Issuance of single-trip mileage permit.~~] Upon
3 receipt of the permit fee, the department will advise the
4 applicant of the permit number, and will provide a copy of the
5 permit to the applicant [~~if requested to do so~~].

6 (d) Permit fees and refunds.

7 (1) Minimum fee. The minimum fee for a single-trip
8 mileage permit is either the calculated permit fee or \$31,
9 whichever is the greater amount.

10 (2) Permit fee calculation. The fee for a single-trip
11 mileage permit is calculated by multiplying the number of miles
12 traveled, the highway use factor, and the total rate per mile,
13 and then adding the indirect cost share to the product.

14 (A) Highway use factor. The highway use factor for a
15 single trip mileage permit is 0.6.

16 (B) Total rate per mile. The total rate per mile is the
17 combined mileage rates for width, height, and weight for the
18 unit. For a trailer mounted unit, the total rate per mile is
19 based on the overall width, overall height, and all axle
20 weights, including the truck-tractor axles.

21 (i) The mileage rate for width is \$.06 per mile for
22 each foot (or fraction thereof) above legal width.

23 (ii) The mileage rate for height is \$.04 per mile for

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 each foot (or fraction thereof) above legal height.

2 (iii) The mileage rate for a single axle or any axle
3 within a group that exceeds 20,000 pounds, but is less than or
4 equal to 25,000 pounds, is calculated by multiplying \$.045 times
5 the amount by which the axle or axle group weight exceeds the
6 legal weight for the axle or axle group and dividing the
7 resultant figure by 1,000 pounds.

8 (iv) The mileage rate for a single axle or any axle
9 within a group that exceeds 25,000 pounds, but is less than or
10 equal to 30,000 pounds, is calculated by multiplying \$.055 times
11 the amount by which the axle or axle group weight exceeds the
12 legal weight for the axle or axle group and dividing the
13 resultant figure by 1,000 pounds.

14 [~~(C) Indirect cost share. The indirect cost share is a~~
15 ~~prorated share of administering department activities, other~~
16 ~~than the direct cost of the activities, including the cost of~~
17 ~~providing statewide support services. The indirect cost share~~
18 ~~factor is based upon the previous year's expenditures.]~~

19 (3) Permit fees for trailer mounted units.

20 (A) The permit fee for a trailer mounted unit is based
21 on the overall width, overall height, and all axle weights,
22 including the truck-tractor axles.

23 (B) A unit with two or more axle groups that do not

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 have a spacing of at least 12 feet between the closest axles of
2 the opposing groups must have the permit fee calculated by the
3 following method.

4 (i) The axle group with the lowest weight will have
5 the axle closest to the next axle group temporarily disregarded
6 from its group in order to create a spacing of at least 12 feet
7 between the two groups for fee calculation purposes.

8 (ii) An axle group will not have more than one axle
9 disregarded.

10 (iii) The permit fee for the axle group with the
11 temporarily disregarded axle must be based on the actual weight
12 of the entire axle group minus the legal weight for the
13 remaining axles of the group.

14 (4) Refunds. Fees for permits issued under this section
15 are non-refundable.

16 (e) Amendments. A single-trip mileage permit may not be
17 amended unless an exception is granted by the department.

18 (f) Weight table and formulas. The following table entitled
19 "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.42(f),
20 and the list of formulas entitled, "Maximum Permit Weight
21 Formulas," is Figure 2: 43 TAC §219.42(f).

22 Attached Graphic-Figure 1: 43 TAC §219.42(f)

23 Attached Graphic-Figure 2: 43 TAC §219.43(f)

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1

2 §219.43. Quarterly Hubometer Permits.

3 (a) General information.

4 (1) Permits issued under this section are subject to the
5 requirements of §219.41 of this title (relating to General
6 Requirements).

7 (2) A quarterly hubometer permit:

8 (A) is effective for three consecutive months [~~for~~
9 ~~example, a permit issued with a beginning date of January 15~~
10 ~~will terminate on April 14, or a permit issued with a beginning~~
11 ~~date of July 1 will terminate on September 30)];~~

12 (B) allows the unit to travel on all state-maintained
13 highways; and

14 (C) allows the unit to travel on a state-wide basis.

15 (3) A unit permitted under this subsection must not
16 exceed any of the following dimensions:

17 (A) 12 feet in width;

18 (B) 14 feet, 6 inches in height; and

19 (C) 95 feet in length.

20 (4) With the exception of units that are overlength only,
21 a unit operated with a permit issued under this section must be
22 equipped with a hubometer. The permittee must maintain the
23 hubometer in good working condition.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (5) A unit exceeding 175,000 pounds gross weight must:

2 (A) have front and rear escort vehicles to prevent
3 traffic from traveling beside the unit as it crosses a bridge;

4 (B) cross all multi-lane bridges by centering the unit
5 on a lane line;

6 (C) cross all two-lane bridges in the center of the
7 bridge; and

8 (D) cross each bridge at a speed not greater than 20
9 miles per hour.

10 (b) Maximum permit weight limits.

11 (1) The maximum permit weight for any single axle~~[, not~~
12 ~~connected to another axle by a weight equalizing suspension~~
13 ~~system,]~~ must not exceed 30,000 pounds or 850 pounds per inch of
14 tire width, whichever is less.

15 (2) The maximum permit weight for any group of axles on a
16 unit will be determined by calculating the "W" weight for the
17 group, using the formulas in Figure 2: 43 TAC §219.42(f),
18 "Maximum Permit Weight Formulas", and comparing the calculated
19 "W" weight with the corresponding "W" weight that is established
20 in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table."

21 (3) The maximum permit weight per inch of tire width for
22 axles that are steerable must not exceed 950 pounds, and the
23 maximum permit weight per inch of tire width for axles that are

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 not steerable must not exceed 850 pounds.

2 (4) A unit that does not have any group of axles that
3 exceeds the limits established in Figure 1: 43 TAC §219.42(f),
4 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f),
5 "Maximum Permit Weight Formulas" will be permitted with a
6 single-trip mileage or quarterly hubometer permit for travel on
7 any route that does not include a load restricted bridge.

8 (5) A unit that has any group of axles that exceeds the
9 limits established by Figure 1: 43 TAC §219.42(f), "Maximum
10 Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum
11 Permit Weight Formulas" will be eligible, on an individual case-
12 by-case basis, for a single-trip mileage permit only; permit
13 approval or denial will be based on a detailed route study and
14 an analysis conducted by TxDOT of each bridge on the proposed
15 travel route to determine if the road(s) and bridge(s) [~~bridges~~]
16 are capable of sustaining the movement.

17 (6) A bridge that has been analyzed and determined to be
18 incapable of sustaining the unit will be excluded from the
19 permit route.

20 (c) Initial permit application and issuance.

21 (1) An application for an initial quarterly hubometer
22 permit under this section must be made in accordance with
23 §219.41(b) of this title. In addition, the applicant must

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 provide the current hubometer mileage reading and an initial \$31
2 processing fee. [~~Initial permit application.~~]

3 [~~(A) The applicant for an initial quarterly hubometer~~
4 ~~permit must submit a completed application to the department by~~
5 ~~telephone, facsimile, mail, or Internet. The application shall~~
6 ~~include, at a minimum, the following information:~~]

7 [~~(i) name, address, telephone number, and email~~
8 ~~address (if requested) of the applicant;~~]

9 [~~(ii) make and model of the unit;~~]

10 [~~(iii) vehicle identification number of the unit;~~]

11 [~~(iv) license plate number of the unit;~~]

12 [~~(v) size and weight dimensions; and~~]

13 [~~(vi) any other information required by law.~~]

14 [~~(B) Upon receipt of the initial quarterly hubometer~~
15 ~~permit application, the department will verify unit information,~~
16 ~~calculate the permit fee, and advise the applicant of the permit~~
17 ~~fee.~~]

18 (2) [~~Issuance of initial quarterly hubometer permit.~~]

19 Upon verification of the unit information and receipt of the
20 permit fee, the department will provide a copy of the permit to
21 the applicant, as well as a renewal application. [~~if requested,~~
22 ~~and will also provide a renewal application form to the~~
23 ~~applicant.~~]

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (d) Permit renewals and closeouts.

2 (1) An application for a permit renewal or closeout must
3 be made on a form and in the manner prescribed by the
4 department. [~~The applicant must complete and submit a renewal~~
5 ~~application form to the department for each permit that is to be~~
6 ~~renewed or closed out.~~]

7 (2) Upon receipt of the renewal application, the
8 department will verify unit information, check mileage traveled
9 on the last permit, calculate the new permit fee, and advise the
10 applicant of the permit fee.

11 (e) Permit fees [~~and refunds~~].

12 (1) Minimum fee. The minimum fee for a quarterly
13 hubometer permit is either the calculated permit fee or \$31,
14 whichever is the greater amount.

15 (2) Fees for overlength units. A unit that is overlength
16 only must obtain a quarterly hubometer permit with a fee of \$31,
17 but is not required to have a hubometer.

18 (3) Quarterly hubometer permit fee calculation. The
19 permit fee for a quarterly hubometer permit is calculated by
20 multiplying the hubometer mileage, the highway use factor, and
21 the total rate per mile, and then adding the indirect cost share
22 to the product.

23 (A) Hubometer mileage. Mileage [~~Hubometer mileage~~] for

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 a quarterly hubometer permit is determined by the unit's current
2 hubometer mileage reading minus [~~an amount estimated by the~~
3 ~~applicant for the first quarterly hubometer permit, or from~~] the
4 unit's hubometer mileage reading from the previous quarterly
5 hubometer permit.

6 [~~(i) An applicant requesting a permit for a unit that~~
7 ~~has traveled in excess of the mileage stated in the previous~~
8 ~~quarterly hubometer permit must pay for the excess mileage~~
9 ~~traveled, in addition to the fee for the renewed quarterly~~
10 ~~hubometer permit.]~~

11 [~~(ii) An applicant requesting a permit for a unit that~~
12 ~~has traveled less than the mileage stated on the previous~~
13 ~~quarterly hubometer permit will receive a credit on the purchase~~
14 ~~price of the renewed quarterly hubometer permit for that unit or~~
15 ~~another unit.]~~

16 (B) Highway use factor. The highway use factor for a
17 quarterly hubometer permit is 0.3.

18 (C) Total rate per mile. The total rate per mile is the
19 combined mileage rates for width, height, and weight for the
20 unit. The rate per mile for a trailer mounted unit is based on
21 the overall width, overall height, and all axle weights,
22 including the truck-tractor axles.

23 (i) The mileage rate for width is \$.06 per mile for

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 each foot (or fraction thereof) above legal width.

2 (ii) The mileage rate for height is \$.04 per mile for
3 each foot (or fraction thereof) above legal height.

4 (iii) The mileage rate for a single axle or any axle
5 within a group that exceeds 20,000 pounds, but is less than or
6 equal to 25,000 pounds, is calculated by multiplying \$.045 times
7 the amount by which the axle or axle group weight exceeds the
8 legal weight for the axle or axle group and dividing the
9 resultant figure by 1,000 pounds.

10 (iv) The mileage rate for a single axle or any axle
11 within a group that exceeds 25,000 pounds, but is less than or
12 equal to 30,000 pounds, is calculated by multiplying \$.055 times
13 the amount by which the axle or axle group weight exceeds the
14 legal weight for the axle or axle group and dividing the
15 resultant figure by 1,000 pounds.

16 [~~(D) Indirect cost share. The indirect cost share is a~~
17 ~~prorated share of administering department activities, other~~
18 ~~than the direct cost of the activities, including the cost of~~
19 ~~providing statewide support services. The indirect cost share~~
20 ~~factor is based upon the previous year's expenditures.]~~

21 (4) Permit fees for trailer mounted units.

22 (A) The permit fee for a trailer mounted unit is based
23 on the overall width, overall height, and all axle weights,

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 including the truck-tractor axles.

2 (B) A unit with two or more axle groups that does not
3 have a spacing of at least 12 feet between the closest axles of
4 the opposing groups must have the permit fee calculated by the
5 following method.

6 (i) The axle group with the lowest weight will have
7 the axle closest to the next axle group temporarily disregarded
8 from its group in order to create a spacing of at least 12 feet
9 between the two groups for fee calculation purposes.

10 (ii) An axle group will not have more than one axle
11 disregarded.

12 (iii) The permit fee for the axle group with the
13 temporarily disregarded axle must be based on the actual weight
14 of the entire axle group minus the legal weight for the
15 remaining axles of the group.

16 [~~(5) Refunds. A refund is made to the applicant when the~~
17 ~~quarterly hubometer permit process is stopped for all units~~
18 ~~listed in the applicant's account, provided the amount of the~~
19 ~~refund exceeds \$25.]~~

20 (f) Amendments. A quarterly hubometer permit may be amended
21 only to indicate:

22 (1) a new hubometer serial number; or

23 (2) a new license plate number.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1

2 §219.44. Annual Permits.

3 (a) General information. Permits issued under this section
4 are subject to the requirements of §219.41 of this title
5 (relating to General Requirements).

6 (1) Annual self-propelled oil well servicing unit
7 permits.

8 (A) A unit that does not exceed legal size and weight
9 limits and is registered with a permit plate must purchase an
10 annual permit issued under this section.

11 (B) The fee for an annual self-propelled oil well
12 servicing unit permit is \$52 per axle. The indirect cost share
13 is included in this fee.

14 (2) Annual oil field rig-up truck permits.

15 (A) An oil field rig-up truck permitted under this
16 section must not exceed:

17 (i) legal height or length limits, as provided in
18 Transportation Code, Chapter 621, Subchapter C;

19 (ii) 850 pounds per inch of tire width on the front
20 axle;

21 (iii) 25,000 pounds on the front axle; or

22 (iv) legal weight on all other axles.

23 (B) An oil field rig-up truck, operating under an

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 annual permit, must be registered in accordance with
2 Transportation Code, Chapter 502.

3 (C) The annual permit fee for an oil field rig-up truck
4 is \$52. The indirect cost share is included in this fee.

5 (D) An annual permit for an oil field rig-up truck
6 allows the unit to travel at night, provided the unit does not
7 exceed nine feet in width.

8 (3) A permit issued under this section may not be
9 amended.

10 (4) A permit issued under this section allows travel on a
11 statewide basis and on all state maintained highways.

12 (b) Permit application and issuance.

13 (1) An application for an annual permit under this
14 section must be made in accordance with §219.41(b) of this
15 title. [~~Initial permit application. An applicant for an annual~~
16 ~~permit under this section must submit a completed application by~~
17 ~~telephone, facsimile, mail, or Internet. The application shall~~
18 ~~include, at a minimum, the following information:~~]

19 [~~(A) name and address of applicant;~~]

20 [~~(B) make and model of the unit;~~]

21 [~~(C) vehicle identification number of the unit;~~]

22 [~~(D) license plate number of the unit;~~]

23 [~~(E) size and weight dimensions; and~~]

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 ~~[(F) any other information required by law.]~~

2 (2) ~~[Permit issuance.]~~ Upon receipt of the application
3 and the appropriate fees, the department will provide a copy of
4 the permit to the applicant ~~[if requested, and will also provide~~
5 ~~a renewal application form to the applicant]~~.

6

7 §219.45. Permits for Vehicles Transporting Liquid Products
8 Related to Oil Well Production.

9 (a) General provisions. This section applies to the
10 following vehicles which may secure an annual permit issued
11 under provisions of Transportation Code, Chapter 623, Subchapter
12 G, to haul liquid loads over all state-maintained highways.

13 (1) A vehicle combination consisting of a truck-tractor
14 and semi-trailer specifically designed with a tank and pump unit
15 for transporting:

16 (A) liquid fracking products, liquid oil well waste
17 products, or unrefined liquid petroleum products to an oil well;
18 or

19 (B) unrefined liquid petroleum products or liquid oil
20 well waste products from an oil well not connected to a
21 pipeline.

22 (2) A permit issued under this section is effective for
23 one year beginning on the effective date.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (b) Application for permit.

2 (1) An application for an annual permit under this
3 section must be made in accordance with §219.41(b) of this title
4 (relating to General Requirements). [A request for an annual
5 permit issued under Transportation Code, Chapter 623, Subchapter
6 G, and this section, must be submitted to the department by
7 telephone, facsimile, mail, or Internet.]

8 (2) The permit request must be received by the department
9 not more than 14 days prior to the date that the permit is to
10 begin.

11 (c) Permit qualifications and requirements.

12 (1) The semi-trailer must be of legal size and weight.

13 (2) The semi-trailer must be registered for the maximum
14 legal gross weight.

15 (3) Only one semi-trailer will be listed on a permit.

16 (4) The permit may be transferred from an existing
17 trailer being removed from service and placed on a new trailer
18 being added to the permittee's fleet, if the permittee supplies
19 the department with:

20 (A) the existing valid permit number;

21 (B) the make and model of the new trailer;

22 (C) the license number of the new trailer; and

23 (D) a transfer fee of \$31 per permit to cover

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 administrative costs.

2 (d) Fees. All fees associated with permits issued under
3 this section are payable as described in §219.11(f) of this
4 title (relating to General Oversize/Overweight Permit
5 Requirements and Procedures).

6 (1) The permit fee is based on the axles of the semi-
7 trailer and the drive axles of the truck-tractor. The fee for
8 the permit, which includes the indirect cost share, is
9 determined as follows:

10 (A) \$52 per axle--to haul liquid oil well waste
11 products or unrefined liquid petroleum products from oil wells
12 not connected by a pipeline and return empty;

13 (B) \$52 per axle--to haul liquid products related to
14 oil well production to an oil well and return empty; and

15 (C) \$104 per axle--to haul liquid products related to
16 oil well production to an oil well and return with liquid oil
17 well waste products or unrefined liquid petroleum products from
18 an oil well not connected to a pipeline.

19 (2) Each permittee will be charged a \$20 issuance fee in
20 addition to the permit fee.

21 (e) Permit movement conditions. The permit load must not
22 cross any load-restricted bridge when exceeding the posted
23 capacity of such.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1

2 SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT

3 EQUIPMENT MOTOR VEHICLES

4 §219.62. Single Trip Mileage Permits.

5 (a) General information.

6 (1) Permits issued under this section are subject to the
7 requirements of §219.61 of this title (relating to General
8 Requirements for Permits for Oversize and Overweight Unladen
9 Lift Equipment Motor Vehicles).

10 (2) A single-trip mileage permit:

11 (A) is limited to a maximum of seven consecutive days;

12 (B) is routed from the point of origin to the point of
13 destination and has the route listed on the permit; and

14 (C) allows the crane to be returned to the point of
15 origin on the same permit, provided the return trip is made
16 within the time period stated in the permit.

17 [~~(3) A crane permitted under Transportation Code, Chapter~~
18 ~~623, Subchapter J, must be registered under Transportation Code,~~
19 ~~Chapter 502, for the maximum gross weight applicable to the~~
20 ~~vehicle under Transportation Code, §621.101 or have the~~
21 ~~distinguishing license plates as provided by Transportation~~
22 ~~Code, §502.146 if applicable to the vehicle.]~~

23 (3) [~~(4)~~] A crane exceeding 175,000 pounds gross weight

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 must:

2 (A) have front and rear escort vehicles to prevent
3 traffic from traveling beside the crane as it crosses a bridge;

4 (B) cross all multi-lane bridges by centering the crane
5 on a lane line;

6 (C) cross all two-lane bridges in the center of the
7 bridge; and

8 (D) cross each bridge at a speed not greater than 20
9 miles per hour.

10 (4) [~~(5)~~] A crane exceeding 12 feet in width must be
11 centered in the outside traffic lane of any highway that has
12 paved shoulders.

13 (5) [~~(6)~~] The permitted vehicle must not cross a load
14 restricted bridge when exceeding the posted capacity of such.

15 (b) Maximum permit weight limits.

16 (1) The maximum permit weight for any single axle[~~, not~~
17 ~~connected to another axle by a weight equalizing suspension~~
18 ~~system,~~] must not exceed 30,000 pounds or 850 pounds per inch of
19 tire width, whichever is less.

20 (2) The maximum permit weight for any group of axles on a
21 crane is determined by calculating the "W" weight for the group,
22 using the formulas shown in Figure 2: 43 TAC §219.62(f),
23 "Maximum Permit Weight Formulas," and comparing the calculated

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 "W" weight with the corresponding "W" weight that is established
2 in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

3 (3) The maximum permit weight per inch of tire width for
4 axles that are steerable must not exceed 950 pounds, and the
5 maximum permit weight per inch of tire width for axles that are
6 not steerable must not exceed 850 pounds.

7 (4) A crane that does not have any group of axles that
8 exceeds the limits established in Figure 1: 43 TAC §219.62(f),
9 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),
10 "Maximum Permit Weight Formulas," will be permitted with a
11 single-trip mileage permit or a quarterly hubometer permit for
12 travel on any route that does not include a load restricted
13 bridge.

14 (5) A crane that has any group of axles that exceeds the
15 limits established by Figure 1: 43 TAC §219.62(f), "Maximum
16 Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum
17 Permit Weight Formulas," will be eligible, on an individual
18 case-by-case basis, for a single-trip mileage permit only.
19 Permit approval or denial will be based on a detailed route
20 study and an analysis conducted by TxDOT of each bridge on the
21 proposed travel route to determine if the road(s) and bridge(s)
22 [~~bridges~~] are capable of sustaining the movement.

23 (6) A road or bridge that has been analyzed and

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 determined to be incapable of sustaining the crane will be
2 excluded from the permit route.

3 (c) Permit application and issuance.

4 (1) An application for a single-trip mileage permit under
5 this section must be made in accordance with §219.61(b) of this
6 title and must also include the origin and destination points of
7 the crane. [~~Application for single trip mileage permit.~~]

8 [~~(A) An application~~ The applicant must submit the
9 ~~completed application to the department by telephone, facsimile,~~
10 ~~mail, or Internet. The application shall include, at a minimum,~~
11 ~~the following information:~~]

12 [~~(i) name, address, telephone number, and email~~
13 ~~address (if requested) of the applicant;~~]

14 [~~(ii) origin and destination points of the crane;~~]

15 [~~(iii) make and model of the crane;~~]

16 [~~(iv) vehicle identification number of the crane;~~]

17 [~~(v) license plate number of the crane;~~]

18 [~~(vi) size and weight dimensions; and~~]

19 [~~(vii) any other information required by law.~~]

20 (2) [(B)] Upon receipt of the application, the
21 department will review and verify size and weight information,
22 check the route and mileage to be traveled, compute the permit
23 fee, and advise the applicant of the permit fee.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (3) [~~(2) Issuance of single trip mileage permit.~~] Upon
2 receipt of the permit fee, the department will advise the
3 applicant of the permit number, and will provide a copy of the
4 permit to the applicant [~~if requested to do so~~].

5 (d) Permit fees and refunds.

6 (1) Minimum fee. The minimum fee for a single-trip permit
7 is either the calculated permit fee or \$31, whichever is the
8 greater amount.

9 (2) Permit fee calculation. The permit fee for a single-
10 trip mileage permit is calculated by multiplying the number of
11 miles traveled, the highway use factor, and the total rate per
12 mile, and then adding the indirect cost share to the product.

13 (A) Highway use factor. The highway use factor for a
14 single-trip mileage permit is 0.6.

15 (B) Total rate per mile. The total rate per mile is the
16 combined mileage rates for width, height, and weight for the
17 unit. The rate per mile for a trailer mounted crane is based on
18 the overall width, overall height, and all axle weights,
19 including the truck-tractor axles.

20 (i) The mileage rate for width is \$.06 per mile for
21 each foot (or fraction thereof) above legal width.

22 (ii) The mileage rate for height is \$.04 per mile for
23 each foot (or fraction thereof) above legal height.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (iii) The mileage rate for a single axle or any axle
2 within a group that exceeds 20,000 pounds, but is less than or
3 equal to 25,000 pounds, is calculated by multiplying \$.045 times
4 the amount by which the axle or axle group weight exceeds the
5 legal weight for the axle or axle group and dividing the
6 resultant figure by 1,000 pounds.

7 (iv) The mileage rate for a single axle or any axle
8 within a group that exceeds 25,000 pounds, but is less than or
9 equal to 30,000 pounds, is calculated by multiplying \$.055 times
10 the amount by which the axle or axle group weight exceeds the
11 legal weight for the axle or axle group and dividing the
12 resultant figure by 1,000 pounds.

13 ~~[(C) Indirect cost share. The indirect cost share is a~~
14 ~~prorated share of administering department activities, other~~
15 ~~than the direct cost of the activities, including the cost of~~
16 ~~providing statewide support services. The indirect cost share~~
17 ~~factor is based upon the previous year's expenditures.]~~

18 (3) Exceptions to fee computations. A crane with two or
19 more axle groups that does not have a spacing of at least 12
20 feet between the closest axles of the opposing groups must have
21 the permit fee calculated by the following method.

22 (A) The axle group with the lowest weight will have the
23 axle closest to the next axle group temporarily disregarded from

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 its group in order to create a spacing of at least 12 feet
2 between the two groups for fee calculation purposes.

3 (B) An axle group will not have more than one axle
4 disregarded.

5 (C) The permit fee for the axle group with the
6 temporarily disregarded axle must be based on the actual weight
7 of the entire axle group minus the legal weight for the
8 remaining axles of the group.

9 (4) Refunds. Fees for permits issued under this section
10 are non-refundable.

11 (e) Amendments. A single-trip mileage permit issued under
12 this section may not be amended unless an exception is granted
13 by the department.

14 (f) Weight table and formulas. The following table entitled
15 "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.62(f),
16 and the list of formulas entitled "Maximum Permit Weight
17 Formulas," is Figure 2: 43 TAC §219.62(f).

18 Attached Graphic-Figure 1: 43 TAC §219.62(f)

19 Attached Graphic-Figure 2: 43 TAC §219.62(f)

20

21 §219.63. Quarterly Hubometer Permits.

22 (a) General information.

23 (1) Permits issued under this section are subject to the

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 requirements of §219.61 of this title (relating to General
2 Requirements for Permits for Oversize and Overweight Unladen
3 Lift Equipment Motor Vehicles).

4 (2) A quarterly hubometer permit:

5 (A) is effective for three consecutive months [~~for~~
6 ~~example, a permit issued with a beginning date of January 15~~
7 ~~will terminate on April 14, or a permit issued with a beginning~~
8 ~~date of July 1 will terminate on September 30)];~~

9 (B) allows the vehicle to travel on all state-
10 maintained highways; and

11 (C) allows the unit to travel on a state-wide basis.

12 (3) A crane permitted under this section must not exceed
13 any of the following dimensions:

14 (A) 12 feet in width;

15 (B) 14 feet, 6 inches in height; or

16 (C) 95 feet in length.

17 [~~(4) A crane permitted under this section must be~~
18 ~~registered under Transportation Code, Chapter 502, for the~~
19 ~~maximum gross weight applicable to the vehicle under~~
20 ~~Transportation Code, Section 621.101, or have the distinguishing~~
21 ~~license plates as provided by Transportation Code, §502.146, if~~
22 ~~applicable to the vehicle.]~~

23 (4) [~~(5)] With the exception of cranes that are~~

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 overlength only, cranes operated with a quarterly hubometer
2 permit must be equipped with a hubometer. The permittee must
3 maintain the hubometer in good working condition.

4 (5) [~~(6)~~] A crane exceeding 175,000 pounds gross weight
5 must:

6 (A) have front and rear escort vehicles to prevent
7 traffic from traveling beside the crane as it crosses a bridge;

8 (B) cross all multi-lane bridges by centering the crane
9 on a lane line;

10 (C) cross all two-lane bridges in the center of the
11 bridge; and

12 (D) cross each bridge at a speed not greater than 20
13 miles per hour.

14 (6) [~~(7)~~] A crane exceeding 12 feet in width must be
15 centered in the outside traffic lane of any highway that has
16 paved shoulders.

17 (7) [~~(8)~~] A crane will be permitted for night movement
18 provided that it does not exceed 10 feet 6 inches in width, 14
19 feet in height, or 95 feet in length. A crane moving at night
20 must be accompanied by a front and rear escort vehicle.

21 (8) [~~(9)~~] The permitted vehicle must not cross a load
22 restricted bridge when exceeding the posted capacity of the
23 bridge [~~such~~].

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (9) [~~(10)~~] The permit may be amended only to indicate:

2 (A) a new hubometer serial number; or

3 (B) a new license plate number.

4 (b) Maximum permit weight limits.

5 (1) The maximum permit weight for any single axle~~[, not~~
6 ~~connected to another axle by a weight equalizing suspension~~
7 ~~system,]~~ must not exceed 30,000 pounds or 850 pounds per inch of
8 tire width, whichever is less.

9 (2) The maximum permit weight for any group of axles on a
10 crane will be determined by calculating the "W" weight for the
11 group, using the formulas in Figure 2: 43 TAC §219.62(f),
12 "Maximum Permit Weight Formulas," and comparing the calculated
13 "W" weight with the corresponding "W" weight that is established
14 in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

15 (3) The maximum permit weight per inch of tire width for
16 axles that are steerable must not exceed 950 pounds, and the
17 maximum permit weight per inch of tire width for axles that are
18 not steerable must not exceed 850 pounds.

19 (4) A crane that does not have any group of axles that
20 exceeds the limits established in Figure 1: 43 TAC §219.62(f),
21 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),
22 "Maximum Permit Weight Formulas," will be permitted with a
23 single-trip mileage permit or a quarterly hubometer permit for

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 travel on any route that does not include a load restricted
2 bridge.

3 (5) A crane that has any group of axles that exceeds the
4 limits established by Figure 1: 43 TAC §219.62(f), "Maximum
5 Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum
6 Permit Weight Formulas," will be eligible, on an individual
7 case-by-case basis, for a single-trip mileage permit only;
8 permit approval or denial will be based on a detailed route
9 study and an analysis conducted by TxDOT of each bridge on the
10 proposed travel route to determine if the road(s) and bridge(s)
11 [~~bridges~~] are capable of sustaining the movement.

12 (6) A bridge that has been analyzed and determined to be
13 incapable of sustaining the crane will be excluded from the
14 permit route.

15 (c) Initial permit application and issuance.

16 (1) An application for an initial quarterly hubometer
17 permit must be made in accordance with §219.61(b) of this title.
18 In addition, the applicant must provide the current hubometer
19 mileage reading and an initial \$31 processing fee. [~~Initial~~
20 permit application.]

21 [~~(A) A completed application for an initial quarterly~~
22 ~~hubometer permit must be submitted to the department by~~
23 ~~telephone, facsimile, mail, or Internet. The application shall~~

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 ~~include, at a minimum, the following information:~~]

2 ~~[(i) name, address, telephone number, and email~~

3 ~~address (if requested) of the applicant;~~]

4 ~~[(ii) make and model;~~]

5 ~~[(iii) the vehicle identification number;~~]

6 ~~[(iv) license plate number of the vehicle;~~]

7 ~~[(v) size and weight dimensions; and]~~

8 ~~[(vi) any other information required by law.]~~

9 ~~[(B) Upon receipt of the initial quarterly hubometer~~
10 ~~permit application, the department will verify vehicle~~
11 ~~information, calculate the permit fee, and advise the applicant~~
12 ~~of the permit fee.]~~

13 (2) ~~[Issuance of initial quarterly hubometer permit.]~~

14 Upon verification of the unit information and receipt of the
15 permit fee, the department will provide a copy of the permit to
16 the applicant ~~[upon request]~~, and will also provide a renewal
17 application form to the applicant.

18 (d) Permit renewals and closeouts.

19 (1) An application for a permit renewal or closeout must
20 be made on a form and in a manner prescribed by the department.

21 ~~[The applicant must complete and submit a renewal application~~
22 ~~form to the department for each permit that is to be renewed or~~
23 ~~closed out.]~~

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (2) Upon receipt of the renewal application, the
2 department will verify crane information, check mileage traveled
3 on the last permit, calculate the new permit fee, and advise the
4 applicant of the permit fee.

5 (e) Permit fees [~~and refunds~~].

6 (1) Minimum fee. The minimum fee for a quarterly
7 hubometer [~~single trip permit or time~~] permit is either the
8 calculated permit fee or \$31, whichever is the greater amount.

9 (2) Fees for overlength units. A crane that is overlength
10 only must obtain a quarterly hubometer permit with a fee of \$31,
11 and is not required to have a hubometer.

12 (3) Quarterly hubometer permit fee calculation. The
13 permit fee for a quarterly hubometer permit is calculated by
14 multiplying the hubometer mileage, the highway use factor, and
15 the total rate per mile, and then adding the indirect cost share
16 to the product.

17 (A) Hubometer mileage. Mileage for a quarterly
18 hubometer permit is determined by the crane's current hubometer
19 mileage reading minus [~~an amount estimated by the applicant for~~
20 ~~the first quarterly hubometer permit, or from~~] the crane's
21 hubometer mileage reading from the previous quarterly hubometer
22 permit.

23 [~~(i) An applicant requesting a permit for a crane that~~

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 ~~has traveled in excess of the mileage stated in the previous~~
2 ~~quarterly hubometer permit must pay for the excess mileage~~
3 ~~traveled, in addition to the fee for the renewed quarterly~~
4 ~~hubometer permit.]~~

5 ~~[(ii) An applicant requesting a permit for a crane~~
6 ~~that has traveled less than the mileage stated on the previous~~
7 ~~quarterly hubometer permit will receive a credit on the purchase~~
8 ~~price of the renewed quarterly hubometer permit for that crane~~
9 ~~or another crane.]~~

10 (B) Highway use factor. The highway use factor for a
11 quarterly hubometer permit is 0.3.

12 (C) Total rate per mile. The total rate per mile is the
13 combined mileage rates for width, height, and weight for the
14 crane.

15 (i) The mileage rate for width is \$.06 per mile for
16 each foot (or fraction thereof) above legal width.

17 (ii) The mileage rate for height is \$.04 per mile for
18 each foot (or fraction thereof) above legal height.

19 (iii) The mileage rate for a single axle or any axle
20 within a group that exceeds 20,000 pounds, but is less than or
21 equal to 25,000 pounds, is calculated by multiplying \$.045 times
22 the amount by which the axle or axle group weight exceeds the
23 legal weight for the axle or axle group and dividing the

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 resultant figure by 1,000 pounds.

2 (iv) The mileage rate for a single axle or any axle
3 within a group that exceeds 25,000 pounds, but is less than or
4 equal to 30,000 pounds, is calculated by multiplying \$.055 times
5 the amount by which the axle or axle group weight exceeds the
6 legal weight for the axle or axle group and dividing the
7 resultant figure by 1,000 pounds.

8 [~~(D) Indirect cost share. The indirect cost share is a~~
9 ~~prorated share of administering department activities, other~~
10 ~~than the direct cost of the activities, including the cost of~~
11 ~~providing statewide support services. The indirect cost share~~
12 ~~factor is based upon the previous year's expenditures.]~~

13 (4) Special fee provisions. A crane with two or more axle
14 groups that do not have a spacing of at least 12 feet between
15 the closest axles of the opposing groups must have the permit
16 fee calculated by the following method.

17 (A) The axle group with the lowest weight will have the
18 axle closest to the next axle group temporarily disregarded from
19 its group in order to create a spacing of at least 12 feet
20 between the two groups for fee calculation purposes.

21 (B) An axle group will not have more than one axle
22 disregarded.

23 (C) The permit fee for the axle group with the

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 temporarily disregarded axle must be based on the actual weight
2 of the entire axle group minus the legal weight for the
3 remaining axles of the group.

4 ~~[(5) Refunds. The department will refund fees for permits~~
5 ~~issued under this section when the quarterly hubometer permit~~
6 ~~process is stopped for all cranes listed in the applicant's~~
7 ~~account, provided the amount of the refund exceeds \$25.]~~

8

9 §219.64. Annual Permits.

10 (a) General information. Permits issued under this section
11 are subject to the requirements of §219.61 of this title
12 (relating to General Requirements for Permits for Oversize and
13 Overweight Unladen Lift Equipment Motor Vehicles).

14 (1) A crane permitted under this section must not exceed:

15 (A) the weight limits established in §219.11(d)(1),

16 (2), and (3) of this title (relating to General

17 Oversize/Overweight Permit Requirements and Procedures);

18 (B) a gross weight of 120,000 pounds;

19 (C) legal length and height limits as specified in

20 Transportation Code, Chapter 621, Subchapter C; and

21 (D) 10 feet in width.

22 (2) A permit issued under this section may not be

23 amended.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 (3) A crane permitted under this section must not cross a
2 load restricted bridge or a load restricted road when exceeding
3 the posted capacity of such.

4 (4) A crane permitted under this section may travel at
5 night with front and rear escort vehicles.

6 (5) The fee for an annual permit issued under this
7 section is \$100.

8 (b) Permit application and issuance.

9 (1) Initial permit application. An application for an
10 annual permit under this section must be made in accordance with
11 §219.61(b) of this title. [~~applicant for an annual permit under~~
12 ~~this section must submit a completed application and the~~
13 ~~appropriate fees by telephone, facsimile, mail, or Internet. The~~
14 ~~application shall include, at a minimum, the following~~
15 ~~information:~~]

16 [~~(A) name and address of applicant;~~]

17 [~~(B) make and model of the crane;~~]

18 [~~(C) vehicle identification number;~~]

19 [~~(D) license plate number;~~]

20 [~~(E) size and weight dimensions; and~~]

21 [~~(F) any other information required by law.~~]

22 (2) Permit issuance. Upon receipt of the application and
23 the appropriate permit fee, the department will verify the

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

- 1 application information and [7] provide the permit to the
- 2 applicant [~~if requested, and also provide a renewal application~~
- 3 ~~form to the applicant~~].

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 18
Subject: Proposal of Rules under Title 43, Texas Administrative Code,
Chapter 217, Vehicle Titles and Registration
Amendments, §217.122 and §217.123
New, §§217.125 - 217.130
(Relating to motor vehicle record information and DPPA)

RECOMMENDATION

Approval to publish the proposed amendments and proposed new rules in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the proposed amendments is to:

- Differentiate those who request and receive motor vehicle records directly from the Department with those who receive records by resale or redisclosure; and
- Allow the Department to accept identification not otherwise enumerated.

The purpose of the proposed rules is to:

- Require additional documentation when requesting motor vehicle records from the Department;
- Limit the unlawful resale or redisclosure of motor vehicle records;
- Define what records must be maintained by those who resale or redisclose motor vehicle records and define the Department's procedures for requesting and reviewing those records; and
- Provide a process for reestablishing access to motor vehicle records.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The proposed amendments and new sections include:

- **§217.122** – definitions for “authorized recipient,” “original recipient,” and “requestor” to reflect who may lawfully receive motor vehicle records.
- **§217.123** – allow the Department to accept any approved identification.
- **§217.125** – defines what documentation the Department will require from a requestor of motor vehicle records.
- **§217.126** – limits the forms in which motor vehicle records may be resold or redisclosed and requires an original recipient to inform those whom they resale or redisclose records of their duties under the Transportation Code.
- **§217.127** – requires those who resale or redisclose motor vehicle records to keep certain records of those transactions.
- **§218.128** – creates a process for Departmental review of the records required in section 217.127.
- **§219.129** – defines how a requestor may become ineligible to receive motor vehicle records.
- **§219.130** – defines the process for reestablishing access to motor vehicle records.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments and new sections in the *Texas Register* on or about March 23, 2018. Comments on the proposed amendments will be accepted until 5:00 pm on April 23, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTIONS 217.122-217.123, AND NEW SECTIONS 217.125-217.130, RELATING
TO
MOTOR VEHICLE RECORD INFORMATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter F, Motor Vehicle Record Information, §217.122, Definitions, and §217.123, Access to Motor Vehicle Records; and add new §217.125, Additional Documentation Related to Certain Permitted Uses, §217.126 Limitations on Resale and Redisclosure, §217.127 Records Maintained by Recipients Who Resell or Redisclose Motor Vehicle Records, §217.128 Department Review of Recipient's Records of Resale or Redisclosure, §217.129 Ineligibility to Receive Motor Vehicle Records, and §217.130 Approval For Persons Whose Access to Motor Vehicle Records Has Previously Been Terminated.

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

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the *Texas Register* for the purpose of receiving public comment.

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

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

Recommended by:

Jeremiah Kuntz, Director
Vehicle Titles and Registration

Order Number: _____ Date Passed: February 8, 2018

February 8, 2018

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

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter F, Motor Vehicle Record Information, §217.122
5 Definitions, and §217.123, Access to Motor Vehicle Records. The
6 department also proposes new sections §217.125 Additional
7 Documentation Related to Certain Permitted Uses, §217.126
8 Limitations on Resale and Redisclosure, §217.127 Records
9 Maintained by Recipients Who Resell or Redisclose Motor Vehicle
10 Records, §217.128 Department Review of Recipient's Records of
11 Resale or Redisclosure, §217.129 Ineligibility to Receive Motor
12 Vehicle Records, and §217.130 Approval For Persons Whose Access
13 to Motor Vehicle Records Has Previously Been Terminated.

14

15 EXPLANATION OF PROPOSED AMENDMENTS

16 The amendments to §217.122 differentiate those who request and
17 receive motor vehicle records directly from the Department with
18 those who receive records by resale or redisclosure.

19

20 The amendments to §217.123 allow the department to accept
21 identification not enumerated but deemed acceptable when
22 processing a request for motor vehicle records.

23

24 EXPLANATION OF PROPOSED NEW SECTIONS

25 Transportation Code, §730.014 allows any agency that compiles or
26 maintains motor vehicle records to adopt rules to implement and

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

1 administer the Motor Vehicle Records Disclosure Act.

2

3 Proposed new §217.125 states what additional documentation is
4 needed when submitting a request for motor vehicle records.

5

6 Proposed new §217.126 limits the forms motor vehicle records may
7 be resold or redislosed and requires anyone reselling or
8 redisclosing motor vehicle records to inform the recipient of
9 their obligations under the Transportation Code.

10

11 Proposed new §217.127 states what records must be maintained by
12 those who resell or redisclose motor vehicle records.

13

14 Proposed new §217.128 states the department's process in
15 reviewing records kept by those who resell or redisclose motor
16 vehicle records.

17

18 Proposed new §217.129 states when a requestor of motor vehicle
19 records is ineligible to receive those records.

20

21 Proposed new §217.130 states how a requestor of motor vehicle
22 records, whose access was previously revoked, may regain access
23 to records.

24

25 FISCAL NOTE

26 Linda M. Flores, Chief Financial Officer, has determined that

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

1 for each of the first five years the proposed amendments and new
2 sections are in effect, there will be no fiscal implications for
3 state or local governments as a result of enforcing or
4 administering the proposals.

5
6 Jeremiah Kuntz, Director of the Vehicle Titles and Registration
7 Division, has determined that there will be no impact on local
8 economies or overall employment as a result of enforcing or
9 administering the proposed new sections and amendments.

10

11 PUBLIC BENEFIT AND COST

12 Mr. Kuntz has also determined that for each year of the first
13 five years the proposed amendments and new sections are in
14 effect, the public benefit anticipated as a result of enforcing
15 or administering the amendments and new sections will be to
16 ensure only recipients permitted by law obtain motor vehicle
17 records. There are no anticipated economic costs for persons
18 required to comply with the proposed amendments and new
19 sections. There will be no adverse economic effect on small
20 businesses, micro-businesses, or rural communities.

21

22 TAKINGS IMPACT ASSESSMENT

23 The department has determined that this proposal affects no
24 private real property interests and that this proposal does not
25 restrict or limit an owner's right to property that would
26 otherwise exist in the absence of government action, and so does

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

1 not constitute a taking or require a takings impact assessment
2 under Government Code, §2007.043.

3

4 GOVERNMENT GROWTH IMPACT STATEMENT

5 The department has determined that during the first five years
6 the proposed amendments and new sections are in effect, no
7 government program would be created or eliminated.

8 Implementation of the proposed amendments and new sections would
9 not require the creation of new employee positions or
10 elimination of existing employee positions. Implementation would
11 not require an increase or decrease in future legislative
12 appropriations to the department or an increase or decrease of
13 fees paid to the department. Additionally, the proposed
14 amendments and new sections do not create a new regulation, or
15 expand, limit, or repeal an existing regulation. Implementation
16 does not affect the number of individuals subject to the rule's
17 applicability and will not affect this state's economy.

18

19 SUBMITTAL OF COMMENTS

20 Written comments on the proposed amendments and new sections may
21 be submitted to David D. Duncan, General Counsel, Texas
22 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas
23 78731 or by email to *rules@txdmv.gov*. The deadline for receipt
24 of comments is 5:00 p.m. on April 23, 2018.

25

26 STATUTORY AUTHORITY

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

1 The proposed amendments and new sections are proposed under
2 Transportation Code, §1002.001, which provides the board of the
3 Texas Department of Motor Vehicles (board) with the authority to
4 adopt rules that are necessary and appropriate to implement the
5 powers and the duties of the department under the Transportation
6 Code; and more specifically, Transportation Code, §730.014,
7 which provides that the department may adopt rules to implement
8 and administer Transportation Code Chapter 730, Motor Vehicle
9 Records Disclosure Act.

10

11 CROSS REFERENCE TO STATUTE

12 Government Code, §552.130; Transportation Code, Chapter 730; and
13 18 U.S.C. §2721 et seq.

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

Page 1 of 12

1 SUBCHAPTER F MOTOR VEHICLE RECORD INFORMATION

2 §217.122 Definitions.

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

6 (1) Authorized recipient - a person receiving motor vehicle
7 records as defined by this subchapter, in a manner authorized by
8 Transportation Code, Chapter 730.

9 (2) Department--Texas Department of Motor Vehicles.

10 (3) Motor vehicle records --Information regarding the
11 titling or registration of motor vehicles, which may include the
12 make, vehicle identification number, year, model, body style,
13 license number of a motor vehicle, and the name, address, and
14 social security number of an owner or lienholder. As used in
15 this Subchapter, the term includes any personal information
16 contained in such records.

17 (4) Original recipient - an authorized recipient receiving
18 motor vehicle information directly from the department.

19 (5) Personal information--Information that identifies an
20 individual, including an individual's photograph or computerized
21 image, social security number, driver identification number,
22 personal identification certificate number, name, telephone
23 number, medical or disability information, license plate number,

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

Page 2 of 12

1 or address other than the postal routing code.

2 (6) Requestor - a person seeking motor vehicle records from
3 the department.

4 (7) Service agreement--A contractual agreement that allows
5 individuals, businesses or governmental entities or institutions
6 to access the department's motor vehicle records.

7 (8) Written request--A request made in writing, including
8 electronic mail, electronic media, and facsimile transmission.

9

10 §217.123 Access to Motor Vehicle Records.

11 (a) Request for records. A requestor shall submit a written
12 request on the form required by the department. Information will
13 be released only in accordance with Title 18 U.S.C. §2721 et
14 seq., Transportation Code, Chapter 730, Government Code,
15 §552.130, and this Subchapter. A completed and properly executed
16 form must include, at a minimum:

17 (1) the name and address of the requestor;

18 (2) the Texas license number, title or document
19 number, or vehicle identification number of the motor vehicle
20 about which information is requested;

21 (3) a photocopy of the requestor's identification;

22 (4) a statement that the requested information may
23 only be released if the requestor is the subject of the record,

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

Page 3 of 12

1 if the requestor has written authorization for release from the
2 subject of the record, or if the intended use is for a permitted
3 use as indicated on the form;

4 (5) a certification that the statements made on the
5 form are true and correct; and

6 (6) the signature of the requestor.

7 (b) Identification required. A requestor may not apply for
8 receipt of personal information unless the person presents
9 current photo identification containing a unique identification
10 number. The identification document must be a:

11 (1) driver's license or state identification
12 certificate issued by a state or territory of the United States;

13 (2) United States or foreign passport;

14 (3) United States military identification card;

15 (4) United States Department of Homeland Security,
16 United States Citizenship and Immigration Services, or United
17 States Department of State identification document;

18 (5) concealed handgun license or license to carry a
19 handgun issued by the Texas Department of Public Safety under
20 Government Code, Chapter 411, Subchapter H;

21 (6) copy of current law enforcement credentials if the
22 requestor is a law enforcement officer, or

23 (7) other form of identification acceptable to the

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

Page 4 of 12

1 department.

2 (c) Electronic access. The department may make motor
3 vehicle record information available under the terms of a
4 written service agreement.

5 (1) Agreement with business or individuals. The
6 written service agreement with a business or individual must
7 contain:

8 (A) the specified purpose of the agreement;

9 (B) an adjustable account, if applicable, in
10 which an initial deposit and minimum balance is maintained in
11 the amount of:

12 (i) \$200 for an on-line access account; or

13 (ii) \$1,000 for a prepaid account for batch
14 purchase of motor vehicle record information;

15 (C) termination and default provisions;

16 (D) service hours for access to motor vehicle
17 records for on-line access;

18 (E) the contractor's signature;

19 (F) a statement that the use of motor vehicle
20 record information obtained by virtue of a service agreement is
21 conditional upon its being used:

22 (i) in accordance with 18 U.S.C. §2721 et
23 seq. and Transportation Code, Chapter 730; and

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

Page 5 of 12

1 (ii) only for the purposes defined in the
2 agreement; and

3 (G) the statements required by subsection (a) of
4 this section.

5 (2) Agreements with governmental agencies.

6 (A) The written service agreement with an agency
7 must contain:

8 (i) the specified purpose of the agreement;

9 (ii) method of payment;

10 (iii) notification regarding the charges;

11 (iv) a statement that the use of motor

12 vehicle record information obtained by virtue of a service

13 agreement is conditional upon its being used in accordance with

14 18 U.S.C. §2721 et seq. and Transportation Code, Chapter 730,

15 and only for the purposes defined in the agreement;

16 (v) the statements required by subsection

17 (a) of this section;

18 (vi) the signature of an authorized

19 official; and

20 (vii) an attached statement citing the

21 agency's authority to obtain social security number information,

22 if applicable.

23 (B) Texas Law Enforcement Telecommunication

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

Page 6 of 12

1 System access is exempt from the payment of fees.

2 (d) Ineligibility to receive personal information. The
3 department may prohibit a person, business, or agency from
4 receiving personal information if the department finds a
5 violation of a term or condition of the agreement entered into
6 in accordance with subsection (c) of this section.

7

8 §217.125 Additional Documentation Related to Certain Permitted
9 Uses.

10 (a) The department may require a requestor to provide
11 reasonable assurance as to the identity of the requestor and
12 that the use of motor vehicle records is only as authorized
13 under Transportation Code §730.012(a). Where applicable, each
14 requestor submitting a request for motor vehicle records shall
15 provide documentation satisfactory to the department that they
16 are authorized to request the information on behalf of the
17 business or government entity authorized to receive the
18 information.

19 (b) The following permitted uses of motor vehicle records
20 require additional documentation submitted to the department
21 prior to disclosure:

22 (1) Transportation Code §730.007(2)(C) requires
23 submitting the information the business is attempting to verify

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

Page 7 of 12

1 against the department's motor vehicle records.

2 (2) Transportation Code §730.007(2)(D) requires
3 submitting proof of legal proceeding, or if no proceeding has
4 been initiated, proof in anticipation of proceeding.

5 (3) Transportation Code §730.007(2)(E) requires
6 submitting documentation sufficient to prove the requestor is
7 employed in a researching occupation.

8 (4) Transportation Code §730.007(2)(F) requires
9 submitting a license number provided by the Texas Department of
10 Insurance, a license number the insurance support organization
11 is working under, or proof of self-insurance.

12 (5) Transportation Code §730.007(2)(G) requires
13 submitting a license number provided by the Texas Department of
14 Licensing and Regulation.

15 (6) Transportation Code §730.007(2)(H) requires
16 submitting a license number provided by the Texas Department of
17 Public Safety.

18 (7) Transportation Code §730.007(2)(I) requires
19 submitting a copy of the commercial driver's license.

20 (8) Transportation Code §730.007(2)(J) requires
21 submitting documentation to relate the requested personal
22 information with operation of a private toll transportation
23 facility.

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

Page 8 of 12

1 (9) Transportation Code §730.007(2)(K) requires a
2 consumer reporting agency, as defined by the Fair Credit
3 Reporting Act (15 U.S.C. §1681 et. seq.) to submit documentation
4 on official letterhead indicating a permitted use for personal
5 information, as defined by that Act.

6
7 §217.126 Limitations on Resale and Redislosure.

8 (a) Authorized recipients may only resell or disclose
9 motor vehicle records to other authorized recipients and not in
10 the identical or similar format as provided by the department.

11 (b) Authorized recipients may not resell or disclose the
12 entire motor vehicle records database in its complete bulk
13 format.

14 (c) Any authorized recipient reselling or disclosing
15 motor vehicle records must inform the person to whom they are
16 reselling or disclosing of their obligations under
17 Transportation Code, Chapter 730 and this Subchapter.

18 (d) Any original recipient is responsible for misuse of
19 motor vehicle records by any person receiving their version of
20 the information, regardless of whether the original authorized
21 recipient approved or was aware of subsequent transfers of the
22 information.

23

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

Page 9 of 12

1 §217.127 Records Maintained by Recipients Who Resell or
2 Redisclose Motor Vehicle Records.

3 (a) Authorized recipients who resell or redisclose motor
4 vehicle records are required to maintain records of that
5 transaction.

6 (b) Records must be maintained for not less than five years
7 and must include:

8 (1) the name and contact information of any recipient
9 of resold or rediscovered motor vehicle records;

10 (2) the permitted use for which the motor vehicle
11 records were released;

12 (3) the quantity of motor vehicle records sold or
13 disclosed to each subsequent person;

14 (4) a statement by the authorized recipient specifying
15 what data was resold or rediscovered and in what format; and

16 (5) any other documentation of the agreement to resell
17 or rediscover motor vehicle records.

18

19 §217.128 Department Review of Recipient's Records of Resale or
20 Rediscovery.

21 (a) The department has the authority to request and review
22 records kept by all authorized recipients who resell or
23 rediscover motor vehicle records.

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

Page 10 of 12

1 (b) This request will be made in writing to the recipient.

2 (c) The recipient must provide the requested records within
3 30 days of the date of the department's request.

4 (d) Failure to fully respond to the department's request
5 will result in termination of access to motor vehicle records
6 under Transportation Code §730.007.

7 (e) Upon receipt of the requested records, the department
8 will evaluate the records for compliance with the service
9 agreement, applicable statutes, and rules.

10 (f) If it is determined that an original recipient is not
11 in compliance with the service agreement, applicable statutes,
12 and rules, the service agreement will be terminated immediately.

13
14 §217.129 Ineligibility to Receive Motor Vehicle Records.

15 (a) The department may deny a requestor's access to motor
16 vehicle records if it determines withholding the information
17 benefits the public's interest more than releasing the
18 information.

19 (b) If the department determines an authorized recipient of
20 motor vehicle records has violated a clause or term of the
21 service agreement, and that service agreement has been
22 terminated, that authorized recipient cannot enter into a
23 subsequent service agreement unless approved to do so under

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

Page 11 of 12

1 §217.130 of this Subchapter.

2 (c) Termination of the service agreement caused by any
3 member of a business, partnership, or entity shall be effective
4 on the whole organization. Subsequent businesses formed by any
5 member, officer, partner or affiliate of an entity whose service
6 agreement has been terminated will also be ineligible to receive
7 records.

8 §217.130 Approval For Persons Whose Access to Motor Vehicle
9 Records Has Previously Been Terminated.

10 (a) A requestor whose service agreement was previously
11 terminated, but who is not subject to Transportation Code
12 §730.016, shall submit a written request for reapproval on the
13 form required by the department.

14 (b) In addition to the requirements of §217.123 of this
15 Subchapter, the request must contain:

16 (1) any documents indicating remedial efforts the
17 requestor has undertaken to prevent the unlawful disclosure of
18 motor vehicle records,

19 (2) any documents indicating agreements between the
20 requestor and third parties receiving resold or redisclosed
21 motor vehicle records, and

22 (3) A statement that the requestor will notify the
23 department before reselling or redisclosing any motor vehicle

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

Page 12 of 12

1 records for the time period prescribed by the department,
2 including all of the information required under §217.127(b) of
3 this Subchapter. The notification must include the name,
4 address, and contact information of the third party requesting
5 resold or redisclosed motor vehicle records, and must include
6 the form(s) used to verify the third party's lawful purpose in
7 obtaining motor vehicle records.

8 (c) Failure to comply with any of the terms of this section
9 or a re-offense of the service agreement will result in the
10 termination of the service agreement and the permanent inability
11 to receive motor vehicle records.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: 19
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 218, Motor Carriers Amendments, §218.13, Application for Motor Carrier Registration
(Relating to the requirement for sole proprietor applicants to scan a copy of their identification document into the eLINC system, as well as rule language cleanup regarding HB 3254)

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

One amendment requires a sole proprietor who applies for motor carrier operating authority to provide a copy of their driver's license or other identification document. This additional documentation will help the department verify the identity of the individuals who apply for operating authority.

Other amendments clean up the language in §218.13 to be consistent with House Bill 3254 from the 85th Legislature, Regular Session.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The amendment to require a copy of the sole proprietor's identification document helps the department determine whether the applicant is a potential chameleon carrier or reincarnated carrier, which is a motor carrier that reinvents itself or operates affiliated companies to avoid the consequences of prior violations of the laws, rules, and/or regulations. Chameleon carriers create a new business or operate affiliated companies because otherwise, they would not qualify for operating authority under Transportation Code, Chapter 643.

Section 218.13 already requires applicants that are entities to provide their Texas Comptroller's Taxpayer Number or their Federal Employer Identification Number, which helps the department identify the applicant and verify whether the entity is a valid legal entity.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about March 2, 2018. Comments on the proposed amendments will be accepted until 5:00 p.m. on April 2, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTION 218.13, APPLICATION FOR MOTOR CARRIER REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 218, Motor Carriers, Subchapter B, Motor Carrier Registration, §218.13, Application for Motor Carrier Registration.

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

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the *Texas Register* for the purpose of receiving public comment.

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

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

Recommended by:

Jimmy Archer, Director
Motor Carrier Division

Order Number: _____ Date Passed: February 8, 2018
February 8, 2018

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 218, Motor Carriers, Subchapter B, Motor
4 Carrier Registration, §218.13, Application for Motor Carrier
5 Registration.

6

7 EXPLANATION OF PROPOSED AMENDMENTS

8 The amendment to §218.13(a)(12)(F) requires a sole proprietor
9 who applies for motor carrier operating authority to provide a
10 copy of their driver's license or other identification document,
11 in addition to providing the actual number(s) on the
12 identification document. Applicants must scan in a copy of their
13 identification document via the department's online system,
14 which is currently called eLINC.

15

16 This additional documentation will help the department verify
17 the identity of the individuals who apply for operating
18 authority. The amendment will help the department determine
19 whether the applicant is a potential chameleon carrier or
20 reincarnated carrier, which is a motor carrier that reinvents
21 itself or operates affiliated companies to avoid the
22 consequences of prior violations of the laws, rules, and/or
23 regulations. Chameleon carriers create a new business or operate

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 affiliated companies because otherwise, they would not qualify
2 for operating authority under Transportation Code, Chapter 643.

3
4 Other amendments to §218.13 modify the language to be consistent
5 with the amendments in House Bill 3254 from the 85th Legislature,
6 Regular Session, 2017.

7
8 FISCAL NOTE

9 Linda M. Flores, Chief Financial Officer, has determined that
10 for each of the first five years the amendments are in effect,
11 there will be no fiscal implications for state or local
12 governments as a result of enforcing or administering the
13 proposed amendments.

14
15 Jimmy Archer, Director of the Motor Carrier Division, has
16 determined that there will be no anticipated impact on local
17 economies or overall employment as a result of enforcing or
18 administering the proposed amendments.

19
20 PUBLIC BENEFIT AND COST

21 Mr. Archer has also determined that for each year of the first
22 five years the amendments are in effect, the public benefit
23 anticipated as a result of enforcing or administering the

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 amendments will be additional documentation to help the
2 department verify the identity of sole proprietor applicants, as
3 well as rule language that is consistent with Transportation
4 Code, Chapter 643. There are no anticipated economic costs for
5 persons required to comply with the proposed amendments. There
6 will be no adverse economic effect on small businesses, micro-
7 businesses, or rural communities.

8

9 TAKINGS IMPACT ASSESSMENT

10 The department has determined that this proposal affects no
11 private real property interests and that this proposal does not
12 restrict or limit an owner's right to property that would
13 otherwise exist in the absence of government action, and so does
14 not constitute a taking or require a takings impact assessment
15 under Government Code, §2007.043.

16

17 GOVERNMENT GROWTH IMPACT STATEMENT

18 The department has determined that during the first five years
19 the proposed amendments are in effect, no government program
20 would be created or eliminated. Implementation of the proposed
21 amendments would not require the creation of new employee
22 positions or elimination of existing employee positions.
23 Implementation would not require an increase or decrease in

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 future legislative appropriations to the department or an
2 increase or decrease of fees paid to the department.
3 Additionally, the proposed amendments do not create a new
4 regulation, or expand, limit, or repeal an existing regulation.
5 The proposed amendments do not affect the number of individuals
6 subject to the rule's applicability and will not affect this
7 state's economy.

8

9 SUBMITTAL OF COMMENTS

10 Written comments on the proposed amendments may be submitted to
11 David D. Duncan, General Counsel, Texas Department of Motor
12 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
13 to *rules@txdmv.gov*. The deadline for receipt of comments is
14 5:00 p.m. on April 2, 2018.

15

16 STATUTORY AUTHORITY

17 The amendments are proposed under Transportation Code,
18 §1002.001, which provides the board of the Texas Department of
19 Motor Vehicles with the authority to adopt rules that are
20 necessary and appropriate to implement the powers and the duties
21 of the department under the Transportation Code; and more
22 specifically Transportation Code, §643.003, which authorizes the
23 department to adopt rules to administer Transportation Code,

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 Chapter 643; and Transportation Code, §643.052(8), which
2 authorizes the department by rule to require an application to
3 include any information the department determines is necessary
4 for the safe operation of a motor carrier under Chapter 218.

5

6 CROSS REFERENCE TO STATUTE

7 Transportation Code, Chapter 643.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 SUBCHAPTER B. MOTOR CARRIER REGISTRATION

2 §218.13. Application for Motor Carrier Registration.

3 (a) Form of application. An application for motor carrier
4 registration must be filed with the department's Motor Carrier
5 Division and must be in the form prescribed by the director and
6 must contain, at a minimum, the following information.

7 (1) USDOT number. A valid USDOT number.

8 (2) Business or trade name. The applicant must designate
9 the business or trade name of the motor carrier.

10 (3) Owner name. If the motor carrier is a sole
11 proprietorship, the owner must indicate the name and social
12 security number of the owner. A partnership must indicate the
13 partners' names, and a corporation or other entity must indicate
14 principal officers and titles.

15 (4) Physical address of principal place of business. A
16 motor carrier must disclose the motor carrier's principal
17 business address. If the mailing address is different from the
18 principal business address, the mailing address must also be
19 disclosed.

20 (5) Legal agent.

21 (A) A Texas-domiciled motor carrier must provide the
22 name, telephone number, and address of a legal agent for service
23 of process if the agent is different from the motor carrier.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (B) A motor carrier domiciled outside Texas must
2 provide the name, telephone number, and Texas address of the
3 legal agent for service of process.

4 (C) A legal agent for service of process shall be a
5 Texas resident, a domestic corporation, or a foreign corporation
6 authorized to transact business in Texas with a Texas physical
7 address, rather than a post office box, for service of process.

8 (6) Description of vehicles. An application must include
9 a motor carrier equipment report identifying each commercial
10 motor vehicle that requires registration and that the carrier
11 proposes to operate. Each commercial motor vehicle must be
12 identified by its motor vehicle identification number, make,
13 model year, and type of cargo and by the unit number assigned to
14 the commercial motor vehicle by the motor carrier. Any
15 subsequent registration of vehicles must be made under
16 subsection (e) of this section.

17 (7) Type of motor carrier operations. An applicant must
18 state if the applicant:

19 (A) proposes to transport passengers, household goods,
20 or hazardous materials; or

21 (B) is domiciled in a foreign country.

22 (8) Insurance coverage. An applicant must indicate
23 insurance coverage as required by §218.16 of this title

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (relating to Insurance Requirements).

2 (9) Safety certification. Each motor carrier must
3 complete, as part of the application, a certification stating
4 that the motor carrier knows and will conduct operations in
5 accordance with all federal and state safety regulations.

6 (10) Drug-testing certification. Each motor carrier must
7 certify, as part of the application, that the motor carrier is
8 in compliance with the drug-testing requirements of 49 C.F.R.
9 Part 382. If the motor carrier belongs to a consortium, as
10 defined by 49 C.F.R. Part 382, the applicant must provide the
11 names of the persons operating the consortium.

12 (11) Duration of registration.

13 (A) An applicant must indicate the duration of the
14 desired registration. Except as provided otherwise in this
15 section, registration may be for seven calendar days, 90
16 calendar days, one year, or two years. The duration of
17 registration chosen by the applicant will be applied to all
18 vehicles.

19 (i) Household goods carriers may not obtain seven-day
20 or 90-day certificates of registration.

21 (ii) Motor carriers that transport passengers in a
22 commercial motor vehicle as defined by §218.2(8)(A)(ii) of this
23 title (relating to Definitions) may not obtain seven-day or 90-

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 day certificates of registration, unless approved by the
2 director.

3 (B) Interstate motor carriers that operate in
4 intrastate commerce and meet the requirements under §218.14(c)
5 of this title (relating to Expiration and Renewal of Commercial
6 Motor Vehicles Registration) are not required to renew a
7 certificate of registration issued under this section.

8 (12) Additional requirements. The following fees,
9 documents, and information must be submitted with all
10 applications.

11 (A) An application must be accompanied by an
12 application fee of:

- 13 (i) \$100 for annual and biennial registrations;
14 (ii) \$25 for 90-day registrations; or
15 (iii) \$5 for seven-day registrations.

16 (B) An application must be accompanied by a vehicle
17 registration fee of:

- 18 (i) \$10 for each vehicle that the motor carrier
19 proposes to operate under a seven-day, 90-day, or annual
20 registration; or
21 (ii) \$20 for each vehicle that the motor carrier
22 proposes to operate under a biennial registration.

23 (C) An application must be accompanied by proof of

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 insurance or financial responsibility and insurance filing fee
2 as required by §218.16.

3 (D) An application must include the applicant's
4 business telephone number, email address, and any cell phone
5 number.

6 (E) An application must include the completed New
7 Applicant Questionnaire.

8 (F) An application submitted by an individual must
9 include the number from one of the following forms of
10 identification, as well as a copy of the identification
11 document:

12 (i) an unexpired driver's license issued by a state or
13 territory of the United States. If the driver's license was
14 issued by the Department of Public Safety, the application must
15 also include the audit number listed on the driver's license;

16 (ii) an unexpired identification certificate issued by
17 a state or territory of the United States; or

18 (iii) an unexpired concealed handgun license or
19 license to carry a handgun issued by the Department of Public
20 Safety under Government Code, Chapter 411, Subchapter H.

21 (G) An application submitted by an individual or entity
22 with an assumed name must be accompanied by supporting documents
23 regarding the assumed name, such as an assumed name filing in

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 the county of proposed operation.

2 (H) An application submitted by an entity, such as a
3 corporation, general partnership, limited liability company,
4 limited liability corporation, limited partnership, or
5 partnership, must include the entity's Texas Comptroller's
6 Taxpayer Number or the entity's Federal Employer Identification
7 Number.

8 (I) An application must be accompanied by any other
9 information required by law.

10 (13) Additional requirements for household goods
11 carriers. The following information, documents, and
12 certification must be submitted with all applications by
13 household goods carriers:

14 (A) A copy of the tariff that sets out the maximum
15 charges for transportation of household goods [~~between two or~~
16 ~~more municipalities~~], or a copy of the tariff governing
17 interstate transportation services [~~on a highway between two or~~
18 ~~more municipalities~~]. If an applicant is governed by a tariff
19 that its association has already filed with the department under
20 §218.65 of this title (relating to Tariff Registration), the
21 applicant complies with the requirement in this subparagraph by
22 checking the applicable box on the application to identify the
23 association's tariff.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (B) If the motor vehicle is not titled in the name of
2 the household goods carrier, the following lease information and
3 documentation, notwithstanding §218.18(a) of this title
4 (relating to Short-term Lease and Substitute Vehicles):

5 (i) a copy of a valid lease agreement for each motor
6 vehicle that the household goods carrier will operate; and

7 (ii) the name of the lessor and their USDOT number for
8 each motor vehicle leased to the household goods carrier under a
9 short-term lease.

10 (C) A certification that the household goods carrier
11 has procedures that comply with Code of Criminal Procedure,
12 Article 62.063(b)(3), which prohibits certain people who are
13 required to register as a sex offender from providing moving
14 services in the residence of another person without supervision.

15 (14) Additional requirements for passenger carriers. The
16 following information and documents must be submitted with all
17 applications for motor carriers that transport passengers in a
18 commercial motor vehicle as defined by §218.2(8)(A)(ii) of this
19 title:

20 (A) If the commercial motor vehicle is titled in the
21 name of the motor carrier, a copy of the International
22 Registration Plan registration receipt or a copy of the front
23 and back of the title for each commercial motor vehicle; or

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (B) If the commercial motor vehicle is not titled in
2 the name of the motor carrier, the following lease information
3 and documentation, notwithstanding §218.18(a) of this title:

4 (i) A copy of a valid lease agreement for each
5 commercial motor vehicle; and

6 (ii) The name of the lessor and their USDOT number for
7 each commercial motor vehicles leased to the motor carrier under
8 a short-term lease.

9 (b) Conditional acceptance of application. If an
10 application has been conditionally accepted by the director
11 pursuant to Transportation Code, §643.055, the applicant may not
12 operate the following until the department has issued a
13 certificate under Transportation Code, §643.054:

14 (1) a commercial motor vehicle or any other motor vehicle
15 to transport household goods for compensation, or

16 (2) a commercial motor vehicle to transport persons or
17 cargo.

18 (c) Approved application. An applicant meeting the
19 requirements of this section and whose registration is approved
20 will be issued the following documents:

21 (1) Certificate of registration. The department will
22 issue a certificate of registration. The certificate of
23 registration will contain the name and address of the motor

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 carrier and a single registration number, regardless of the
2 number of vehicles requiring registration that the carrier
3 operates.

4 (2) Insurance cab card. The department will issue an
5 insurance cab card listing all vehicles to be operated under the
6 carrier's certificate of registration. The insurance cab card
7 shall be continuously maintained at the registrant's principal
8 place of business. The insurance cab card will be valid for the
9 same period as the motor carrier's certificate of registration
10 and will contain information regarding each vehicle registered
11 by the motor carrier.

12 (A) A current copy of the page of the insurance cab
13 card on which the vehicle is shown shall be maintained in each
14 vehicle listed, unless the motor carrier chooses to maintain a
15 legible and accurate image of the insurance cab card on a
16 wireless communication device in the vehicle or chooses to
17 display such information on a wireless communication device by
18 accessing the department's online system from the vehicle. The
19 appropriate information concerning that vehicle shall be
20 highlighted if the motor carrier chooses to maintain a hard copy
21 of the insurance cab card or chooses to display an image of the
22 insurance cab card on a wireless communication device in the
23 vehicle. The insurance cab card or the display of such

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 information on a wireless communications device will serve as
2 proof of insurance as long as the motor carrier has continuous
3 insurance or financial responsibility on file with the
4 department.

5 (B) On demand by a department investigator or any other
6 authorized government personnel, the driver shall present the
7 highlighted page of the insurance cab card that is maintained in
8 the vehicle or that is displayed on a wireless communication
9 device in the vehicle. If the motor carrier chooses to display
10 the information on a wireless communication device by accessing
11 the department's online system, the driver must locate the
12 vehicle in the department's online system upon request by the
13 department-certified inspector or other authorized government
14 personnel.

15 (C) The motor carrier shall notify the department in
16 writing if it discontinues use of a registered commercial motor
17 vehicle before the expiration of its insurance cab card.

18 (D) Any erasure or alteration of an insurance cab card
19 that the department printed out for the motor carrier renders it
20 void.

21 (E) If an insurance cab card is lost, stolen,
22 destroyed, or mutilated; if it becomes illegible; or if it
23 otherwise needs to be replaced, the department will print out a

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 new insurance cab card at the request of the motor carrier.
2 Motor carriers are authorized to print out a copy of a new
3 insurance cab card using the department's online system.

4 (F) The department is not responsible for a motor
5 carrier's inability to access the insurance information using
6 the department's online system.

7 (G) The display of an image of the insurance cab card
8 or the display of insurance information from the department's
9 online system via a wireless communication device by the motor
10 carrier does not constitute effective consent for a law
11 enforcement officer, the department investigator, or any other
12 person to access any other content of the wireless communication
13 device.

14 (d) Additional and replacement vehicles. A motor carrier
15 required to obtain a certificate of registration under this
16 section shall not operate additional vehicles unless the carrier
17 identifies the vehicles on a form prescribed by the director and
18 pays applicable fees as described in this subsection.

19 (1) Additional vehicles. To add a vehicle, a motor
20 carrier must pay a fee of \$10 for each additional vehicle that
21 the motor carrier proposes to operate under a seven-day, 90-day,
22 or annual registration. To add a vehicle during the first year
23 of a biennial registration, a motor carrier must pay a fee of

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 \$20 for each vehicle. To add a vehicle during the second year of
2 a biennial registration, a motor carrier must pay a fee of \$10
3 for each vehicle.

4 (2) Replacement vehicles. No fee is required for a
5 vehicle that is replacing a vehicle for which the fee was
6 previously paid. Before the replacement vehicle is put into
7 operation, the motor carrier shall notify the department,
8 identify the vehicle being taken out of service, and identify
9 the replacement vehicle on a form prescribed by the department.
10 A motor carrier registered under seven-day registration may not
11 replace vehicles.

12 (e) Supplement to original application. A motor carrier
13 required to register under this section shall submit a
14 supplemental application under the following circumstances.

15 (1) Change of cargo. A registered motor carrier may not
16 begin transporting household goods or hazardous materials unless
17 the carrier submits a supplemental application to the department
18 and shows the department evidence of insurance or financial
19 responsibility in the amounts specified by §218.16.

20 (2) Change of name. A motor carrier that changes its name
21 shall file a supplemental application for registration no later
22 than the effective date of the change. The motor carrier shall
23 include evidence of insurance or financial responsibility in the

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 new name and in the amounts specified by §218.16. A motor
2 carrier that is a corporation must have its name change approved
3 by the Texas Secretary of State before filing a supplemental
4 application. A motor carrier incorporated outside the state of
5 Texas must complete the name change under the law of its state
6 of incorporation before filing a supplemental application.

7 (3) Change of address or legal agent for service of
8 process. A motor carrier shall file a supplemental application
9 for any change of address or any change of its legal agent for
10 service of process no later than the effective date of the
11 change. The address most recently filed will be presumed
12 conclusively to be the current address.

13 (4) Change in principal officers and titles. A motor
14 carrier that is a corporation shall file a supplemental
15 application for any change in the principal officers and titles
16 no later than the effective date of the change.

17 (5) Conversion of corporate structure. A motor carrier
18 that has successfully completed a corporate conversion involving
19 a change in the name of the corporation shall file a
20 supplemental application for registration and evidence of
21 insurance or financial responsibility reflecting the new company
22 name. The conversion must be approved by the Office of the
23 Secretary of State before the supplemental application is filed.

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 (6) Change in drug-testing consortium status. A motor
2 carrier that changes consortium status shall file a supplemental
3 application that includes the names of the persons operating the
4 consortium.

5 (7) Retaining a revoked or suspended certificate of
6 registration number. A motor carrier may retain a prior
7 certificate of registration number by:

8 (A) filing a supplemental application to re-register
9 instead of filing an original application; and

10 (B) providing adequate evidence that the carrier has
11 satisfactorily resolved the facts that gave rise to the
12 suspension or revocation.

13 (f) Change of ownership. A motor carrier must file an
14 original application for registration when there is a corporate
15 merger or a change in the ownership of a sole proprietorship or
16 of a partnership.

17 (g) Alternative vehicle registration for household goods
18 agents. To avoid multiple registrations of a commercial motor
19 vehicle, a household goods agent's vehicles may be registered
20 under the motor carrier's certificate of registration under this
21 subsection.

22 (1) The carrier must notify the department on a form
23 approved by the director of its intent to register its agent's

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 vehicles under this subsection.

2 (2) When a carrier registers vehicles under this
3 subsection, the carrier's certificate will include all vehicles
4 registered under its agent's certificates of registration. The
5 carrier must register under its certificate of registration all
6 vehicles operated on its behalf that do not appear on its
7 agent's certificate of registration.

8 (3) The department may send the carrier a copy of any
9 notification sent to the agent concerning circumstances that
10 could lead to denial, suspension, or revocation of the agent's
11 certificate.

12 (h) Substitute vehicles leased from leasing businesses. A
13 registered motor carrier is not required to comply with the
14 provisions of subsection (e) of this section for a substitute
15 vehicle leased from a business registered under §218.18 of this
16 title (relating to Short-term Lease and Substitute Vehicles). A
17 motor carrier is not required to carry proof of registration as
18 described in subsection (d) of this section if a copy of the
19 lease agreement for the originally leased vehicle is carried in
20 the cab of the temporary replacement vehicle.

21 (i) Once the motor carrier obtains a certificate of
22 registration, the motor carrier must review its principal
23 business address, mailing address, and email address in the

Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

- 1 department's online system every six months and shall update
- 2 such information if it is no longer correct.

Date: February 8, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: 20
Subject: Proposal of Rules under Title 43, Texas Administrative Code, Chapter 219, Oversize and Overweight Vehicles and Loads
Amendments, §§219.2, 219.34, 219.35, and 219.36
(Relating to definitions and clarification of statutory language)

RECOMMENDATION

Approval to publish the proposed amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to implement House Bill 2319, Senate Bill 1383, and Senate Bill 1524 by:

- 1) defining the terms “roll stability support safety system” and “truck blind spot systems;” and
- 2) clarifying the terms “approximately 612 inches” and “approximately 647 inches.”

Industry needs clarification on these terms to obtain equipment that complies with the permit requirements.

FINANCIAL IMPACT

There will be no fiscal implications regarding the proposed amendments.

BACKGROUND AND DISCUSSION

After the department proposed new §219.34, 219.35, and 219.36 to the board at the August 2017 board meeting, industry representatives started asking department staff about our interpretation of these terms because the terms are subject to different interpretations by industry and enforcement personnel. The discussions of the terms “roll stability support safety system” and “truck blind spot systems” focused on safety. The department’s proposed definitions require the vehicles to have actual systems that perform these functions. The manual actions or perceptions of a human driver do not qualify as a “roll stability support safety system” or as “truck blind spot systems.”

Proposed amendments to §219.34 and §219.36 clarify the terms “approximately 612 inches” and “approximately 647 inches,” which are the authorized distances between the front axle of the truck-tractor and the last axle of the semitrailer in the combinations that are eligible for permits under §219.34 and §219.36. The discussions regarding these terms focused on the availability of equipment that is currently in production, as well as the Texas Department of Transportation’s concerns about going below 612 inches and 647 inches.

A manufacturer told one motor carrier that they have equipment in production that exceeds the 612-inch requirement by 46 inches. If the motor carrier needed equipment to be closer to 612 inches, they would have to buy a custom design. The department conferred with the Texas Department of Transportation (TxDOT) and the Texas Department of Public Safety (DPS) regarding the interpretation of these terms. The department and DPS also discussed these terms at TxDOT’s Oversize and Overweight Stakeholder Workshop on November 20, 2017, when an industry representative asked for clarification on the meaning of the terms. The department, TxDOT, and DPS agree that these terms mean the minimum distance; however, the distance can exceed these numbers.



TxDOT did not suggest a maximum distance; however, they stated the longer the distance, the better. DPS pointed out the potential benefit of not listing a maximum distance in case a manufacturer or engineer designs equipment that exceeds whatever maximum distance the department might establish in the rules. The proposed amendments establish the maximum distance, so the department's personnel and industry have a clear maximum distance. However, the preamble states the department reserves the right to increase the maximum distance in §219.34 and §219.36 prior to adoption, depending on the comments we receive.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the *Texas Register* on or about March 2, 2018. Comments on the proposed amendments will be accepted until 5:00 p.m. on April 2, 2018.

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO
43 TAC SECTIONS 219.2, 219.34, 219.35, AND 219.36 RELATING TO
OVERSIZE AND OVERWEIGHT VEHICLES AND LOADS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter A, General Provisions, §219.2, Definitions; Subchapter C, Permits for Over Axle and Over Gross Weight Tolerances, §219.34, North Texas Intermodal Permit; §219.35, Fluid Milk Transport Permit; and §219.36, Intermodal Shipping Container Port Permit.

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

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the *Texas Register* for the purpose of receiving public comment.

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

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

Recommended by:

Jimmy Archer, Director
Motor Carrier division

Order Number: _____

Date Passed: February 8, 2018

February 8, 2018

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 219, Oversize and Overweight Vehicles and
4 Loads, Subchapter A, General Provisions, §219.2, Definitions;
5 and Subchapter C, Permits for Over Axle and Over Gross Weight
6 Tolerances, §219.34, North Texas Intermodal Permit; §219.35,
7 Fluid Milk Transport Permit; and §219.36, Intermodal Shipping
8 Container Port Permit.

9

10 EXPLANATION OF PROPOSED AMENDMENTS

11 The 85th Legislature, Regular Session, 2017, authorized three
12 new permits for overweight vehicle combinations. Proposed
13 amendments to §§219.2, 219.34, 219.35, and 219.36 implement
14 House Bill 2319, Senate Bill 1383, and Senate Bill 1524 by
15 defining and clarifying terms that are used in these bills.

16

17 The department proposes to define the terms "roll stability
18 support safety system" and "truck blind spot systems" because
19 industry and enforcement personnel could interpret these terms
20 to mean different things. These terms were included in House
21 Bill 2319, Senate Bill 1383, and Senate Bill 1524 to attempt to
22 make these permitted vehicles safer. The department's proposed
23 definitions focus on safety. For example, the roll stability

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 support safety system is defined to require an electronic
2 system. The manual actions or perceptions of a human driver do
3 not qualify as a "roll stability support safety system" because
4 a human driver might not be capable of detecting or preventing
5 instability problems as well as an electronic system.

6

7 A proposed amendment to §219.34 and §219.36 clarifies the term
8 "approximately 647 inches," and a proposed amendment to §219.36
9 clarifies the term "approximately 612 inches." These terms state
10 the authorized distance between the front axle of the truck-
11 tractor and the last axle of the semitrailer in the combinations
12 that are eligible for permits under §219.34 and §219.36.

13 Industry and enforcement personnel could interpret these terms
14 to mean different things.

15

16 The department received calls from industry representatives who
17 wanted to know how the department interpreted these terms
18 because industry wanted to exceed these numbers. For example, a
19 manufacturer told one motor carrier that they have equipment in
20 production that exceeded the 612-inch requirement by 46 inches.

21

22 The Legislature did not define these terms in House Bill 2319 or
23 Senate Bill 1524. In construing a statute, the Code Construction

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Act says a court may consider the object sought to be attained,
2 the consequences of a particular construction, the
3 administrative construction of the statute, etc. See Government
4 Code, §311.023.

5

6 The Legislature used the terms "approximately 647 inches" and
7 "approximately 612 inches" to ensure a certain distance between
8 the applicable axles to minimize or prevent the damage to
9 roadways that could be caused by the excess weight of the
10 permitted vehicles. The department discussed this issue with the
11 Texas Department of Transportation (TxDOT) because they design
12 and maintain roadways on which the permitted vehicles could
13 travel. The department also discussed this issue with the Texas
14 Department of Public Safety (DPS) because they enforce weight
15 issues. Further, the department discussed this issue at TxDOT's
16 Oversize and Overweight Stakeholder Workshop on November 20,
17 2017, when an industry representative asked for clarification on
18 the meaning of the terms "approximately 612 inches" and
19 "approximately 647 inches."

20

21 In defining these terms, the department focused on the object
22 sought to be attained, which is to minimize or prevent damage
23 that could be caused by the excess weight of the permitted

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 vehicles. The department also focused on the consequences of a
2 particular interpretation or construction of the terms. TxDOT
3 stated that distances below 612 inches or 647 inches could have
4 a significant impact on their assessment of bridges and may
5 result in additional load postings. Also, industry only asked if
6 the distance could go above 612 and 647 inches, so they could
7 purchase equipment that is currently in production.

8

9 The department, TxDOT, and DPS agree that 612 inches and 647
10 inches are the minimum distances allowed; however, the permitted
11 vehicles can exceed these distances. The word "approximately" is
12 defined as: "The state of being very close to an actual accurate
13 answer in mathematics. Refer to about." BLACK'S LAW DICTIONARY
14 FREE ONLINE LEGAL DICTIONARY (2nd ed.) The term "about" is
15 defined as: "While not an exact term 'about' signifies not more
16 or less than 10 percent of the stipulated amount, quantity, or
17 unit price. Refer to the definition of approximately." *Id.* TxDOT
18 did not suggest a specific maximum distance; however, they
19 stated the longer the distance, the better. DPS pointed out the
20 potential benefit of not listing a maximum distance in case a
21 manufacturer or engineer designs equipment that exceeds whatever
22 maximum distance the department might establish in §219.34 and
23 §219.36.

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1

2 The proposed amendments establish the maximum distance, so the
3 department's personnel and industry have a clear maximum
4 distance. However, the department reserves the right to increase
5 the maximum distance in §219.34 and §219.36 prior to adoption,
6 depending on the comments we receive.

7

8 Other amendments to §219.2 delete an incorrect statutory
9 reference and update the language to be internally consistent.

10

11 FISCAL NOTE

12 Linda M. Flores, Chief Financial Officer, has determined that
13 for each of the first five years the amendments as proposed are
14 in effect, there will be no fiscal implications for state or
15 local governments as a result of enforcing or administering the
16 proposed amendments.

17

18 Jimmy Archer, Director of the Motor Carrier Division, has
19 determined that there will be no impact on local economies or
20 overall employment as a result of enforcing or administering the
21 proposed amendments.

22

23 PUBLIC BENEFIT AND COST

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Mr. Archer has also determined that for each year of the first
2 five years the amendments are in effect, the public benefit
3 anticipated as a result of enforcing or administering the
4 amendments will be clarification regarding certain requirements
5 for permits under §§219.34, 219.35, and 219.36. Industry needs
6 these clarifications to purchase compliant equipment. The
7 department needs to let industry know how the department
8 interprets the terms from an administrative enforcement
9 perspective. There are no anticipated economic costs for persons
10 required to comply with the proposed amendments. There will be
11 no adverse economic effect on small businesses, micro-
12 businesses, or rural communities.

13

14 TAKINGS IMPACT ASSESSMENT

15 The department has determined that this proposal affects no
16 private real property interests and that this proposal does not
17 restrict or limit an owner's right to property that would
18 otherwise exist in the absence of government action, and so does
19 not constitute a taking or require a takings impact assessment
20 under Government Code, §2007.043.

21

22 GOVERNMENT GROWTH IMPACT STATEMENT

23 The department has determined that during the first five years

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 the proposed amendments are in effect, no government program
2 would be created or eliminated. Implementation of the proposed
3 amendments would not require the creation of new employee
4 positions or elimination of existing employee positions.
5 Implementation would not require an increase or decrease in
6 future legislative appropriations to the department or an
7 increase or decrease of fees paid to the department.
8 Additionally, the proposed amendments do not create a new
9 regulation, or expand, limit, or repeal an existing regulation.
10 The proposed amendments do not affect the number of individuals
11 subject to the rule's applicability and will not affect this
12 state's economy.

13

14 SUBMITTAL OF COMMENTS

15 Written comments on the proposed amendments may be submitted to
16 David D. Duncan, General Counsel, Texas Department of Motor
17 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
18 to *rules@txdmv.gov*. The deadline for receipt of comments is 5:00
19 p.m. on April 2, 2018.

20

21 STATUTORY AUTHORITY

22 The amendments are proposed under Transportation Code,
23 §1002.001, which provides the board of the Texas Department of

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 Motor Vehicles (board) with the authority to adopt rules that
2 are necessary and appropriate to implement the powers and the
3 duties of the department under the Transportation Code;
4 Transportation Code, §623.002, which authorizes the board to
5 adopt rules that are necessary to implement and enforce
6 Transportation Code, Chapter 623; and more specifically,
7 Transportation Code §623.407(a), which requires the department
8 to adopt rules that are necessary to implement Transportation
9 Code, Chapter 623, Subchapter U, Vehicles Transporting Fluid
10 Milk; and Transportation Code, §623.411(a), which requires the
11 department to adopt rules that are necessary to implement
12 Transportation Code, Chapter 623, Subchapter U, Intermodal
13 Shipping Containers.

14

15 CROSS REFERENCE TO STATUTE

16 Transportation Code, Chapters 621 and 623.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 SUBCHAPTER A. GENERAL PROVISIONS

2 §219.2. Definitions.

3 (a) The definitions contained in Transportation Code,
4 Chapters 621, 622, and 623 apply to this chapter. In the event
5 of a conflict with this chapter, the definitions contained in
6 Transportation Code, Chapters 621, 622, and 623 control.

7 (b) The following words and terms, when used in this
8 chapter, will have the following meanings, unless the context
9 clearly indicates otherwise.

10 (1) Annual permit--A permit that authorizes movement of
11 an oversize and/or overweight load for one year commencing with
12 the effective date.

13 (2) Applicant--Any person, firm, or corporation
14 requesting a permit.

15 (3) Axle--The common axis of rotation of one or more
16 wheels whether power-driven or freely rotating, and whether in
17 one or more segments.

18 (4) Axle group--An assemblage of two or more consecutive
19 axles, with two or more wheels per axle, spaced at least 40
20 inches from center of axle to center of axle, equipped with a
21 weight-equalizing suspension system that will not allow more
22 than a 10% weight difference between any two axles in the group.

23 (5) Board--The Board of the Texas Department of Motor

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 Vehicles.

2 (6) Closeout--The procedure used by the department to
3 terminate a permit, issued under Transportation Code, §623.142
4 or §623.192 that will not be renewed by the applicant.

5 (7) Complete identification number--A unique and
6 distinguishing number assigned to equipment or a commodity for
7 purposes of identification.

8 (8) Concrete pump truck--A self-propelled vehicle
9 designed to pump the concrete product from a ready mix truck to
10 the point of construction.

11 (9) Crane--Any unladen lift equipment motor vehicle
12 designed for the sole purpose of raising, shifting, or lowering
13 heavy weights by means of a projecting, swinging mast with an
14 engine for power on a chassis permanently constructed or
15 assembled for such purpose.

16 (10) Credit card--A credit card approved by the
17 department.

18 (11) Daylight--The period beginning one-half hour before
19 sunrise and ending one-half hour after sunset.

20 (12) Department--The Texas Department of Motor Vehicles.

21 (13) Digital signature--An electronic identifier intended
22 by the person using it to have the same force and effect as a
23 manual signature. The digital signature shall be unique to the

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 person using it.

2 (14) Director--The Executive Director of the Texas
3 Department of Motor Vehicles or a designee not below the level
4 of division director.

5 (15) District--One of the 25 geographical areas, managed
6 by a district engineer of the Texas Department of
7 Transportation, in which the Texas Department of Transportation
8 conducts its primary work activities.

9 (16) District engineer--The chief executive officer in
10 charge of a district of the Texas Department of Transportation.

11 (17) Electronic identifier--A unique identifier which is
12 distinctive to the person using it, is independently verifiable,
13 is under the sole control of the person using it, and is
14 transmitted in a manner that makes it infeasible to change the
15 data in the communication or digital signature without
16 invalidating the digital signature.

17 (18) Escort vehicle--A motor vehicle used to warn traffic
18 of the presence of an oversize and/or overweight vehicle.

19 (19) Four-axle group--Any four consecutive axles, having
20 at least 40 inches from center of axle to center of axle, whose
21 extreme centers are not more than 192 inches apart and are
22 individually attached to or articulated from, or both, to the
23 vehicle by a weight equalizing suspension system.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (20) Gauge--The transverse spacing distance between tires
2 on an axle, expressed in feet and measured to the nearest inch,
3 from center-of-tire to center-of-tire on an axle equipped with
4 only two tires, or measured to the nearest inch from the center
5 of the dual wheels on one side of the axle to the center of the
6 dual wheels on the opposite side of the axle.

7 (21) Gross weight--The unladen weight of a vehicle or
8 combination of vehicles plus the weight of the load being
9 transported.

10 (22) Height pole--A device made of a non-conductive
11 material, used to measure the height of overhead obstructions.

12 (23) Highway maintenance fee--A fee established by
13 Transportation Code, §623.077, based on gross weight, and paid
14 by the permittee when the permit is issued.

15 (24) Highway use factor--A mileage reduction figure used
16 in the calculation of a permit fee for a permit issued under
17 Transportation Code, §623.142 and §623.192.

18 (25) Hubometer--A mechanical device attached to an axle
19 on a unit or a crane for recording mileage traveled.

20 (26) HUD number--A unique number assigned to a
21 manufactured home by the U.S. Department of Housing and Urban
22 Development.

23 (27) Indirect cost share--A prorated share of

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 administering department activities, other than the direct cost
2 of the activities, including the cost of providing statewide
3 support services.

4 (28) Load-restricted bridge--A bridge that is restricted
5 by the Texas Department of Transportation, under the provisions
6 of Transportation Code, §621.102, to a weight limit less than
7 the maximum amount allowed by Transportation Code, §621.101.

8 (29) Load-restricted road--A road that is restricted by
9 the Texas Department of Transportation, under the provisions of
10 Transportation Code, §621.102, to a weight limit less than the
11 maximum amount allowed by Transportation Code, §621.101.

12 (30) Machinery plate--A license plate issued under
13 Transportation Code, §502.146.

14 (31) Manufactured home--Manufactured housing, as defined
15 in Occupations Code, Chapter 1201, and industrialized housing
16 and buildings, as defined in Occupations Code, §1202.002, and
17 temporary chassis systems, and returnable undercarriages used
18 for the transportation of manufactured housing and
19 industrialized housing and buildings, and a transportable
20 section which is transported on a chassis system or returnable
21 undercarriage that is constructed so that it cannot, without
22 dismantling or destruction, be transported within legal size
23 limits for motor vehicles.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (32) Motor carrier--A person that controls, operates, or
2 directs the operation of one or more vehicles that transport
3 persons or cargo over a public highway in this state, as defined
4 by Transportation Code, §643.001 [~~in Chapter 218 of this title~~
5 ~~(relating to Motor Carriers)~~].

6 (33) Motor carrier registration (MCR)--The registration
7 issued by the department to motor carriers moving intrastate,
8 under authority of Transportation Code, Chapter 643 [~~as~~
9 ~~amended~~].

10 (34) Nighttime--The period beginning one-half hour after
11 sunset and ending one-half hour before sunrise, as defined by
12 Transportation Code, §541.401.

13 (35) Nondivisible load or vehicle--

14 (A) Any load or vehicle exceeding applicable length or
15 weight limits which, if separated into smaller loads or
16 vehicles, would:

17 (i) compromise the intended use of the vehicle, i.e.,
18 make it unable to perform the function for which it was
19 intended;

20 (ii) destroy the value of the load or vehicle, i.e.,
21 make it unusable for its intended purpose; or

22 (iii) require more than eight workhours to dismantle
23 using appropriate equipment. The applicant for a nondivisible

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 load permit has the burden of proof as to the number of
2 workhours required to dismantle the load.

3 (B) Emergency response vehicles, including those loaded
4 with salt, sand, chemicals or a combination thereof, with or
5 without a plow or blade attached in front, and being used for
6 the purpose of spreading the material on highways that are or
7 may become slick or icy.

8 (C) Casks designed for the transport of spent nuclear
9 materials.

10 (D) Military vehicles transporting marked military
11 equipment or materiel.

12 (36) Oil field rig-up truck--An unladen vehicle with an
13 overweight single steering axle, equipped with a winch and set
14 of gin poles used for lifting, erecting, and moving oil well
15 equipment and machinery.

16 (37) Oil well servicing unit--An oil well clean-out unit,
17 oil well drilling unit, or oil well swabbing unit, which is
18 mobile equipment, either self-propelled or trailer-mounted,
19 constructed as a machine used solely for cleaning-out, drilling,
20 servicing, or swabbing oil wells, and consisting in general of,
21 but not limited to, a mast, an engine for power, a draw works,
22 and a chassis permanently constructed or assembled for this
23 purpose.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (38) One trip registration--Temporary vehicle
2 registration issued under Transportation Code, §502.095.

3 (39) Overdimension load--A vehicle, combination of
4 vehicles, or vehicle and its load that exceeds maximum legal
5 width, height, length, overhang, or weight as set forth by
6 Transportation Code, Chapter 621, Subchapters B and C.

7 (40) Overhang--The portion of a load extending beyond the
8 front or rear of a vehicle or combination of vehicles.

9 (41) Overheight--A vehicle or load that exceeds the
10 maximum height specified in Transportation Code, §621.207.

11 (42) Overlength--A vehicle, combination of vehicles, or a
12 vehicle or vehicle combination and its load that exceed(s) the
13 maximum length specified in Transportation Code, §§621.203,
14 621.204, 621.205, and 621.206.

15 (43) Oversize load--A vehicle, combination of vehicles,
16 or a vehicle or vehicle combination and its load that exceed(s)
17 maximum legal width, height, length, or overhang, as set forth
18 by Transportation Code, Chapter 621, Subchapter C.

19 (44) Overweight--A vehicle, combination of vehicles, or a
20 vehicle or vehicle combination and its load that exceed(s) the
21 maximum weight specified in Transportation Code, §621.101.

22 (45) Overwidth--A vehicle or load that exceeds the
23 maximum width specified in Transportation Code, §621.201.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (46) Permit--Authority for the movement of an oversize
2 and/or overweight vehicle, combination of vehicles, or a vehicle
3 or vehicle combination and its load, issued by the department
4 under Transportation Code, Chapter 623.

5 (47) Permit account card (PAC)--A debit card that can
6 only be used to purchase a permit and which is issued by a
7 financial institution that is under contract to the department
8 and the Comptroller of Public Accounts.

9 (48) Permit officer--An employee of the department who is
10 authorized to issue an oversize/overweight permit.

11 (49) Permit plate--A license plate issued under
12 Transportation Code, §502.146, to a crane or an oil well
13 servicing vehicle.

14 (50) Permitted vehicle--A vehicle, combination of
15 vehicles, or vehicle and its load operating under the provisions
16 of a permit.

17 (51) Permittee--Any person, firm, or corporation that is
18 issued an oversize/overweight permit by the department.

19 (52) Pipe box--A container specifically constructed to
20 safely transport and handle oil field drill pipe and drill
21 collars.

22 (53) Portable building compatible cargo--Cargo, other
23 than a portable building unit, that is manufactured, assembled,

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 or distributed by a portable building unit manufacturer and is
2 transported in combination with a portable building unit.

3 (54) Portable building unit--The pre-fabricated
4 structural and other components incorporated and delivered by
5 the manufacturer as a complete inspected unit with a distinct
6 serial number whether in fully assembled, partially assembled,
7 or kit (unassembled) configuration when loaded for transport.

8 (55) Principal--The person, firm, or corporation that is
9 insured by a surety bond company.

10 (56) Roll stability support safety system--An electronic
11 system that monitors vehicle dynamics and estimates the
12 stability of a vehicle based on its mass and velocity, and
13 actively adjusts vehicle systems including the throttle and/or
14 brake(s) to maintain stability when a rollover risk is detected.

15 (57) [~~56~~] Shipper's certificate of weight--A form
16 approved by the department in which the shipper certifies to the
17 maximum weight of the shipment being transported.

18 (58) [~~57~~] Single axle--An assembly of two or more
19 wheels whose centers are in one transverse vertical plane or may
20 be included between two parallel transverse planes 40 inches
21 apart extending across the full width of the vehicle.

22 (59) [~~58~~] Single-trip permit--A permit issued for an
23 overdimension load for a single continuous movement over a
24

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 specific route for an amount of time necessary to make the
2 movement.

3 (60) [~~+59~~] State highway--A highway or road under the
4 jurisdiction of the Texas Department of Transportation.

5 (61) [~~+60~~] State highway system--A network of roads and
6 highways as defined by Transportation Code, §221.001.

7 (62) [~~+61~~] Surety bond--An agreement issued by a surety
8 bond company to a principal that pledges to compensate the Texas
9 Department of Transportation for any damage that might be
10 sustained to the highways and bridges by virtue of the operation
11 of the equipment for which a permit was issued. A surety bond is
12 effective the day it is issued and expires at the end of the
13 state fiscal year, which is August 31st. For example, if you
14 obtain a surety bond on August 30th, it will expire the next day
15 at midnight.

16 (63) [~~+62~~] Tare weight--The empty weight of any vehicle
17 transporting an overdimension load.

18 (64) [~~+63~~] Temporary vehicle registration--A 72-hour
19 temporary vehicle registration, 144-hour temporary vehicle
20 registration, or one-trip registration[~~, as defined by~~
21 ~~Transportation Code, §502.094~~].

22 (65) [~~+64~~] Three-axle group--Any three consecutive
23 axles, having at least 40 inches from center of axle to center

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 of axle, whose extreme centers are not more than 144 inches
2 apart, and are individually attached to or articulated from, or
3 both, to the vehicle by a weight equalizing suspension system.

4 (66) [~~65~~] Time permit--A permit issued for a specified
5 period of time under §219.13 of this title (relating to Time
6 Permits).

7 (67) [~~66~~] Tire size--The inches of lateral tread width.

8 (68) [~~67~~] Traffic control device--All traffic signals,
9 signs, and markings, including their supports, used to regulate,
10 warn, or control traffic.

11 (69) [~~68~~] Trailer mounted unit--An oil well clean-out,
12 drilling, servicing, or swabbing unit mounted on a trailer,
13 constructed as a machine used for cleaning out, drilling,
14 servicing, or swabbing oil wells, and consisting in general of,
15 but not limited to, a mast, an engine for power, a draw works,
16 and a chassis permanently constructed or assembled for this
17 purpose.

18 (70) [~~69~~] Truck--A motor vehicle designed, used, or
19 maintained primarily for the transportation of property.

20 (71) Truck blind spot systems--Vehicle-based sensor
21 devices that detect other vehicles or objects located to the
22 driver's sides and rear. Warnings can be visual, audible,
23 vibrating, or tactile.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (72) [~~+70~~] Trunnion axle--Two individual axles mounted
2 in the same transverse plane, with four tires on each axle, that
3 are connected to a pivoting wrist pin that allows each
4 individual axle to oscillate in a vertical plane to provide for
5 constant and equal weight distribution on each individual axle
6 at all times during movement.

7 (73) [~~+71~~] Trunnion axle group--Two or more consecutive
8 trunnion axles whose centers are at least 40 inches apart and
9 which are individually attached to or articulated from, or both,
10 to the vehicle by a weight equalizing suspension system.

11 (74) [~~+72~~] Two-axle group--Any two consecutive axles
12 whose centers are at least 40 inches but not more than 96 inches
13 apart and are individually attached to or articulated from, or
14 both, to the vehicle by a weight equalizing suspension system.

15 (75) [~~+73~~] TxDOT--Texas Department of Transportation.

16 (76) [~~+74~~] Unit--Oil well clean-out unit, oil well
17 drilling unit, oil well servicing unit, and/or oil well swabbing
18 unit.

19 (77) [~~+75~~] Unladen lift equipment motor vehicle--A motor
20 vehicle designed for use as lift equipment used solely to raise,
21 shift, or lower heavy weights by means of a projecting, swinging
22 mast with an engine for power on a chassis permanently
23 constructed or assembled for such purpose.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (78) [~~+76~~] USDOT Number--The United States Department of
2 Transportation number.

3 (79) [~~+77~~] Variable load suspension axles--Axles, whose
4 controls must be located outside of and be inaccessible from the
5 driver's compartment, that can be regulated, through the use of
6 hydraulic and air suspension systems, mechanical systems, or a
7 combination of these systems, for the purpose of adding or
8 decreasing the amount of weight to be carried by each axle
9 during the movement of the vehicle.

10 (80) [~~+78~~] Vehicle identification number--A unique and
11 distinguishing number assigned to a vehicle by the manufacturer
12 or by the department in accordance with Transportation Code,
13 §501.032 and §501.033.

14 (81) [~~+79~~] Water Well Drilling Machinery--Machinery used
15 exclusively for the purpose of drilling water wells, including
16 machinery that is a unit or a unit mounted on a conventional
17 vehicle or chassis.

18 (82) [~~+80~~] Weight-equalizing suspension system--An
19 arrangement of parts designed to attach two or more consecutive
20 axles to the frame of a vehicle in a manner that will equalize
21 the load between the axles.

22 (83) [~~+81~~] Windshield sticker--Identifying insignia
23 indicating that a permit has been issued in accordance with

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 Subchapter C of this chapter.

2 (84) [~~(82)~~] Year--A time period consisting of 12
3 consecutive months that commences with the effective date stated
4 in the permit.

5 (85) [~~(83)~~] 72-hour temporary vehicle registration--
6 Temporary vehicle registration issued by the department
7 authorizing a vehicle to operate at maximum legal weight on a
8 state highway for a period not longer than 72 consecutive hours,
9 as prescribed by Transportation Code, §502.094.

10 (86) [~~(84)~~] 144-hour temporary vehicle registration--
11 Temporary vehicle registration issued by the department
12 authorizing a vehicle to operate at maximum legal weight on a
13 state highway for a period not longer than 144 consecutive
14 hours, as prescribed by Transportation Code, §502.094.

15

16 SUBCHAPTER C PERMITS FOR OVER AXLE AND

17 OVER GROSS WEIGHT TOLERANCES

18 §219.34. North Texas Intermodal Permit.

19 (a) Purpose. This section prescribes the requirements,
20 restrictions, and procedures regarding the annual permit for
21 transporting an intermodal shipping container under the
22 provisions of Transportation Code, §623.0172.

23 (b) Application for permit.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (1) To qualify for a North Texas intermodal permit, a
2 person must submit an application to the department.

3 (2) The application shall be in a form prescribed by the
4 department and at a minimum, will require the following:

5 (A) name and address of the applicant;

6 (B) name of contact person and telephone number or
7 email address; and

8 (C) vehicle information, including vehicle year, make,
9 license plate number and state of issuance, and vehicle
10 identification number.

11 (3) The application shall be accompanied by the total
12 annual permit fee of \$1,000.

13 (4) Fees for permits issued under this section are
14 payable as required by §219.11(f) of this title (relating to
15 General Oversize/Overweight Permit Requirements and Procedures).

16 (c) Amendments. An annual permit issued under this section
17 will not be amended except in the case of department error.

18 (d) Transfer of permit. A permit issued under this section
19 may only be transferred once during the term of the permit from
20 one vehicle to another vehicle in the permittee's fleet
21 provided:

22 (1) the permitted vehicle is destroyed or otherwise
23 becomes permanently inoperable, to an extent that it will no

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 longer be utilized, and the permittee presents proof that the
2 negotiable title or other qualifying documentation, as
3 determined by the department, has been surrendered to the
4 department; or

5 (2) the title to the permitted vehicle is transferred to
6 someone other than the permittee, and the permittee presents
7 proof that the negotiable title or other qualifying
8 documentation, as determined by the department, has been
9 transferred from the permittee.

10 (e) Restrictions pertaining to road conditions. Movement of
11 a permitted vehicle is prohibited when road conditions are
12 hazardous based upon the judgment of the operator and law
13 enforcement officials. Law enforcement officials shall make the
14 final determination regarding whether or not conditions are
15 hazardous. Conditions that should be considered hazardous
16 include, but are not limited to:

17 (1) visibility of less than 2/10 of one mile; or

18 (2) weather conditions such as wind, rain, ice, sleet, or
19 snow.

20 (f) Curfew restrictions. The operator of a permitted
21 vehicle must observe the curfew movement restrictions published
22 by the department.

23 (g) Construction or maintenance areas. The permitted

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 vehicle may not travel through any state highway construction or
2 maintenance area if prohibited by the construction restrictions
3 published by the department.

4 (h) Night movement. Night movement is allowed under this
5 permit, unless prohibited by the curfew movement restrictions
6 published by the department.

7 (i) Manufacturer's tire load rating. Permits issued under
8 this section do not authorize the vehicle to exceed the
9 manufacturer's tire load rating.

10 (j) A truck-tractor and semitrailer combination is only
11 eligible for a permit issued under this section if the truck-
12 tractor is equipped with truck blind spot systems, and each
13 vehicle in the combination is equipped with a roll stability
14 support safety system.

15 (k) A truck-tractor and semitrailer combination is only
16 eligible for a permit issued under this section if the distance
17 between the front axle of the truck-tractor and the last axle of
18 the semitrailer, measured longitudinally, is approximately 647
19 inches. For the purposes of this subsection, "approximately 647
20 inches" means the distance can be up to 10 percent above 647
21 inches for a total distance of 711.7 inches.

22

23 §219.35. Fluid Milk Transport Permit.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (a) Purpose. This section prescribes the requirements,
2 restrictions, and procedures regarding the annual permit for
3 transporting fluid milk under the provisions of Transportation
4 Code, Chapter 623, Subchapter U, as added by Chapter 750 (S.B.
5 1383), Acts of the 85th Legislature, Regular Session, 2017.

6 (b) Application for permit.

7 (1) To qualify for a fluid milk transport permit, a
8 person must submit an application to the department.

9 (2) The application shall be in a form prescribed by the
10 department and at a minimum, will require the following:

11 (A) name and address of the applicant;

12 (B) name of contact person and telephone number or
13 email address;

14 (C) vehicle information, including vehicle year, make,
15 license plate number and state of issuance, and vehicle
16 identification number; and

17 (D) a list of counties in which the vehicle will be
18 operated.

19 (3) The application shall be accompanied by the total
20 annual permit fee of \$1,200.

21 (4) Fees for permits issued under this section are
22 payable as required by §219.11(f) of this title (relating to
23 General Oversize/Overweight Permit Requirements and Procedures).

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (c) Issuance and placement of permit and windshield
2 sticker; restrictions.

3 (1) A permit and a windshield sticker will be issued once
4 the application is approved, and each will be mailed to the
5 applicant at the address contained in the application.

6 (2) The windshield sticker shall be affixed to the inside
7 of the windshield of the vehicle in accordance with the diagram
8 printed on the back of the sticker and in a manner that will not
9 obstruct the vision of the driver. Any attempt to remove the
10 sticker from the windshield will render the sticker void and
11 will require a new permit and sticker.

12 (3) A replacement sticker for a lost, stolen, or
13 mutilated windshield sticker may be issued, provided that the
14 permittee submits a request on a form approved by the department
15 which shall include a statement, signed by the permittee,
16 affirming that the sticker was lost, stolen, or mutilated. The
17 replacement sticker shall only be valid for the permitted
18 vehicle.

19 (d) Amendments. An annual permit issued under this section
20 will not be amended except in the case of department error.

21 (e) Transfer of permit. A permit issued under this section
22 may only be transferred once during the term of the permit from
23 one vehicle to another vehicle in the permittee's fleet

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 provided:

2 (1) the permitted vehicle is destroyed or otherwise
3 becomes permanently inoperable, to an extent that it will no
4 longer be utilized, and the permittee presents proof that the
5 negotiable title or other qualifying documentation, as
6 determined by the department, has been surrendered to the
7 department; or

8 (2) the title to the permitted vehicle is transferred to
9 someone other than the permittee, and the permittee presents
10 proof that the negotiable title or other qualifying
11 documentation, as determined by the department, has been
12 transferred from the permittee.

13 (f) Termination of permit. An annual permit issued under
14 this section will automatically terminate, and the windshield
15 sticker must be removed from the vehicle:

16 (1) on the expiration of the permit;

17 (2) when the lease of the vehicle expires;

18 (3) on the sale or other transfer of ownership of the
19 vehicle for which the permit was issued; or

20 (4) on the dissolution or termination of the partnership,
21 corporation, or other legal entity to which the permit was
22 issued.

23 (g) Restrictions pertaining to road conditions. Movement of

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 a permitted vehicle is prohibited when road conditions are
2 hazardous based upon the judgment of the operator and law
3 enforcement officials. Law enforcement officials shall make the
4 final determination regarding whether or not conditions are
5 hazardous. Conditions that should be considered hazardous
6 include, but are not limited to:

7 (1) visibility of less than 2/10 of one mile; or

8 (2) weather conditions such as wind, rain, ice, sleet, or
9 snow.

10 (h) Curfew restrictions. The operator of a permitted
11 vehicle must observe the curfew movement restrictions published
12 by the department.

13 (i) Construction or maintenance areas.

14 (1) The permitted vehicle may not travel through any
15 state highway construction or maintenance area if prohibited by
16 the construction restrictions published by the department.

17 (2) The permittee is responsible for contacting the
18 appropriate local jurisdiction for construction or maintenance
19 restrictions on non-state maintained roadways.

20 (j) Night movement. Night movement is allowed under this
21 permit, unless prohibited by the curfew movement restrictions
22 published by the department.

23 (k) Manufacturer's tire load rating. Permits issued under

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 this section do not authorize the vehicle to exceed the
2 manufacturer's tire load rating.

3 (1) A truck-tractor and semitrailer combination is only
4 eligible for a permit issued under this section if the truck-
5 tractor is equipped with truck blind spot systems, and each
6 vehicle in the combination is equipped with a roll stability
7 support safety system.

8

9 §219.36. Intermodal Shipping Container Port Permit.

10 (a) Purpose. This section prescribes the requirements,
11 restrictions, and procedures regarding the annual permit for
12 transporting an intermodal shipping container under the
13 provisions of Transportation Code, Chapter 623, Subchapter U, as
14 added by Chapter 108 (S.B. 1524), Acts of the 85th Legislature,
15 Regular Session, 2017.

16 (b) Application for permit.

17 (1) To qualify for an intermodal shipping container port
18 permit, a person must submit an application to the department.

19 (2) The application shall be in a form prescribed by the
20 department and at a minimum, will require the following:

21 (A) name and address of the applicant;

22 (B) name of contact person and telephone number or
23 email address;

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (C) vehicle information, including vehicle year, make,
2 license plate number and state of issuance, and vehicle
3 identification number;

4 (D) a list of counties in which the vehicle will be
5 operated; and

6 (E) a list of municipalities in which the vehicle will
7 be operated.

8 (3) The application shall be accompanied by the total
9 annual permit fee of \$6,000.

10 (4) Fees for permits issued under this section are
11 payable as required by §219.11(f) of this title (relating to
12 General Oversize/Overweight Permit Requirements and Procedures).

13 (c) Issuance and placement of permit and windshield
14 sticker; restrictions.

15 (1) A permit and a windshield sticker will be issued once
16 the application is approved, and each will be mailed to the
17 applicant at the address contained in the application.

18 (2) The windshield sticker shall be affixed to the inside
19 of the windshield of the vehicle in accordance with the diagram
20 printed on the back of the sticker and in a manner that will not
21 obstruct the vision of the driver. Any attempt to remove the
22 sticker from the windshield will render the sticker void and
23 will require a new permit and sticker.

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 (3) A replacement sticker for a lost, stolen, or
2 mutilated windshield sticker may be issued, provided that the
3 permittee submits a request on a form approved by the department
4 which shall include a statement, signed by the permittee,
5 affirming that the sticker was lost, stolen, or mutilated. The
6 replacement sticker shall only be valid for the permitted
7 vehicle.

8 (d) Amendments. An annual permit issued under this section
9 will not be amended except in the case of department error.

10 (e) Transfer of permit. A permit issued under this section
11 may only be transferred once during the term of the permit from
12 one vehicle to another vehicle in the permittee's fleet
13 provided:

14 (1) the permitted vehicle is destroyed or otherwise
15 becomes permanently inoperable, to an extent that it will no
16 longer be utilized, and the permittee presents proof that the
17 negotiable title or other qualifying documentation, as
18 determined by the department, has been surrendered to the
19 department; or

20 (2) the title to the permitted vehicle is transferred to
21 someone other than the permittee, and the permittee presents
22 proof that the negotiable title or other qualifying
23 documentation, as determined by the department, has been

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 transferred from the permittee.

2 (f) Termination of permit. An annual permit issued under
3 this section will automatically terminate, and the windshield
4 sticker must be removed from the vehicle:

5 (1) on the expiration of the permit;

6 (2) when the lease of the vehicle expires;

7 (3) on the sale or other transfer of ownership of the
8 vehicle for which the permit was issued; or

9 (4) on the dissolution or termination of the partnership,
10 corporation, or other legal entity to which the permit was
11 issued.

12 (g) Restrictions pertaining to road conditions. Movement of
13 a permitted vehicle is prohibited when road conditions are
14 hazardous based upon the judgment of the operator and law
15 enforcement officials. Law enforcement officials shall make the
16 final determination regarding whether or not conditions are
17 hazardous. Conditions that should be considered hazardous
18 include, but are not limited to:

19 (1) visibility of less than 2/10 of one mile; or

20 (2) weather conditions such as wind, rain, ice, sleet, or
21 snow.

22 (h) Curfew restrictions. The operator of a permitted
23 vehicle must observe the curfew movement restrictions published

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 by the department.

2 (i) Construction or maintenance areas.

3 (1) The permitted vehicle may not travel through any
4 state highway construction or maintenance area if prohibited by
5 the construction restrictions published by the department.

6 (2) The permittee is responsible for contacting the
7 appropriate local jurisdiction for construction or maintenance
8 restrictions on non-state maintained roadways.

9 (j) Night movement. Night movement is allowed under this
10 permit, unless prohibited by the curfew movement restrictions
11 published by the department.

12 (k) Manufacturer's tire load rating. Permits issued under
13 this section do not authorize the vehicle to exceed the
14 manufacturer's tire load rating.

15 (l) A truck-tractor and semitrailer combination is only
16 eligible for a permit issued under this section if the truck-
17 tractor is equipped with truck blind spot systems, and each
18 vehicle in the combination is equipped with a roll stability
19 support safety system.

20 (m) A truck-tractor and semitrailer combination is only
21 eligible for a permit issued under Transportation Code,
22 §623.402(a) if the distance between the front axle of the truck-
23 tractor and the last axle of the semitrailer, measured

Texas Department of Motor Vehicles
Chapter 219, Oversize And Overweight Vehicles And Loads

1 longitudinally, is approximately 647 inches. For the purposes of
2 this subsection, "approximately 647 inches" means the distance
3 can be up to 10 percent above 647 inches for a total distance of
4 711.7 inches.

5 (n) A truck-tractor and semitrailer combination is only
6 eligible for a permit issued under Transportation Code,
7 §623.402(b) if the distance between the front axle of the truck-
8 tractor and the last axle of the semitrailer, measured
9 longitudinally, is approximately 612 inches. For the purposes of
10 this subsection, "approximately 612 inches" means the distance
11 can be up to 10 percent above 612 inches for a total distance of
12 673.2 inches.



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	Implement appropriate best practices	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
	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	
	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 EPMO project management standards based upon internal quality assurance reviews	Baseline in development	100%		EPMO	
	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		
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%		EPMO
		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		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
	Excellent Service Delivery	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.**