



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



# TxDOT Board Meeting

9:00 a.m.

Thursday, August 17, 2023

**AGENDA**  
**BOARD MEETING**  
**TEXAS DEPARTMENT OF MOTOR VEHICLES**  
**4000 JACKSON AVE., BUILDING 1, LONE STAR CONFERENCE ROOM**  
**AUSTIN, TEXAS 78731**  
**THURSDAY, AUGUST 17, 2023**  
**9:00 A.M.**

The presiding officer of the Board will be physically present in the Lone Star Conference Room of Building 1, 4000 Jackson Avenue, Austin, Texas 78731. Some board members may attend via videoconferencing.

Link to August 17, 2023, TxDMV Board Meeting Documents:  
<https://www.txdmv.gov/about-us/txdmv-board-meetings>

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, Board member, or other personnel as needed. The Board reserves the right to discuss any items in closed session where authorized by the Open Meetings Act.

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1. **Roll Call and Establishment of Quorum**
2. **Pledges of Allegiance - U.S. and Texas**
3. **Chair's Reports** - Chairman Bacarisse
4. **Executive Director's Reports** - Daniel Avitia
  - 6 A. [Introduction of Deputy General Counsel Ashley Healy](#)
  - 7 B. [Texas Department of Motor Vehicles Awards](#)
  - 8 C. [Texas Independent Automobile Dealers Association \(TIADA\) Conference](#)
  - 9 D. [Awards, Recognition of Years of Service, and Announcements](#)

**RULE PROPOSALS**

- 10 5. **Chapter 206, Management** - Ashley Crutchfield (ACTION ITEM)  
**Amendment, §§206.92, 206.93, and 206.98**  
*(Relating to Advisory Committees)*
- 20 6. **Chapter 211, Criminal History Offense and Action on License** - Monique Johnston (ACTION ITEM)  
**Amendments, §211.6**  
*(Relating to Fingerprint Requirements for License Applicants and Holders)*

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29      7.      **Chapter 217, Vehicle Titles and Registration** - Annette Quintero (ACTION ITEM)  
                 **Amendments, §217.52**  
                 *(Relating to SB 702, Marketing of Specialty License Plates through a Private Vendor)*

45      8.      **Chapter 217, Vehicle Titles and Registration** - Jimmy Archer (ACTION ITEM)  
                 **Amendments, §217.54**  
                 *(Relating to HB 433, Registration of Fleet Vehicles)*

55      9.      **Chapter 219. Oversize and Overweight Vehicles and Loads** - Jimmy Archer (ACTION ITEM)  
                 **Amendments, §§219.11, 219.13, 219.14, 219.30 - 219.36, 219.41, 219.43, 219.61, and 219.63**  
                 *(Relating to Cleanup and Legislative Implementation)*

**BRIEFING AND ACTION ITEMS**

155      10.      **Specialty Plate Design** - Patricia Ueckert (ACTION ITEM)  
                 A.      Texas Rangers - Crossover Design Proposed under Transportation Code §504.851 and §504.6011

158      11.      **Advisory Committee Appointments** - David Richards (ACTION ITEM)  
                 Appointment of New Advisory Committee Members

164      12.      **Finance and Audit Committee Update** - Committee Chair Brett Graham  
                 A.      **FY 2024 Recommended Operating Budget for the Fiscal Year that Begins September 1, 2023; and Ends August 31, 2024** (ACTION ITEM)  
191                   B.      **Delegation of Contract Approval and Signature Authority to the Executive Director or the Executive Director's Designee under Government Code, §2261.254** (ACTION ITEM)  
192                   C.      **Update on Camp Hubbard Renewal Project** (BRIEFING ONLY)  
207                   D.      **Internal Audit Division Status Update** (BRIEFING ONLY)  
                 i.      Hiring Process Audit

233      13.      **FY 2024 Internal Audit Plan** - Salem Chuah (ACTION ITEM)

243      14.      **Legislative Activity Update** - Keith Yawn (BRIEFING ONLY)

**CLOSED SESSION**

- 15. The Board may enter into closed session under one or more provisions of the Texas Open Meetings Act, Government Code Chapter 551, including but not limited to:**

**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; or
- *Lucid Group USA, Inc. vs. Monique Johnston, in her official capacity as Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles, et al.* Case No. 1:22-cv-01116; in the United States District Court for the Western District of Texas, Austin Division.

**Section 551.074** - Personnel matters.

- Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.
- Performance evaluation of Executive Director, including any modifications to compensation.

**Section 551.076** - Deliberation Regarding Security Devices or Security Audits.

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

**Section 551.089** - Deliberation Regarding Security Devices or Security Audits.

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code Section 2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

- 16. Action Items from Closed Session**

Performance evaluation of Executive Director, including any modifications to compensation

- 17. Public Comment**

- 18. 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 §551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you would like to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board or send an email to [GCO\\_General@txdmv.gov](mailto:GCO_General@txdmv.gov) to register by providing the required information prior to the agenda item being taken up by the Board:

1. a completed [Public Comment Registration Form](#); or
2. the following information:
  - a. the agenda item you wish to comment on;
  - b. your name;
  - c. your address (optional), including your city, state, and zip code; and
  - d. who you are representing.

Public comment will only be accepted in person. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact Carrie Fortner by telephone at (512) 465-3044.

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

CERTIFYING OFFICIAL: Laura Moriaty, General Counsel, (512) 465-5665.

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Daniel Avitia, Executive Director  
**Agenda Item:** 4.A  
**Subject:** Executive Director's Report - Introduction of Deputy General Counsel Ashley Healy

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**RECOMMENDATION**

Briefing Only.

**PURPOSE AND EXECUTIVE SUMMARY**

Ashley Healy joined the Texas Department of Motor Vehicles (TxDMV) June 26, 2023, and serves as the Deputy General Counsel for the TxDMV. In this role, Ashley advises the department's executive team, administration, and agency employees. In Ashley's capacity, she supervises other attorneys and support staff in the Office of General Counsel and assists the General Counsel in managing a staff of professional and administrative employees.

Ashley Healy has spent 15 years of her career specialized in Texas administrative law, representing Texas state agencies. She has served in a Chief Deputy General Counsel role for the Texas Alcoholic Beverage Commission, Legal System Contracting for the Texas Health and Human Services Commission, and Director of General Law for the Texas General Land Office.

Ashley received her Juris Doctorate from the University of Texas at Austin School of Law and Bachelor of Business Administration in Management from Texas A&M University. Ashley was born in Louisiana and moved to Texas over 30 years ago.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

N/A

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

**To:** Texas Department of Motor Vehicles Board  
**From:** Daniel Avitia, Executive Director  
**Agenda Item:** 4.B  
**Subject:** Executive Director's Report - Texas Department of Motor Vehicle Awards

#### RECOMMENDATION

Briefing Only.

#### PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) was privileged to be recognized for several awards. Deputy Executive Directors Shelly Mellott and Roland D. Luna, Sr., and staff attended the American Association of Motor Vehicle Administrators (AAMVA), Region 2 Conference in Norfolk, Virginia on June 26, 2023, through June 29, 2023. Texas Department of Motor Vehicles (TxDMV) was again privileged to be recognized by our jurisdictional partners with two (2) prestigious awards during the AAMVA Region 2 Conference.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

In a successful collaboration with our industry partners, the Texas Department of Information Resources, TxDMV Deputy Executive Director Shelly Mellott accepted the Customer Convenience Service Award for the Texas-by-Texas (TxT) Mobile Application. TxDMV was the first recipient of this award. TxT App customers can access state services through a digital office assistant and renew vehicle registrations electronically in a more personalized and proactive experience rather than using traditional web browsers to the TxT mobile app.

Deputy Executive Director Roland Luna accepted the AAMVA Fraud Prevention and Detection Award. AAMVA's Fraud Award recognized achievements Texas has made in fraud prevention and detection related to Temporary Tag and Dealer Licensing Improvements.

After an exhaustive internal review of procedures and programming related to dealer licensing and the department's temporary tag programs, significant system and procedural enhancements were made including verifying property ownership records, requiring additional ownership and premises documentation, and the creation of a Background and Fraud Unit to provide an additional level of critical review to dealer license applications. TxDMV implemented enhancements that provided the department, and our law enforcement partners, with a more comprehensive and accurate identity verification and criminal history search of applicants.

The department recently earned the Government Technology Best of Texas Award for Innovative Use of Data Analytics at the Texas Digital Government Summit. The CDP, implemented in 2022, gives verified law enforcement officers self-serve access to motor vehicle data for use in criminal investigations 24 hours a day, seven days a week. It is the state's first-ever closed data portal. This initiative was a valuable component in our steps to address temporary tag fraud.

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Daniel Avitia, Executive Director  
**Agenda Item:** 4.C  
**Subject:** Executive Director's Report – Texas Independent Automobile Dealers Association (TIADA) Conference

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**RECOMMENDATION**

Briefing Only.

**PURPOSE AND EXECUTIVE SUMMARY**

The Texas Independent Automobile Dealer Association (TIADA) Conference was held July 23-25, 2023, in San Antonio, Texas. Over 400 dealers attended the conference this year to participate in a variety of presentations, panel discussions and dealer-driven roundtables. The agenda included a variety of topics covering retail finance, compliance, management, marketing, and technology.

TxDMV supported the conference in numerous ways with several staff attending in person, including Executive Director Daniel Avitia, Deputy Executive Director Roland Luna, and staff from the Motor Vehicle, Enforcement, Vehicle Titles and Registration, and Government and Strategic Communications divisions.

Enforcement Director Corrie Thompson gave a session presentation focusing on how dealers can accomplish their objectives while staying in compliance with state regulations.

A TxDMV booth was also available in the exhibit hall, staffed by representatives of the Motor Vehicle and Enforcement divisions. Staff provided information and answered specific dealer questions about motor vehicle operations and policies.

TxDMV's continued participation at the 2023 TIADA conference helps strengthen the department's relationship with the independent dealer community.

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

**To:** Texas Department of Motor Vehicles Board  
**From:** Daniel Avitia, Executive Director  
**Agenda Item:** 4.D  
**Subject:** Executive Director's Report – Awards, Recognition of Years of Service, and Announcements

#### RECOMMENDATION

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

#### PURPOSE AND EXECUTIVE SUMMARY

The Executive Director announces the name of individuals who retired from the agency and recognizes employees who have reached a state service milestone of 10 to 35 years. Recognition at the August 17, 2023, Board Meeting for state service awards and retirements include:

- Shelly Mellott – Executive Director's Office – 10 years of service.
- Debra Usener – Vehicle Titles and Registration – 20 years of service.
- Christy Michalik – Vehicle Titles and Registration – 25 years of service.
- Monique Johnston – Motor Vehicle Division – 25 years of service.
- Nemesia Baeza – Vehicle Titles and Registration – 25 years of service.
- Patricia Sutton – Vehicle Titles and Registration – 25 years of service.
- Lisa Cuellar – Enforcement – 30 years of service.
- Gustavo Bernal – Consumer Relations Division – 30 years of service.
- Regina Ygnacio – Finance and Operations – 30 years of service.
- Lori Weseman – Motor Carrier Division – 30 years of service.
- Glenna Bowman – Finance and Operations – 35 years of service.

The following individuals recently retired from the department:

- Kristeaufer Phillips – Enforcement Division - 25 years of state service.
- Kimberly Draehn – Vehicle Titles and Registration – 29 years of state service.
- Henry Floyd – Enforcement Division – 29 years of state service.

#### FINANCIAL IMPACT

No financial impact.

#### BACKGROUND AND DISCUSSION

No additional background and discussion.

**Board Meeting Date: 8/17/2023**  
**ACTION ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Ashley Crutchfield, Associate General Counsel  
**Agenda Item:** 5  
**Subject:** Proposal of Rules under Title 43, Texas Administrative Code, Chapter 206, Management Amendments, §206.92 and §206.93  
New, §206.98, Household Goods Rules Advisory Committee (HGRAC)

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**RECOMMENDATION**

ACTION ITEM. Approval to publish the proposed amendments and new section in the *Texas Register* for public comment.

**PURPOSE AND EXECUTIVE SUMMARY**

The proposed amendments to 43 Texas Administrative Code (TAC) §206.92 and §206.93 and new §206.98 are necessary to implement Transportation Code §643.155, Rules Advisory Committee, to create the Household Goods Rules Advisory Committee (HGRAC). Transportation Code, §643.155 requires the department to appoint an advisory committee to make recommendations to the department to modernize and streamline certain rules regarding the protection of consumers of motor carriers transporting household goods.

**FINANCIAL IMPACT**

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

**BACKGROUND AND DISCUSSION**

The proposed amendment to §206.92 would expand the definition of “advisory committee” by adding Transportation Code §643.155 as a statute under which an advisory committee may be created.

The proposed amendments to §206.93 would remove language that is already contained in Transportation Code §1001.031, correct grammatical errors, and make the language consistent with the statute and other rules in Subchapter E of this chapter.

The proposed new §206.98 creates the HGRAC as a stand-alone advisory committee, and would set in rule the purpose, tasks, reporting requirements and expiration, in accordance with Government Code, Chapter 2110.

**PROPOSAL OF**

**SUBCHAPTER E. ADVISORY COMMITTEES**

**43 TAC §§206.92, 206.93, AND 206.98**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas Administrative Code (TAC) §206.92 and §206.93. The department also proposes new 43 TAC §206.98. New §206.98 is necessary to implement Transportation Code, §643.155, which requires the department to appoint an advisory committee to make recommendations to the department to modernize and streamline certain rules regarding the protection of consumers of motor carriers transporting household goods. The amendments update §206.92 to address the addition of §206.98. Additionally, the amendments to §206.93 remove language that is already in statute, make the language consistent with the statute and other rules in Subchapter E of this chapter, and correct grammatical errors.

**EXPLANATION.**

Proposed new §206.98 would create the Household Goods Rules Advisory Committee (HGRAC) as a stand-alone advisory committee pursuant to Transportation Code, §643.155, which requires the department to appoint a rules advisory committee consisting of representatives of motor carriers transporting household goods, the public, and the department.

The department previously had a stand-alone HGRAC, which met multiple times in 2015 and 2016 and provided the board of the Texas Department of Motor Vehicles (board) with recommendations regarding rules that the board adopted under Transportation Code, §643.153(a) and (b). The department may need advice and recommendations from the HGRAC when the department performs the rule review of Chapter 218 of this title pursuant to Government Code, §2001.039.

## TITLE 43. TRANSPORTATION

Proposed Sections

## Part 10. Texas Department of Motor Vehicles

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## Chapter 206 - Management

1           The department merged the functions of the prior HGRAC into the current Customer Service and  
2 Protection Advisory Committee (CSPAC) under §206.97. However, Transportation Code, §643.155  
3 requires that the rules advisory committee pertaining to motor carriers transporting household goods  
4 include department representatives. In contrast, Transportation Code, §1001.031 does not require  
5 department representatives to serve on the advisory committee that considers other consumer  
6 protection and customer service issues. Therefore, dividing the advisory committees so that the  
7 committee on which department employees serve considers only rules involving motor carriers  
8 transporting household goods would allow the most efficient use of department employees' time. For  
9 these reasons, proposed new §206.98 would create HGRAC as a stand-alone advisory committee with the  
10 limited scope authorized by Transportation Code, §643.155, and would set in rule its purpose, tasks,  
11 reporting requirements and expiration, in accordance with Government Code, Chapter 2110.

12           The proposed amendment to §206.92 would expand the definition of "advisory committee" by  
13 adding Transportation Code, §643.155 as a statute under which an advisory committee may be created.  
14 Transportation Code, §643.155 is the statute that requires the department to have an advisory committee  
15 for rules involving motor carriers transporting household goods. This would clarify the basis for the  
16 creation of HGRAC.

17           Proposed amendments to §§206.93(a) and (b) would allow the advisory committees to report to  
18 the department by providing recommendations either to the board or to the executive director. This  
19 would create more flexibility in how the committees report and would make the language consistent with  
20 the definition of "advisory committee" in §206.92(1) and with Transportation Code, §1001.031(a).

21           Another proposed amendment to §206.93(a) would clarify that the department or board can  
22 request the advice and recommendations of the advisory committees on any issue. This would guarantee  
23 as much flexibility as possible in the issues presented to the advisory committees.



## TITLE 43. TRANSPORTATION

Proposed Sections

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## Chapter 206 - Management

1 Proposed amendments to §206.93(d) would remove the requirement that advisory committee  
2 members have an interest or expertise in the subject area of the advisory committee. This language is  
3 redundant with the statutory language that is already contained in Transportation Code, §1001.031 and  
4 is therefore unnecessary.

5 A proposed amendment to §206.93(i) would remove an unnecessary hyphen to clarify and correct  
6 a grammatical error.

7 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
8 has determined that for each year of the first five years the new section and amendments will be in effect,  
9 there will be no fiscal impact to state or local governments as a result of the enforcement or  
10 administration of the proposal. Jimmy Archer, Director of the Motor Carrier Division and Corrie  
11 Thompson, Director of the Enforcement Division, have determined that there will be no measurable effect  
12 on local employment or the local economy as a result of the proposal.

13 **PUBLIC BENEFIT AND COST NOTE.** Mr. Archer and Ms. Thompson have also determined that, for each  
14 year of the first five years the new and amended sections are in effect, there are several public benefits  
15 anticipated because of increased opportunities for stakeholders and the public to provide input into  
16 rulemaking and policy development by the department on the issue of motor carriers transporting  
17 household goods.

18 Anticipated Costs to Comply with the Proposal. Mr. Archer and Ms. Thompson anticipate that  
19 there will be no costs to comply with the new section and amendments because the new section and  
20 amendments do not establish any additional requirements on regulated persons. Advisory committee  
21 members serve on a voluntary basis.

22 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
23 Code, §2006.002, the department has determined that the proposed new section and amendments will

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## Chapter 206 - Management

1 not have an adverse economic effect on small businesses, micro-businesses, and rural communities  
2 because the new section and amendments do not add new requirements on, or directly affect, small  
3 businesses, micro-businesses, or rural communities. The proposed new section and amendments do not  
4 require small businesses, micro-businesses, or rural communities to comply. Therefore, the department  
5 is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

6 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
7 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
8 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
9 taking or require a takings impact assessment under Government Code, §2007.043.

10 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
11 first five years the proposed new section and amendments are in effect, no government program would  
12 be created or eliminated. Implementation of the proposed new section and amendments would not  
13 require the creation of new employee positions or elimination of existing employee positions.  
14 Implementation would not require an increase or decrease in future legislative appropriations to the  
15 department or an increase or decrease of fees paid to the department. The proposed amendments create  
16 a new regulation in proposed new §206.98, which creates the HGRAC. The proposed amendments do not  
17 expand, limit, or repeal an existing regulation. Lastly, the proposed new section and amendments do not  
18 affect the number of individuals subject to the applicability of the rules and will not affect this state's  
19 economy.

20 **REQUEST FOR PUBLIC COMMENT.** If you want to comment on the proposal, submit your written  
21 comments by 5:00 p.m. CDT on MM, DD, YYYY. A request for a public hearing must be sent separately  
22 from your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov*  
23 or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue,

## TITLE 43. TRANSPORTATION

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## Chapter 206 - Management

1 Austin, Texas 78731. If a hearing is held, the department will consider written comments and public  
2 testimony presented at the hearing.

3 **STATUTORY AUTHORITY.** The department proposes amendments to §206.92 and §206.93 and proposes  
4 new §206.98 under Transportation Code, §643.155, which authorizes the department to adopt rules to  
5 create a rules advisory committee consisting of representatives of motor carriers transporting household  
6 goods using small, medium, and large equipment, the public, and the department; Transportation Code,  
7 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement  
8 the powers and the duties of the department; Government Code, §2110.005, which requires state  
9 agencies establishing advisory committees to make rules stating the purpose and tasks of the committee  
10 and describing the manner in which the committee will report to the agency; and Government Code,  
11 §2110.008, which allows state agencies establishing advisory committees make rules designating the date  
12 an advisory committee will be abolished.

13 **CROSS REFERENCE TO STATUTE.** Transportation Code Chapters 643 and 1001; Government Code Chapter  
14 2110.

## TITLE 43. TRANSPORTATION

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## Part 10. Texas Department of Motor Vehicles

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## Chapter 206 - Management

1 TEXT.

2 SUBCHAPTER E. ADVISORY COMMITTEES

3 43 TAC §§206.92, 206.93, AND 206.98

4 §206.92. Definitions

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

7 (1) Advisory Committee--Any committee created by the board to make  
8 recommendations to the board or the executive director pursuant to Transportation Code, §1001.031  
9 and §643.155.

10 (2) Board--The board of the Texas Department of Motor Vehicles.

11 (3) Department--The Texas Department of Motor Vehicles.

12 (4) Division director--The chief administrative officer in charge of a division of the  
13 department.

14 (5) Executive director--The chief executive officer of the Texas Department of Motor  
15 Vehicles.

16 (6) Member--An appointed member of an advisory committee created under this  
17 subchapter.

18 (7) Presiding officer--The presiding officer of an advisory committee elected by the  
19 membership of the advisory committee created under this subchapter.

20  
21 §206.93. Advisory Committee Operations and Procedures

22 (a) Role of advisory committee. The role of an advisory committee under this subchapter is to  
23 provide advice and recommendations to the board or the executive director. Advisory committees shall

## TITLE 43. TRANSPORTATION

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## Chapter 206 - Management

1 meet and carry out their functions upon a request from the department or board for advice and  
2 recommendations on any issues. ~~[an issue(s).]~~

3 (b) Appointment of advisory committee. The board shall appoint members to an advisory  
4 committee by selecting potential members from a list provided to the board by the executive director.  
5 Each advisory committee shall elect from its members a presiding officer, who shall report the advisory  
6 committee's recommendations to the board or the executive director. The executive director may  
7 designate a division or divisions of the department to participate with, or to provide subject-matter  
8 expertise, guidance, or administrative support to the advisory committee as necessary.

9 (c) Member qualifications. Members shall have knowledge about and interests in, and represent  
10 a broad range of viewpoints about, the work of the committee or applicable division(s). Board members  
11 shall not serve as advisory committee members.

12 (d) Composition of advisory committees. In making appointments to the advisory committees,  
13 the board shall, to the extent practical, ensure representation of members from diverse geographical  
14 regions of the state ~~[who have an interest or expertise in the subject area of the particular advisory~~  
15 ~~committee].~~

16 (e) Committee size and quorum requirements. An advisory committee shall be composed of a  
17 reasonable number of members not to exceed 24 as determined by the board. A simple majority of  
18 advisory committee members will constitute a quorum. An advisory committee may only deliberate on  
19 issues within the jurisdiction of the department or any public business when a quorum is present.

20 (f) Terms of service. Advisory committee members will serve terms of four years. A member will  
21 serve on the committee until the member resigns, is dismissed or replaced by the board, or the  
22 member's term expires.

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(g) Member training requirements. Each member of an advisory committee must receive training regarding the Open Meetings Act, Government Code, Chapter 551; and the Public Information Act, Government Code, Chapter 552.

(h) Compliance with Open Meetings Act. The advisory committee shall comply with the Open Meetings Act, Government Code, Chapter 551.

(i) Public input and participation. The advisory committee shall accept public comments made in person ~~in person~~ at advisory committee meetings or submitted in writing. Public comments made in writing should be submitted to the advisory committee five business days in advance of the advisory committee meeting with sufficient copies for all members.

(j) Reporting recommendations. Recommendations of the advisory committee shall be reported to the board at a board meeting prior to board action on issues related to the recommendations. The recommendations shall be in writing and include any necessary supporting materials. The presiding officer of the advisory committee or the presiding officer's designee may appear before the board to present the committee's advice and recommendations. This subsection does not limit the ability of the advisory committee to provide advice and recommendations to the executive director as necessary.

(k) Board use of advisory committee recommendations. In developing department policies, the board shall consider the written recommendations and reports submitted by advisory committees.

(l) Reimbursement. The department may, if authorized by law and the executive director, reimburse advisory committee members for reasonable and necessary travel expenses.

(m) Expiration dates for advisory committees. Unless a different expiration date is established by the board for the advisory committee, each advisory committee is abolished on the fourth anniversary of its creation by the board.

## TITLE 43. TRANSPORTATION

## Part 10. Texas Department of Motor Vehicles

## Chapter 206 - Management

## Proposed Sections

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1 §206.98. Household Goods Rules Advisory Committee (HGRAC)

2 (a) The HGRAC is created to make recommendations, as requested by the department or board,  
3 to modernize and streamline the rules adopted under Transportation Code §643.153(a) and (b).

4 (b) The HGRAC shall comply with the requirements of §206.93 of this title (relating to Advisory  
5 Committee Operations and Procedures).

6 (c) The HGRAC shall expire on July 7, 2027.

7 **CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be  
8 within the state agency's legal authority to adopt.

9 Filed with the Office of the Secretary of State on MM, DD, YYYY.

Board Meeting Date: 8/17/2023  
ACTION ITEM

To: Texas Department of Motor Vehicles Board  
From: Monique Johnston, Motor Vehicle Division Director  
Agenda Item: 6  
Subject: Chapter 211. Criminal History Offense and Action on License  
Amendment, §211.6  
(Relating to Fingerprint Requirements)

#### RECOMMENDATION

Action Item. Approval to publish the proposal of amendments in the *Texas Register*.

#### PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments to 43 Texas Administrative Code (TAC) §211.6 include all license types designated by the department as requiring fingerprinting. This proposal, if adopted, would allow the board in future rulemaking to consider fingerprint requirements for other license types in addition to General Distinguishing Number (GDN) dealers.

#### FINANCIAL IMPACT

None.

#### BACKGROUND AND DISCUSSION

Fingerprint requirements prevent application fraud in two important ways – by verifying identity and by allowing the department to obtain a complete and comprehensive Texas Department of Public Safety (DPS) and Federal Bureau of Investigation criminal background check prior to issuing a license.

On June 30, 2022, the Board adopted fingerprint requirements for GDN dealer applicants and holders effective September 1, 2022. Since then, more than 13,000 individuals have been fingerprinted. Identity fraud and relevant criminal history records were uncovered as a result, and application fraud has been reduced.

The current rule references only GDN dealers listed in Transportation Code, §503.029(a)(6), so this rule proposal would amend §211.6 to allow fingerprint requirements to be added in future rulemaking for other licenses issued by the department under Occupations Code, Chapters 2301 and 2302, and Transportation Code, Chapter 503.

These amendments are consistent with House Bill (HB) 4123, 88th Legislature, Regular Session (2023).



**PROPOSAL OF****SUBCHAPTER A. CRIMINAL HISTORY OFFENSE AND ACTION ON LICENSE****43 TAC §211.6**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas Administrative Code (TAC) §211.6 concerning fingerprint requirements for license applicants and holders. These amendments are consistent with House Bill (HB) 4123, 88th Legislature, Regular Session (2023), which clarified the department's existing authority under Texas Government Code, §411.122 to require fingerprints as part of the license application process for licenses issued under Occupations Code Chapters 2301 and 2302 and Transportation Code, Chapter 503. Fingerprint requirements prevent application fraud in two important ways – by verifying identity and by allowing the department to obtain a complete and comprehensive criminal background check from both the Texas Department of Public Safety (DPS) and the Federal Bureau of Investigation (FBI) prior to issuing a license. The current rule references only General Distinguishing Numbers issued under Transportation Code 503, so this rule proposal amends §211.6 to make it possible for the department to require fingerprinting for all license types in the future, if the department chooses to subsequently propose amendments to Chapter 215 or 221 of this title to add fingerprint requirements for a specific license type.

The department proposes changes to the title of §211.6 and amendments to subsections to clarify that additional license types may be designated by rule to require fingerprinting. The proposed amendments would consolidate the language that currently appears in subsection (c) into subsection (b), would revise language for clarity and ease of understanding, and would add new language to subsection (c) to inform the public that the department will first review an application and then notify the applicant or license holder which specific persons will be required to provide fingerprints.

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**EXPLANATION.**

The title of §211.6 is proposed to be amended to reflect that the fingerprint requirements of this section will apply to all license types designated in Chapters 215 and 221 of this title as requiring fingerprinting for licensure. This may include licenses other than general distinguishing numbers if the department amends Chapters 215 and 221 of this title in the future. This amendment is necessary to describe more accurately the department's authority under Texas Government Code, §411.122 and §411.12511 to implement fingerprint requirements.

Proposed amendments to subsections (a) and (b) would delete references to a General Distinguishing Number under Transportation Code, Chapter 503. These amendments are necessary to reflect more accurately the department's authority to implement fingerprint requirements for additional license types through rulemaking.

Other proposed amendments in subsection (a) would specify that the rule will apply to license types designated in Chapter 215 or Chapter 221 of this title as requiring fingerprints for licensure. These amendments are necessary to reflect more accurately the department's authority to implement fingerprint requirements for additional license types through rulemaking, and to clarify for ease of reference which chapters may contain fingerprint requirements for specific license types.

Proposed amendments to subsection (b) would combine language currently in subsections (b) and (c) into amended (b), would make clarifying changes to remove unnecessary language, and would identify the persons that may be subject to a fingerprint requirement. These amendments are proposed to add clarity and for ease of understanding.

Proposed amendments to subsection (c) would replace the existing language that is proposed to be consolidated into subsection (b) with new language clarifying that the department will review each license application, determine which persons need to be fingerprinted, and notify the applicant or license

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## Chapter 211 - Criminal History Offense and Action on License

holder. This amendment is necessary to inform the public, including applicants and license holders, that the department must first review the application and department licensing records to determine which persons are required to be fingerprinted, before then notifying the applicant of which individuals must submit fingerprints.

**FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. Monique Johnston, Director of the Motor Vehicle Division, has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

**PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston has also determined that, for each year of the first five years the amended section is in effect, there are several public benefits and no costs anticipated.

Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include clarifying the fingerprinting requirements for licensure by the department. Contingent on additional future rulemaking, the proposed amendments would allow the department the possibility of exercising its full legal authority to fingerprint licensure applicants, verifying the identity of applicants and license holders for more types of licenses and thereby preventing fraudulent applications under false or stolen identities, while giving the department access to more accurate and comprehensive criminal history record information to use in evaluating fitness for licensure under its criminal offense guidelines in §211.3. These amendments, combined with additional future rulemaking, will benefit the public by preventing bad actors with a history of criminal offenses that directly relate to the duties and responsibilities of a license holder from obtaining licenses from the department and using those licenses to perpetrate fraudulent and criminal actions, or otherwise taking advantage of the position of trust created by the license.

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1 Anticipated Costs To Comply With The Proposal. Ms. Johnston anticipates that there will be no  
2 additional costs on regulated persons to comply with the fingerprint requirements under this proposal as  
3 these amendments alone do not expand fingerprinting requirements or establish fees for fingerprinting  
4 or processing criminal background checks. Fees for fingerprinting and access to criminal history reports  
5 are established by DPS under the authority of Texas Government Code Chapter 411.

6 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** In the cost analysis in the  
7 Public Benefit and Cost Note section of this proposal, the department has determined that proposed  
8 amendments to §211.6 will not result in additional costs for license holders or applicants, including any  
9 small businesses, micro-businesses, or rural communities. Therefore, the department is not required to  
10 prepare a regulatory flexibility analysis under Government Code, §2006.002.

11 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
12 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
13 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
14 taking or require a takings impact assessment under Government Code, §2007.043.

15 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
16 first five years the proposed amendments are in effect, no government program would be created or  
17 eliminated. Implementation of the proposed amendments would not require the creation of new  
18 employee positions or elimination of existing employee positions. Implementation would not require an  
19 increase or decrease in future legislative appropriations to the department or an increase or decrease of  
20 fees paid to the department. Without additional rulemaking, the proposed amendments do not create a  
21 new regulation, or expand, limit, or repeal an existing regulation. Lastly, without additional rulemaking  
22 the proposed amendments do not affect the number of individuals subject to the rule's applicability and  
23 will not affect this state's economy.

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**1 REQUEST FOR PUBLIC COMMENT.**

2 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on MM, DD,  
3 YYYY. A request for a public hearing must be sent separately from your written comments. Send written  
4 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas  
5 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the  
6 department will consider written comments and public testimony presented at the hearing.

7 **STATUTORY AUTHORITY.** The department proposes amendments to §211.6 under Government Code,  
8 §411.122(d), which authorizes department access to criminal history record information maintained by  
9 DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record  
10 information from DPS and the FBI for license applicants, license holders, and representatives whose act  
11 or omission would be cause for denying, revoking, or suspending a general distinguishing number or  
12 license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302;  
13 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale and lease  
14 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that  
15 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of  
16 license holders, ensure that the distribution, sale and lease of motor vehicles is conducted as required by  
17 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses  
18 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations  
19 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which  
20 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter  
21 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives  
22 the board authority to deny an application for a license, revoke or suspend a license, place on probation,  
23 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,

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1 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds  
2 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations  
3 Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code,  
4 Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt rules for the  
5 administration of Transportation Code, Chapter 503; and Transportation Code, §1002.001, which  
6 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the  
7 duties of the department.

8 **CROSS REFERENCE TO STATUTE.** Government Code, Chapter 411; Occupations Code, Chapters 2301 and  
9 2302; and Transportation Code, Chapters 503 and 1002.

1 TEXT.

2 SUBCHAPTER A. CRIMINAL OFFENSE AND ACTION ON LICENSE

3 43 TAC § 211.6 Fingerprint Requirements for Designated License Types~~[General Distinguishing~~  
4 ~~Numbers]~~

5 (a) The requirements of this section apply to applicants for and holders of license types designated  
6 in Chapter 215 or Chapter 221 of this title as requiring fingerprints for licensure~~[a general distinguishing~~  
7 ~~number under Transportation Code Chapter 503 for all dealer types under Transportation Code~~  
8 ~~§503.029(a)(6)]~~.

9 (b) Unless previously submitted ~~[to the department by an applicant]~~ for an active license issued  
10 by the department~~[under Transportation Code Chapter 503]~~, the following persons may be required to~~[a~~  
11 ~~person applying for a new license, license amendment due to change in ownership, or license renewal,~~  
12 ~~must]~~ submit a complete and acceptable set of fingerprints to the Texas Department of Public Safety and  
13 pay required fees for purposes of obtaining criminal history record information from the Texas  
14 Department of Public Safety and the Federal Bureau of Investigation:

15 (1) a person applying for a new license, license amendment due to change in ownership,  
16 or license renewal; and

17 (2) a person acting in a representative capacity for an applicant or license holder who is  
18 required to be listed on a licensing application, including an officer, director, member, manager, trustee,  
19 partner, principal, or manager of business affairs.

20 (c) After reviewing a licensure application and licensing records, the department will notify the  
21 applicant or license holder which persons in subsection (b) of this section are required to submit  
22 fingerprints to the Texas Department of Public Safety~~[Persons acting in a representative capacity for an~~  
23 ~~applicant or holder of a license who are required to be listed on a licensing application under §215.133(c)~~

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1 of this title (relating to General Distinguishing Number), including the applicant's or holder's officers,  
2 directors, members, managers, trustees, partners, principals, or managers of business affairs, must submit  
3 a complete and acceptable set of fingerprints and pay fees to the Texas Department of Public Safety under  
4 subsection (b) of this section, unless the person has previously submitted fingerprints related to an active  
5 license issued by the department under Transportation Code Chapter 503].

6 **CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be  
7 within the state agency's legal authority to adopt.

8 Filed with the Office of the Secretary of State on M DD, YYYY.



**Board Meeting Date: 8/17/2023**  
**ACTION ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Annette Quintero, Vehicle Titles and Registration Division Director  
**Agenda Item:** 7  
**Subject:** Chapter 217, Vehicle Titles and Registration  
Amendments, §217.52  
(Relating to SB 702, Marketing of Specialty License Plates through a Private Vendor)

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#### RECOMMENDATION

Approve the proposed amended section for publication in the *Texas Register*.

#### PURPOSE AND EXECUTIVE SUMMARY

The department proposes to amend Title 43 Texas Administrative Code, Subchapter B, §217.52, concerning the marketing of specialty license plates by a private vendor.

The amendments are necessary to implement Senate Bill (SB) 702 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). SB 702 amends Transportation Code, §504.851, "Contract with Private Vendor," to require the department to allow for the establishment of a range of premium embossed specialty plates to be sourced, marketed, and sold by the vendor with which the department has entered into a contract.

#### FINANCIAL IMPACT

The department has determined that for each year of the first five years the proposed amended section will be in effect, there will be no significant fiscal impact to the state or local governments as a result of the enforcement or administration of the amendments.

#### BACKGROUND AND DISCUSSION

Currently, license plates display flat, printed plate numbers. Historically, license plates were stamped to create raised numbers on the plates, known as embossed license plates. The proposed amendments to §217.52 are necessary to implement SB 702. The proposed amendments would allow vehicle owners the option to purchase specialty embossed plates if they choose to do so. No person would be required to purchase an embossed license plate, and the standard default option would still be a printed plate. The proposed amendments would allow classic car collectors to fully restore cars with historically accurate embossed plates.

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## PROPOSAL OF

## SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

## 43 TAC §217.52

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas Administrative Code (TAC) §217.52 concerning the marketing of specialty license plates through a private vendor. These proposed amendments are necessary to implement Senate Bill (SB) 702 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). SB 702 amends Transportation Code, §504.851, “Contract with Private Vendor,” to require a contract entered into by the department and a private vendor for the marketing and sale of specialty license plates to allow the private vendor to establish a range of premium *embossed specialty license plates to be sourced, marketed, and sold by the private vendor. Amendments* are proposed for: §217.52(h)(5), to establish fees required for embossed background-only license plates; §217.52(h)(7), to clarify that the fees for an auction pattern apply to an embossed license plate design and that the owner of an auction pattern may move the auction pattern to an embossed license plate design under subsection (n); §217.52(h)(8), to establish embossed personalized specialty license plates and the corresponding fees required; renumbered §217.52(h)(9), to expressly retain the grandfathered fees if the board approves a crossover plate under Transportation Code, §504.6011 as an embossed plate design; and §217.52(n), to define “restyled license plate,” to include embossed specialty license plates, and to set fees for restyling a plate from non-embossed to embossed.

**EXPLANATION.**

Texas license plates currently display flat, printed plate numbers. Historically, license plates were stamped to create raised numbers on the plate, known as embossed license plates. SB 702 amended Transportation Code, §504.851 to require the department to allow for the establishment of a range of premium embossed specialty license plates to be sourced, marketed, and sold by the vendor with which

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1 the department has entered into a contract. The proposed amendments to §217.52 are necessary to  
2 implement SB 702. The proposed amendments would allow vehicle owners the option to purchase  
3 embossed specialty license plates if they choose to do so. No person would be required to purchase an  
4 embossed license plate and the standard default option would still be a printed plate. The proposed  
5 amendments would allow classic car collectors to fully restore cars with historically accurate embossed  
6 license plates.

7 The proposed amendment to §217.52(h) would clarify the rule by using the term “vendor  
8 specialty license plates” that is defined in §217.52(a) to provide consistent meaning throughout §217.52.

9 Proposed amendments to §217.52(h)(5) would implement SB 702 by adding an embossed option  
10 for background-only, non-personalized license plates. Proposed amendments to §217.52(h)(5) would  
11 clarify that background-only, non-personalized license plates are available as either embossed or non-  
12 embossed. Another proposed amendment to §217.52(h)(5) would create fees for issuance for embossed,  
13 background-only license plates; however, the amendment would expressly retain the grandfathered fees  
14 under re-numbered subsection (h)(9)(C) if the board approves a crossover plate under Transportation  
15 Code, §504.6011 as an embossed plate design. These fees are sufficient to cover the department’s direct,  
16 indirect and administrative costs associated with the department’s contract with its specialty license  
17 plates vendor and were determined through discussions with the vendor. Other proposed amendments  
18 to §217.52(h)(5) would add subparagraphs (A) and (B) to separate the fees for non-embossed,  
19 background-only specialty license plates from the fees for embossed, background-only specialty license  
20 plates. In addition, proposed amendments to §217.52(h)(5) would add a hyphen between the words  
21 “background” and “only” because they are compound modifiers for the term “license plates.”

22 Proposed amendments to §217.52(h)(7) would clarify that the fees for an auction pattern apply  
23 to an embossed license plate design and that the owner of an auction pattern may move the auction

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1 pattern to an embossed license plate design under subsection (n) regarding a restyled vendor specialty  
2 plate design.

3 Proposed new §217.52(h)(8) would implement SB 702 by creating personalized, embossed  
4 specialty license plates. Proposed amendments to §217.52(h)(8) would allow the department's vendor to  
5 source, market and sell a range of embossed, personalized specialty license plates with board-approved  
6 background and color combinations. Proposed new §217.52(h)(8) would also set fees for issuance of  
7 embossed, personalized specialty license plates. Proposed new §217.52(h)(8) would also clarify that the  
8 fees under subsection (h)(7) regarding auction plate patterns are grandfathered for embossed plate  
9 designs. Proposed new §217.52(h)(8) would also clarify that the personalization and specialty plate fees  
10 under renumbered subsection (h)(9) do not apply to an embossed, personalized specialty plate because  
11 the fees under new §217.52(h)(8) already include the personalization fees; however, there is an exception  
12 under re-numbered subsection (h)(9)(C) if the board approves a crossover plate under Transportation  
13 Code, §504.6011 as an embossed plate design. These fees are sufficient to cover the department's direct,  
14 indirect and administrative costs associated with the department's contract with its specialty license  
15 plates vendor and were determined through discussions with the vendor.

16 Proposed amendments would also renumber current §217.52(h)(8) to §217.52(h)(9). Proposed  
17 amendments to renumbered §217.52(h)(9) would expressly retain the grandfathered fees if the board  
18 approves a crossover plate under Transportation Code, §504.6011 as an embossed plate design.

19 Proposed amendments to §217.52(n) would implement SB 702 by adding embossed specialty  
20 license plate styles to the provision on restyled vendor specialty license plates to allow people who  
21 currently have non-embossed specialty license plates to restyle their plates into an embossed specialty  
22 license plate. Proposed new §217.52(n)(2)(B) would set a fee of \$75 for restyling a non-embossed  
23 specialty license plate into an embossed specialty license plate. This fee is sufficient to cover the

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department's direct, indirect and administrative costs associated with the department's contract with its specialty license plates vendor and were determined through discussions with the vendor. The proposed amendments would also re-letter subparagraphs within §217.52(n) for clarity and ease of reference.

**FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

**PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero has also determined that, for each year of the first five years the amended section is in effect, there are several public benefits anticipated because it would provide an option for vehicle owners to purchase an embossed specialty license plate, allowing classic car collectors to have the vintage-look embossed license plates as a purchase option.

Anticipated Costs To Comply With The Proposal. Ms. Quintero anticipates that there will be no costs to comply with these amendments. Specialty license plates, including embossed specialty license plates, are optional and are not required for any vehicle.

**ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government Code, §2006.002, the department has determined that the proposed amendments will not have an adverse economic effect on small businesses, micro-businesses, and rural communities because no person would be required to purchase an embossed specialty license plate. The proposed amendments do not require small businesses, micro-businesses, or rural communities to comply. Therefore, the department is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

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1 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
2 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
3 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
4 taking or require a takings impact assessment under Government Code, §2007.043.

5 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
6 first five years the proposed amendments are in effect, no government program would be created or  
7 eliminated. Implementation of the proposed amendments would not require the creation of new  
8 employee positions or elimination of existing employee positions. Implementation would not require an  
9 increase or decrease in future legislative appropriations to the department, or a decrease of fees paid to  
10 the department. The proposed amendments may create a slight increase in fees paid to the department  
11 if people choose to buy embossed specialty license plates, but the increase is not expected to be  
12 significant. The proposed amendments do not limit or repeal an existing regulation. The proposed  
13 amendments would create new regulations in §217.52(h)(5) to set a new fee for embossed background-  
14 only license plates, in §217.52(h)(8) to create embossed, personalized specialty license plates and related  
15 fees, and in §217.52(n)(2)(B) to set the fee for restyling a license plate from non-embossed to embossed.  
16 The proposed amendments would expand existing regulations in §217.52 to include embossed specialty  
17 license plates among the types of specialty license plates that are available for Texas registrants. Lastly,  
18 the proposed amendments do not affect the number of individuals subject to the rule's applicability and  
19 will not affect this state's economy.

20 **REQUEST FOR PUBLIC COMMENT.**

21 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on MM, DD,  
22 YYYY. A request for a public hearing must be sent separately from your written comments. Send written  
23 comments or hearing requests by email to [rules@txdmv.gov](mailto:rules@txdmv.gov) or by mail to Office of General Counsel, Texas

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1 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the  
2 department will consider written comments and public testimony presented at the hearing.

3 **STATUTORY AUTHORITY.** The department proposes amendments to §217.52 under Transportation Code,  
4 §504.0011, which grants the board authority to adopt rules to implement Transportation Code, Chapter  
5 504; Transportation Code, §504.0051, which gives the department authority to issue personalized license  
6 plates and forbids the department from issuing replacement personalized license plates unless the vehicle  
7 owner pays the statutory fee required under Transportation Code, §504.007; Transportation Code,  
8 §504.007, which states that replacement license plates can only be issued if the vehicle owner pays the  
9 statutory fee; Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate  
10 to reestablish its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and for  
11 the board to establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a),  
12 which allows the department to contract with a private vendor to provide specialty and personalized  
13 license plates; Transportation Code, §504.851(b)-(d), which authorize the board to establish fees by rule  
14 for the issuance or renewal of personalized license plates that are marketed and sold by the vendor as  
15 long as the fees are reasonable and not less than the amounts necessary to allow the department to  
16 recover all reasonable costs associated with the procurement, implementation and enforcement of the  
17 vendor's contract; Transportation Code, §504.851(i), as amended by SB 702, 88<sup>th</sup> Legislature, Regular  
18 Session (2023), which requires a contract entered into by the department and a private vendor for the  
19 marketing and sale of specialty license plates to allow the vendor to establish a range of premium  
20 embossed specialty license plates to be sourced, marketed, and sold by the private vendor; and  
21 Transportation Code, §1002.001 which authorizes the board to adopt rules that are necessary and  
22 appropriate to implement the powers and the duties of the department.

23 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 504 and 1002.

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1   **TEXT.**

2                                   **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

3   **43 TAC §217.52**

4   §217.52. Marketing of Specialty License Plates through a Private Vendor.

5           (a) Purpose and scope. The department will enter into a contract with a private vendor to market  
6   department-approved specialty license plates in accordance with Transportation Code, Chapter 504,  
7   Subchapter J. This section sets out the procedure for approval of the design, purchase, and replacement  
8   of vendor specialty license plates. In this section, the license plates marketed by the vendor are referred  
9   to as vendor specialty license plates.

10          (b) Application for approval of vendor specialty license plate designs.

11                  (1) Approval required. The vendor shall obtain the approval of the board for each license  
12   plate design the vendor proposes to market in accordance with this section and the contract entered into  
13   between the vendor and the department.

14                  (2) Application. The vendor must submit a written application on a form approved by the  
15   executive director to the department for approval of each license plate design the vendor proposes to  
16   market. The application must include:

17                                   (A) a draft design of the specialty license plate;

18                                   (B) projected sales of the plate, including an explanation of how the projected  
19   figure was determined;

20                                   (C) a marketing plan for the plate including a description of the target market;

21                                   (D) a licensing agreement from the appropriate third party for any design or  
22   design element that is intellectual property; and



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1 (E) other information necessary for the board to reach a decision regarding  
2 approval of the requested vendor specialty plate.

3 (c) Review and approval process. The board will review vendor specialty license plate applications.  
4 The board:

- 5 (1) will not consider incomplete applications; and  
6 (2) may request additional information from the vendor to reach a decision.

7 (d) Board decision.

8 (1) Decision. The decision of the board will be based on:

9 (A) compliance with Transportation Code, Chapter 504, Subchapter J;

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

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

13 (ii) whether the design meets the standards established by the  
14 department for uniqueness to ensure that the proposed plate complies with Transportation Code,  
15 §504.852(c);

16 (iii) whether the license plate design can accommodate the International  
17 Symbol of Access (ISA) as required by Transportation Code, §504.201(f);

18 (iv) the criteria designated in §217.27 of this title (relating to Vehicle  
19 Registration Insignia) as applied to the design;

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

22 (vi) other information provided during the application process.

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

(e) Final approval and specialty license plate issuance.

(1) Approval. The board will approve or disapprove the specialty license plate application based on all of the information provided pursuant to this subchapter in an open meeting.

(2) Application not approved. If the application is not approved, the applicant may submit a new application and supporting documentation for the design to be considered again by the board if:

(A) the applicant has additional, required documentation; or

(B) the design has been altered to an acceptable degree.

(3) Issuance of approved specialty plates.

(A) If the vendor's specialty license plate is approved, the vendor must submit the non-refundable start-up fee before any further design and processing of the license plate.

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(B) Approval of the plate does not guarantee that the submitted draft plate design will be used. The board has final approval of all specialty license plate designs and will provide guidance on the submitted draft design to ensure compliance with the format and license plate specifications.

(f) Redesign of vendor specialty license plates.

(1) On receipt of a written request from the vendor, the department will allow a redesign of a vendor specialty license plate.

(2) The vendor must pay the redesign administrative costs as provided in the contract between the vendor and the department.

(g) Multi-year vendor specialty license plates. Purchasers will have the option of purchasing vendor specialty license plates for a one-year, a three-year, or a five-year period.

(h) License plate categories and associated fees. The categories and the associated fees for vendor specialty license plates are set out in this subsection.

(1) Custom license plates. Custom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with either three alpha and two or three numeric characters or two or three numeric and three alpha characters. Generic license plates on standard white sheeting with the word "Texas" that may be personalized with up to six alphanumeric characters are considered custom license plates before December 2, 2010. The fees for issuance of Custom and Generic license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(2) T-Plates (Premium) license plates. T-Plates (Premium) license plates may be personalized with up to seven alphanumeric characters, including the "T," on colored backgrounds or designs approved by the department. The fees for issuance of T-Plates (Premium) license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

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(3) Luxury license plates. Luxury license plates may be personalized with up to six alphanumeric characters on colored backgrounds or designs approved by the department. The fees for issuance of luxury license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for three years, and \$495 for five years.

(5) Background-only ~~[Background-only]~~ license plates. Background-only ~~[Background-only]~~ license plates include non-personalized license plates with a variety of pre-approved background and character color combinations, and may be embossed or non-embossed.

(A) The fees for issuance of non-embossed, background-only ~~[background-only]~~ license plates are \$50 for one year, \$130 for three years, and \$175 for five years.

(B) Except as stated in subsection (h)(9)(C), the fees for embossed, background-only license plates are \$125 for one year, \$205 for three years, and \$250 for five years.

(6) Vendor souvenir license plates. Vendor souvenir license plates are replicas of vendor specialty license plate designs that may be personalized with up to 24 alphanumeric characters. Vendor souvenir license plates are not street legal or legitimate insignias of vehicle registration. The fee for issuance of souvenir license plates is \$40.

(7) Auction of alphanumeric patterns. The vendor may auction alphanumeric patterns for one, three, or five year terms with options to renew indefinitely at the current price established for a one, three, or five year luxury category license plate. The purchaser of the auction pattern may select from the vendor background designs, including any embossed license plate designs, at no additional charge at the time of initial issuance. The auction pattern may be moved from one vendor design plate to another

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1 vendor design plate as provided in subsection (n) ~~[(n)(1)]~~ of this section. The auction pattern may be  
2 transferred from owner to owner as provided in subsection (l)(2) of this section.

3 (8) Embossed, personalized specialty license plates. The vendor may sell embossed,  
4 personalized specialty license plates with a variety of pre-approved background and character color  
5 combinations that may be personalized with up to seven alphanumeric characters. Except as stated in  
6 subsection (h)(7) of this section, the fees for issuance of embossed, personalized specialty license plates  
7 are \$270 for one year, \$520 for three years, and \$570 for five years. Except as stated in subsection  
8 (h)(9)(C), the fees under subsection (h)(9) of this section do not apply to an embossed, personalized  
9 specialty license plate.

10 (9) [(8)] Personalization and specialty plate fees.

11 (A) The fee for the personalization of license plates applied for prior to November  
12 19, 2009 is \$40 if the plates are renewed annually.

13 (B) The personalization fee for plates applied for after November 19, 2009 is \$40  
14 if the plates are issued pursuant to Transportation Code, Chapter 504, Subchapters G and I.

15 (C) If the plates are renewed annually, the personalization and specialty plate fees  
16 remain the same fee as at the time of issuance if a sponsor of a specialty license plate authorized under  
17 Transportation Code, Chapter 504, Subchapters G and I signs a contract with the vendor in accordance  
18 with Transportation Code, Chapter 504, Subchapter J, even if the board approves the specialty license  
19 plate to be an embossed specialty license plate design.

20 (i) Payment of fees.

21 (1) Payment of specialty license plate fees. The fees for issuance of vendor specialty  
22 license plates will be paid directly to the state through vendor and state systems for the license plate

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category and period selected by the purchaser. A person who purchases a multi-year vendor specialty license plate must pay upon purchase the full fee which includes the renewal fees.

(2) Payment of statutory registration fees. To be valid for use on a motor vehicle, the license plate owner is required to pay, in addition to the vendor specialty license plate fees, any statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502, and this subchapter.

(j) Refunds. Fees for vendor specialty license plate fees will not be refunded after an application is submitted to the vendor and the department has approved issuance of the license plate.

(k) Replacement.

(1) Application. An owner must apply directly to the county tax assessor-collector for the issuance of replacement vendor specialty license plates and must pay the fee described in paragraphs (2) or (3) of this subsection, whichever applies.

(2) Lost or mutilated vendor specialty license plates. To replace vendor specialty license plates that are lost or mutilated, the owner must pay the statutory replacement fee provided in Transportation Code, §504.007.

(3) Optional replacements. An owner of a vendor specialty license plate may replace vendor specialty license plates by submitting a request to the county tax assessor-collector accompanied by the payment of a \$6 fee.

(4) Interim replacement tags. If the vendor specialty license plates are lost or mutilated to such an extent that they are unusable, replacement license plates will need to be remanufactured. The county tax assessor-collector will issue interim replacement tags for use until the replacements are available. The owner's vendor specialty license plate number will be shown on the interim replacement tags.

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(5) Stolen vendor specialty license plates. The county tax assessor-collector will not approve the issuance of replacement vendor specialty license plates with the same license plate number if the department's records indicate that the vehicle displaying that license plate number was reported stolen or the license plates themselves were reported stolen.

(l) Transfer of vendor specialty license plates.

(1) Transfer between vehicles. The owner of a vehicle with vendor specialty license plates may transfer the license plates between vehicles by filing an application through the county tax assessor-collector if the vehicle to which the plates are transferred:

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

(B) meets the vehicle classification requirements for that particular specialty license plate.

(2) Transfer between owners. Vendor specialty license plates may not be transferred between persons unless the license plate pattern was initially purchased through auction as provided in subsection (h)(7) of this section. An auctioned alphanumeric pattern may be transferred as a specialty license plate or as a virtual pattern to be manufactured on a new background as provided under the restyle option in subsection (n)(1) of this section. In addition to the fee paid at auction, the new owner of an auctioned alphanumeric pattern or plate will pay the department a fee of \$25 to cover the cost of the transfer, and complete the department's prescribed application at the time of transfer.

(m) Gift plates.

(1) A person may purchase plates as a gift for another person if the purchaser submits a statement that provides:

(A) the purchaser's name and address;

(B) the name and address of the person who will receive the plates; and

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(C) the vehicle identification number of the vehicle on which the plates will be displayed or a statement that the plates will not be displayed on a vehicle.

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

(n) Restyled vendor specialty license plates. A person who has purchased a multi-year vendor specialty license plate may request a restyled license plate at any time during the term of the plate.

(1) For the purposes of this subsection, "restyled license plate" is a vendor specialty license plate that has a different style from the originally purchased vendor specialty license plate but:

(A) is within the same price category, except if the pattern is an auction pattern~~{}]~~ and

~~[(B)]~~ has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates; or

(B) is restyling from a non-embossed specialty license plate style to an embossed specialty license plate style and has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates.

(2) The fee for each restyled license plate is:

(A) \$50 for restyling under subsection (n)(1)(A); or

(B) \$75 for restyling under subsection (n)(1)(B).

**CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on M DD, YYYY.



**Board Meeting Date: 8/17/2023**  
**ACTION ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Jimmy Archer, Motor Carrier Division Director  
**Agenda Item:** 8  
**Subject:** Chapter 217, Vehicle Titles and Registration  
Amendments, §217.54  
(Relating to HB 433, Registration of Fleet Vehicles)

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#### **RECOMMENDATION**

Action Item. Approval to publish the proposed amended sections for publication in the *Texas Register*.

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

The proposed amendments to 43 Texas Administrative Code (TAC) §217.54, concerning the registration of fleet vehicles are necessary to implement House Bill (HB) 433 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). HB 433 amends the definition of “commercial fleet” in Transportation Code §502.001(6) by reducing from 25 to 12 the minimum number of nonapportioned motor vehicles, semitrailers, or trailers owned, operated, or leased by a business entity necessary to constitute a commercial fleet.

#### **FINANCIAL IMPACT**

The department has determined that for each year of the first five years the proposed amendments will be in effect, there will be no significant fiscal impact to the state or local governments as a result of the enforcement or administration of the amendments.

#### **BACKGROUND AND DISCUSSION**

Under Transportation Code, §502.0023 and 43 TAC §217.54, vehicles in commercial fleets are eligible for multi-year vehicle registration and the same registration expiration date for the entire commercial fleet. Under the proposed amendments to §217.54, fleets with a minimum size of 12 vehicles would qualify as commercial fleets and be eligible for multi-year registration. These proposed amendments are necessary to implement HB 433.

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**PROPOSAL OF****SUBCHAPTER B. MOTOR VEHICLE REGISTRATION****43 TAC §217.54**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) §217.54 concerning registration of fleet vehicles. These amendments are necessary to implement House Bill (HB) 433 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). HB 433 amends the definition of “commercial fleet” in Transportation Code, §502.001(6) by reducing from 25 to 12 the minimum number of nonapportioned motor vehicles, semitrailers, or trailers owned, operated, or leased by a business entity necessary to constitute a commercial fleet.

**EXPLANATION.**

Under Transportation Code, §502.0023 and 43 TAC §217.54, vehicles in commercial fleets are eligible for multi-year registration and the same registration expiration date for the entire commercial fleet. The proposed amendments to §217.54 are necessary to implement HB 433 and would incorporate the change in the eligibility requirements for fleet registration and fleet composition. The proposed amendment to §217.54(b)(1) would replace the number “25” with “12” for fleet eligibility requirements. The proposed amendments to §217.54(f)(3) would replace the number “25” with “12” for fleet composition as it relates to the status of an account holder’s registration when the account falls below the minimum number of vehicles for a commercial fleet.

**FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. Jimmy Archer, Director of the Motor Carrier Division (MCD), has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

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1 **PUBLIC BENEFIT AND COST NOTE.** Mr. Archer has also determined that, for each year of the first five  
2 years the amended section is in effect, the anticipated public benefit is that \$217.54 would be consistent  
3 with the definition of “commercial fleet” in Transportation Code, §502.001(6) as amended by HB 433.

4 Anticipated Costs To Comply With The Proposal. Mr. Archer anticipates that there will be no costs  
5 to comply with the proposed amendments.

6 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
7 Code, §2006.002, the department has determined that the proposed amendments will not have an  
8 adverse economic effect on small businesses, micro-businesses, and rural communities because the  
9 amendments would make \$217.54 consistent with the definition of “commercial fleet” in Transportation  
10 Code, §502.001(6) as amended by HB 433. The proposed amendments do not require small businesses,  
11 micro businesses, or rural communities to obtain commercial fleet registration under Transportation  
12 Code, §502.0023. Therefore, the department is not required to prepare a regulatory flexibility analysis  
13 under Government Code, §2006.002.

14 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
15 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
16 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
17 taking or require a takings impact assessment under Government Code, §2007.043.

18 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
19 first five years the proposed amendments are in effect, no government program would be created or  
20 eliminated. Implementation of the proposed amendments would not require the creation of new  
21 employee positions or elimination of existing employee positions. Implementation would not require an  
22 increase or decrease in future legislative appropriations to the department or an increase or decrease of  
23 fees paid to the department. The proposed amendments do not create a new regulation, or limit, or repeal

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an existing regulation. The proposed amendments expand an existing regulation by reducing from 25 to 12 the number of vehicles required to constitute a commercial fleet, which is eligible for an extended vehicle registration period and the same registration expiration date for the entire commercial fleet. The proposed amendments would increase the number of individuals subject to the rule's applicability, because smaller fleets of 12 vehicles or more will now be eligible for multi-year registration. Lastly, the rule will not affect this state's economy.

**REQUEST FOR PUBLIC COMMENT.**

If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to [rules@txdmv.gov](mailto:rules@txdmv.gov) or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

**STATUTORY AUTHORITY.** The department proposes amendments to §217.54 under Transportation Code, §502.001(6), as amended by HB 433, which defines "commercial fleet" for purposes of Transportation Code, Chapter 502; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.0023, which sets out the requirements for extended vehicle registration of commercial fleets and requires the department to adopt rules to implement those requirements; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department as provided in the Texas Transportation Code and other laws of this state.

**CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 502 and 1002.

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1   **TEXT.**

2                                   **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

3   **43 TAC §217.54**

4       §217.54 Registration of Fleet Vehicles

5           (a) Scope. A registrant may consolidate the registration of multiple motor vehicles in a fleet  
6 instead of registering each vehicle separately. A fleet may include trailers and semitrailers. Except as  
7 provided by §217.55 of this title (relating to Exempt and Alias Vehicle Registration), to consolidate  
8 registration, a registration must meet the requirements of this section.

9           (b) Eligibility. A fleet must meet the following requirements to be eligible for fleet registration.

10                   (1) No fewer than 12 ~~[25]~~ vehicles will be registered as a fleet;

11                   (2) Vehicles may be registered in annual increments for up to eight years;

12                   (3) All vehicles in a fleet must be owned by or leased to the same business entity;

13                   (4) All vehicles must be vehicles that are not registered under the International  
14 Registration Plan; and

15                   (5) Each vehicle must currently be titled in Texas or be issued a registration receipt, or  
16 the registrant must submit an application for a title or registration for each vehicle.

17           (c) Application.

18                   (1) Application for fleet registration must be in a form prescribed by the department. At  
19 a minimum the form will require:

20                                   (A) the full name and complete address of the registrant;

21                                   (B) a description of each vehicle in the fleet, which may include the vehicle's  
22 model year, make, model, vehicle identification number, document number, body style, gross weight,  
23 empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in tons;

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(C) the existing license plate number, if any, assigned to each vehicle; and

(D) any other information that the department may require.

(2) The application must be accompanied by the following items:

(A) in the case of a leased vehicle, a certification that the vehicle is currently leased to the person to whom the fleet registration will be issued;

(B) registration fees prescribed by law for the entire registration period selected by the registrant;

(C) local fees or other fees prescribed by law and collected in conjunction with registering a vehicle for the entire registration period selected by the registrant;

(D) evidence of financial responsibility for each vehicle as required by Transportation Code, §502.046, unless otherwise exempted by law;

(E) annual proof of payment of Heavy Vehicle Use Tax;

(F) the state's portion of the vehicle inspection fee; and

(G) any other documents or fees required by law.

(d) Registration period.

(1) The fleet owner will designate a single registration period for a fleet so the registration period for each vehicle will expire on the same date.

(2) The fleet registration period will begin on the first day of a calendar month and end on the last day of a calendar month.

(e) Registration receipt and fleet license plates.

(1) As evidence of registration, the department will issue a registration receipt and one or two metal fleet license plates for each vehicle in a fleet.

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(2) The registration receipt for each vehicle shall at all times be carried in that vehicle and be available to law enforcement personnel upon request.

(3) A registration receipt or fleet license plate may not be transferred between vehicles, owners, or registrants.

(f) Fleet composition.

(1) A registrant may add a vehicle to a fleet at any time during the registration period. An added vehicle will be given the same registration period as the fleet and will be issued one or two metal fleet license plates and a registration receipt.

(2) A registrant may remove a vehicle from a fleet at any time during the registration period. After a vehicle is removed from the fleet, the fleet registrant shall either return the metal fleet license plates for that vehicle to the department or provide the department with acceptable proof that the metal fleet license plates for that vehicle have been destroyed. Credit for any vehicle removed from the fleet for the remaining full year increments can be applied to any vehicle added to the fleet or at the time of renewal. No refunds will be given if credit is not used or the account is closed.

(3) If the number of vehicles in an account falls below 12 [25] during the registration period, fleet registration will remain in effect. If the number of vehicles in an account is below 12 [25] at the end of the registration period, fleet registration will be canceled. In the event of cancellation, each vehicle shall be registered separately. The registrant shall immediately either return all metal fleet license plates to the department or provide the department with acceptable proof that the metal fleet license plates have been destroyed.

(g) Fees.

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(1) When a fleet is first established, the department will charge a registration fee for each vehicle for the entire registration period selected. A currently registered vehicle, however, will be given credit for any remaining time on its separate registration.

(2) When a vehicle is added to an existing fleet, the department will charge a registration fee that is prorated based on the number of months of fleet registration remaining. If the vehicle is currently registered, this fee will be adjusted to provide credit for the number of months of separate registration remaining.

(3) When a vehicle is removed from fleet registration, it will be considered to be registered separately. The vehicle's separate registration will expire on the date that the fleet registration would have expired. The registrant must pay the statutory replacement fee to obtain regular registration insignia before the vehicle may be operated on a public highway.

(4) In addition to the registration fees prescribed by Transportation Code, Chapter 502, an owner registering a fleet under this section must pay a one-time fee of \$10 per motor vehicle, semitrailer, or trailer in the fleet. This fee is also due as follows:

(A) for each vehicle added to the owner's existing fleet; and

(B) for each vehicle that a buyer registers as a fleet, even though the seller previously registered some or all of the vehicles as a fleet under this section.

(h) Payment. Payment will be made in the manner prescribed by the department.

(i) Cancellation.

(1) The department will cancel registration for non-payment and lack of proof of annual payment of the Heavy Vehicle Use Tax.

(2) The department may cancel registration on any fleet vehicle on the anniversary date of the registration if the fleet vehicle is not in compliance with the inspection requirements under



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Transportation Code, Chapter 548 or the inspection requirements in the rules of the Texas Department of Public Safety

(3) A vehicle with a canceled registration may not be operated on a public highway.

(4) If the department cancels the registration of a vehicle under this subsection, the registrant can request the department to reinstate the registration by doing the following:

(A) complying with the requirements for which the department canceled the registration;

(B) providing the department with notice of compliance on a form prescribed by the department; and

(C) for a registration canceled under paragraph (2) of this subsection, paying an administrative fee in the amount of \$10.

(5) A registrant is eligible for reinstatement of the registration only within 90 calendar days of the department's notice of cancellation.

(6) If a registrant fails to timely reinstate the registration of a canceled vehicle registration under this section, the registrant:

(A) is not entitled to a credit or refund of any registration fees for the vehicle; and

(B) must immediately either return the metal fleet license plates to the department or provide the department with acceptable proof that the metal fleet license plates have been destroyed.

(j) Inspection fee. The registrant must pay the department by the deadline listed in the department's invoice for the state's portion of the vehicle inspection fee.

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1 **CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be  
2 within the state agency's legal authority to adopt.

3 Filed with the Office of the Secretary of State on M DD, YYYY.



To: Texas Department of Motor Vehicles Board  
From: Jimmy Archer, Motor Carrier Division Director  
Agenda Item: 9  
Subject: Chapter 219. Oversize and Overweight Vehicles and Loads  
Amendments, §§219.11, 219.13, 219.14, 219.30–219.36, 219.41, 219.43, 219.61, and  
219.63  
(Relating to Cleanup and Legislative Implementation)

### RECOMMENDATION

Action Item. Approval to publish the proposal of amendments in the *Texas Register*.

### PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments to 43 Texas Administrative Code (TAC) §§219.11, 219.13, 219.14, 219.30–219.36, 219.41, 219.43, 219.61, and 219.63 are necessary to clean up these sections and to implement legislation.

### FINANCIAL IMPACT

For each year of the first five years the amendments will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. There will be no significant impact on local employment or the local economy as a result of the proposal.

### BACKGROUND AND DISCUSSION

The proposed amendments are necessary to do the following:

1. implement House Bill 2620, 86th Legislature, Regular Session (2019). House Bill 2620 enacted Transportation Code, §623.004, which authorizes the department to deny an oversize or overweight permit application (application) if either the Federal Motor Carrier Safety Administration or the Texas Department of Public Safety issued an out-of-service order to prohibit the applicant from engaging in interstate or intrastate transportation, respectively;
2. implement Senate Bill 1814, 87th Legislature, Regular Session (2021) to delete reference to the following:
  - a. Chapter 645 of the Transportation Code in §219.11(n) because the legislature deleted reference to Chapter 645 in Transportation Code, §623.075; and
  - b. the state highway system in §219.30 because the legislature removed the requirement under Transportation Code, §623.012 for the surety bond to be payable to the Texas Department of Transportation (TxDOT) for any damage to the state highway system;
3. amend certain application requirements to provide the department with additional information that would help the department administer and enforce the laws regarding size and weight of vehicles and loads on public roadways, and would allow the department to provide this additional information to law enforcement officers who use the information to enforce the laws regarding size and weight of vehicles and loads on public roadways; and
4. clean up the language, such as modifying language to be consistent with statutes and other sections in Chapter 219, deleting language for which the department does not have rulemaking authority, and modifying language to be consistent with current practice.

Prior to the adoption of the proposed amendments to §§219.41, 219.43, 219.61, and 219.63, the board must consult with the Texas Transportation Commission (commission) regarding the proposed amendments under Transportation Code, §623.145 and §623.195. After the board meeting on August 17, 2023, department staff will provide the proposed amendments to TxDOT staff to present to the commission at the next commission meeting.

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## Chapter 219 – Oversize and Overweight Vehicles and Loads

**PROPOSAL OF****SUBCHAPTER B. GENERAL PERMITS****43 TAC §§219.11, 219.13, and 219.14****SUBCHAPTER C. PERMITS FOR OVER AXLE AND OVER GROSS WEIGHT TOLERANCES****43 TAC §§219.30–219.36****SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL RELATED VEHICLES****43 TAC §219.41 and §219.43****SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT EQUIPMENT MOTOR****VEHICLES****43 TAC §219.61 and §219.63**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter B, General Permits, §§219.11, 219.13, and 219.14; Subchapter C, Permits for Over Axle and Over Gross Weight Tolerances, §§219.30–219.36; Subchapter D, Permits for Oversize and Overweight Oil Well Related Vehicles, §219.41 and §219.43; and Subchapter E, Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles, §219.61 and §219.63 concerning oversize and overweight vehicles and loads. As further described herein, the proposed amendments are necessary to implement legislation; to modify language to be consistent with statutes and other sections in Chapter 219 of Title 43; to delete language that is already contained in statute; to delete language for which the department does not have rulemaking authority; to clarify the language; to modify language to be consistent with current practice; to amend certain application requirements to provide the department with additional information that would help it administer and enforce Subtitle E of Title 7 of the Transportation Code and that the department would provide to law enforcement officers who use the information to enforce the laws regarding size and weight under Subtitle E of Title 7 of the

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1 Transportation Code; and to update application requirements to allow applicants that are required to file  
2 a surety bond under Transportation Code, §623.075 to file an electronic copy, rather than a paper copy.

3 **EXPLANATION.**

4 A proposed amendment to §219.11(c)(1) would create an exception for a permit application  
5 under §219.14(b), which prescribes the permit application requirements that are unique to a  
6 manufactured house as defined by Transportation Code, §623.091. Although §219.11(c)(1) currently  
7 purports to provide the permit application requirements for all oversize or overweight permits (permits)  
8 under Subchapter B of Chapter 219, it does not provide the permit application requirements for a permit  
9 under §219.14. A permit applicant for a permit regarding a manufactured house under §219.14 must  
10 provide additional specific information to the department, as explained below regarding proposed  
11 amendments to §219.14(b). This proposed amendment to §219.11(c)(1) would clarify that the more  
12 specific requirements in §219.14(b) control over the more general requirements in §219.11(c)(1).

13 Proposed amendments to §219.11(c)(1)(A) and (B) would modify the application requirements to  
14 provide the department with the information it needs to process an application and to contact the correct  
15 person if there are updates to the permit restrictions. The amendments would require the applicant to  
16 provide the department with the name, telephone number, and email address of the contact person, and  
17 would delete the requirement for the applicant to provide the department with the applicant's telephone  
18 number and email address. The applicant could be a large corporation with different contact people for  
19 different permits. Having the contact person's email address and telephone number would enable the  
20 department to communicate more efficiently with the applicant and any permit holder. The amendments  
21 would also move the current requirement for the applicant to provide its customer identification number  
22 from subparagraph (B) to subparagraph (A).

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1 A proposed amendment to §219.11(c)(1)(C) would remove the requirement for a permit applicant  
2 under Subchapter B of Chapter 219 to provide their motor carrier registration (MCR) number to the  
3 department. An MCR number is issued to a motor carrier in a certificate of registration under  
4 Transportation Code, Chapter 643. The department no longer needs the MCR number in an application  
5 for a permit under Subchapter B of Chapter 219 because the department's Texas Permitting and Routing  
6 Optimization System (TxPROS or permitting system) can search the federal motor carrier system by using  
7 the applicant's United States Department of Transportation (USDOT) Number to determine if the  
8 applicant has an MCR number under Transportation Code, Chapter 643 if necessary. Transportation Code,  
9 §623.075 and §623.094 state when it may be necessary for the department to know if a permit applicant  
10 under Subchapter B of Chapter 219 has an MCR number.

11 A proposed amendment to §219.11(c)(1)(C) is necessary to clarify whether the permit applicant  
12 must provide their USDOT Number. The proposed amendment would replace the words "if applicable"  
13 with the more precise explanation "if applicant is required by law to have a USDOT Number" because  
14 federal law and Texas law prescribe when a motor carrier must have a USDOT Number. For example, 49  
15 U.S.C. §31134 requires an employer or person to be registered by the Secretary of Transportation and  
16 obtain a USDOT Number in order to operate a commercial motor vehicle in interstate transportation.  
17 Transportation Code, §643.064 requires a motor carrier to have and maintain a USDOT Number if they  
18 are required to register with the department under Subchapter B of Chapter 643 of the Transportation  
19 Code to engage in intrastate transportation.

20 A motor carrier's USDOT number is used as its identification number in state and federal agencies'  
21 databases and tracking systems that contain information the department needs to evaluate an applicant  
22 for a permit. To leverage this ease of reference and consistent identification that a USDOT number  
23 provides, proposed amendments to the following sections would conform with the requirement in

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§219.11(c)(1)(C) for a permit applicant to provide their USDOT Number if the applicant is required by law to have a USDOT Number: §§219.14(b), re-lettered 219.30(c)(2), 219.31(b)(2), 219.32(c)(2), 219.33(b)(2), 219.34(b)(2), 219.35(b)(2), 219.36(b)(2), 219.41(b), and 219.61(b). As previously explained, the department's permitting system can search the federal motor carrier system by using the motor carrier's USDOT Number to determine if the applicant has a certificate of registration under Chapter 643, which allows the department to determine, for example, whether certain applicants for permits for oil well-related vehicles are eligible for a permit because an applicant is not eligible if the applicant has a certificate of registration under Chapter 643. As another example, the department needs the permit applicant's USDOT Number to query the federal motor carrier system to determine whether the applicant has been placed out of service by the Federal Motor Carrier Safety Administration (FMCSA) or the Texas Department of Public Safety (DPS). Transportation Code, §623.004, which was enacted by House Bill 2620, 86<sup>th</sup> Legislature, Regular Session (2019), authorizes the department to deny a permit application under Subtitle E of Title 7 of the Transportation Code if either FMCSA or DPS issued an out-of-service order to the applicant. Motor carriers that have been issued an out-of-service order by FMCSA or DPS are legally prohibited from operating their commercial motor vehicles on public roadways in interstate or intrastate transportation, respectively. These motor carriers are therefore ineligible to receive a permit from the department to operate a commercial motor vehicle that exceeds legal size or weight on a public roadway. Making the USDOT number a consistent application requirement for permits is necessary for the department to get the information it needs to vet the permit applications under Transportation Code, §623.004.

Proposed amendments to §219.11(l)(1) would delete language regarding hazardous conditions during which movement of a permitted vehicle is prohibited and renumber the remaining paragraphs. This proposed amendment is necessary because DPS and FMCSA, rather than the department, have the



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1 statutory authority to determine when road conditions are hazardous for vehicle movement.  
2 Transportation Code, §644.051 gives DPS the authority to adopt rules regulating the safe operation of  
3 commercial motor vehicles, including the authority to adopt by reference all or part of the federal safety  
4 regulations. DPS adopted 49 C.F.R. §392.14 by reference in 37 TAC §4.11(a). Section 392.14 regulates the  
5 operation of a commercial motor vehicle regarding hazardous conditions. Together, 49 C.F.R. §392.14 and  
6 37 TAC §4.11(a) regulate the operation of a commercial motor vehicle regarding hazardous conditions for  
7 both interstate and intrastate transportation. Also, even if a permittee is not operating a commercial  
8 motor vehicle, the Rules of the Road (Subtitle C of Title 7 of the Transportation Code) include provisions  
9 that govern the safe operation of a vehicle, such as Transportation Code, §545.401, which says a person  
10 commits an offense if the person drives a vehicle in willful or wanton disregard for the safety of persons  
11 or property.

12 The following sections in Chapter 219 either cross-reference the language regarding hazardous  
13 conditions in §219.11(l) or repeat the language contained in §219.11(l) regarding hazardous conditions:  
14 §§219.13(e)(6), 219.32(h), 219.33(c), 219.34(e), 219.35(g), 219.36(g), 219.41(d), and 219.61(d). To align  
15 with the proposed amendments to §219.11(l), these provisions are also proposed to be amended to  
16 delete the language regarding hazardous conditions during which movement of a permitted vehicle is  
17 prohibited and to renumber or re-letter the remaining subdivisions within these sections as necessary.

18 Additionally, other sections cross-reference §219.11(l). While these sections do not need to be  
19 amended, the meaning of the provisions that cite to §219.11(l) will be impacted by the proposed  
20 amendments to §219.11(l). The proposed deletion of the language regarding hazardous conditions in  
21 §219.11(l) will have the effect of removing hazardous conditions from §219.13(a), 219.13(e)(1)(C),  
22 §219.16(e), and §219.31(h).

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1 A proposed amendment to §219.11(n) would authorize applicants for permits to file an electronic  
2 copy of a surety bond that a permit applicant must file with the department under Transportation Code,  
3 §623.075(c). Transportation Code, §623.074(d) authorizes the department to adopt a rule to authorize an  
4 applicant to submit an application electronically. Currently, permit applicants must file an original surety  
5 bond (the paper version with the original signature) with the department under §219.11(n)(1)(A)(iv) and  
6 (2)(B). Proposed new §219.11(n)(4) would allow permit applicants to file their bonds electronically,  
7 providing a convenience for permit applicants that want to file their bonds electronically, potentially  
8 reducing costs for the department, and potentially streamlining the department's process. An electronic  
9 copy of a surety bond is legally enforceable under Texas Business and Commerce Code, §322.007.  
10 Moreover, the department currently maintains its records in electronic format, scanning a copy of the  
11 original surety bond and destroying the original as authorized by the Texas Department of  
12 Transportation (TxDOT). The proposed rule would remove the scanning step from the department's  
13 process.

14 Proposed amendments to §219.11(n) would delete language that is inconsistent with the  
15 proposed amendment to allow a permit applicant to file an electronic copy of the surety bond. The  
16 department proposes to delete the following: the requirement for the bond to have an original signature  
17 under §219.11(n)(1)(A)(iv), the authority for an applicant to file a facsimile or electronic copy of the surety  
18 bond as long as the original surety bond is received by the department within 10 days under  
19 §219.11(n)(2)(B), and the restriction on the department issuing the applicant a permit until the original  
20 surety bond has been received by the department under §219.11(n)(2)(B). None of these requirements  
21 will be necessary if proposed new §219.11(n)(4) is adopted to allow electronic filing of surety bonds.

22 Other proposed amendments to §219.11(n) would remove language in §219.11(n)(1)(C) regarding  
23 TxDOT's process for making a claim on a surety bond. TxDOT's process for making a claim against a surety

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1 bond should not be included in the department's rules because the department does not have statutory  
2 authority to set processes for TxDOT through rule. Section 219.11(n)(1)(C) is a relic from a time when  
3 TxDOT was responsible for implementing and administering Subtitle E of Title 7 of the Transportation  
4 Code and is no longer necessary or appropriate in the department's rule. This proposed amendment  
5 would also remove the reference to a bond under Transportation Code, §623.163 because the §623.163  
6 bond is addressed in §219.3.

7 Proposed new §219.11(n)(1) through (3) would set out the procedures for filing surety bonds with  
8 the department for clarity and ease of reference. New paragraphs (1) through (3) consist of rearranged  
9 and edited existing language found in §219.11(n)(1)(A)(ii) (minus the unnecessary language that provides  
10 an example), §219.11(n)(1)(A)(iii), §219.11(n)(1)(A)(iv), §219.11(n)(1)(A)(v), §219.11(n)(1)(A)(vi),  
11 §219.11(n)(1)(B), and §219.11(n)(2)(A).

12 Other proposed amendments to §219.11(n) would remove all or part of the language in the  
13 following subdivisions because the language is redundant and duplicative of Transportation Code,  
14 §623.075, and therefore unnecessary in rule: §219.11(n)(1)(A)(i), §219.11(n)(1)(D), and §219.11(n)(2)(E)  
15 and (F). The proposed deletion of §219.11(n)(2)(F) also removes the reference to Chapter 645 of the  
16 Transportation Code because Senate Bill 1814, 87<sup>th</sup> Legislature, Regular Session (2021) removed the  
17 reference to Chapter 645 from Transportation Code, §623.075. Proposed amendments would delete  
18 §219.11(n)(2)(C) and (D) because they are unnecessary interpretations of the exemption in Transportation  
19 Code, §623.075(b)(1).

20 Proposed amendments to §219.14(b) would update the permit application requirements to be  
21 consistent with the format and application requirements in §219.11(c), while omitting unnecessary  
22 requirements and customizing the requirements to comply with Subchapter E of Chapter 623 of the

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1 Transportation Code. Proposed amended §219.14(b)(1) would clarify that the permit applicant must  
2 submit the application to the department.

3 Proposed amendments to §219.14(b)(2) would modify the application requirements to provide  
4 the department with the information it needs to process an application and to contact the correct person  
5 if there are updates to the permit restrictions. The amendments would require the applicant to provide  
6 the department with the name, customer identification number, and address of the applicant. The  
7 department needs the name of the applicant, so the department has the name of the person to whom  
8 the department issues a permit. The applicant's name and address would help law enforcement to enforce  
9 Transportation Code, §621.511, which makes it an offense if a person operates or moves a vehicle on a  
10 public highway under a permit when the person is not the person named on the permit or an employee  
11 of the person named on the permit. Also, the department cannot issue a permit unless the applicant  
12 provides their customer identification number, which the applicant can obtain from the department at no  
13 cost.

14 The proposed amendments would also require the applicant to provide the department with the  
15 name, telephone number, and email address of the contact person. Having the contact person's email  
16 address and telephone number would enable the department to communicate more efficiently with the  
17 applicant and any permit holder. The applicant could be a large corporation with different contact people  
18 for different permits.

19 The proposed amended §219.14(b)(2) would also include rearranged and edited language  
20 currently found in §219.14(b)(1) and would incorporate the specific requirements which are unique to  
21 manufactured houses as defined by Transportation Code, §623.091. The permit applicant must provide a  
22 description of the manufactured home and the dimensions of the manufactured home to the department,  
23 so the department can include certain information on the permit as required by Transportation Code,

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1 §623.093. A proposed amendment states that the permit applicant must provide any other information  
2 required by law, including the information listed in Transportation Code, §623.093(a).

3 Proposed amendments to §219.14(b) would delete the following language which is included in  
4 Transportation Code, §623.093 because it is not necessary to repeat statutory language in a rule: “If the  
5 manufactured home is being moved to or from a site in this state where it has been, or will be, occupied  
6 as a dwelling, the permit must also show the name of the owner of the home, the location from which  
7 the home is being moved, and the location to which the home is being delivered.” A proposed amendment  
8 to §219.14(b) would delete the current language §219.14(b)(2) because it is an unnecessary cross-  
9 reference that does not add clarity.

10 Proposed amendments to §219.30 would remove language that is duplicative with statute  
11 because it is not necessary to repeat statutory language in a rule. A proposed amendment to §219.30(c)  
12 would delete language that is in Transportation Code, §623.011(b)(1). A proposed amendment to re-  
13 lettered §219.30(d) would delete language that is in Transportation Code, §623.012 and the reference to  
14 the state highway system, which was removed by Senate Bill 1814, 87<sup>th</sup> Legislature, Regular Session  
15 (2021). Proposed amendments to §219.30 would re-letter the remaining subsections, as well as an  
16 internal cross-reference to re-lettered subsection (e), due to the proposed deletion of subsections (c) and  
17 (d).

18 A proposed amendment to re-lettered §219.30(c)(1) would update the language to be consistent  
19 with the language in other sections of Chapter 219 regarding permit applications by stating the person  
20 must submit an application to qualify for the permit. A proposed amendment to re-lettered  
21 §219.30(c)(2)(A) would require the applicant to provide its customer identification number because the  
22 department cannot issue a permit without the customer’s identification number. The applicant can obtain  
23 a customer identification number from the department at no cost. A proposed amendment to

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§219.30(c)(2)(B) would rearrange the language for clarity. A proposed amendment to re-lettered §219.30(c)(2)(B) would also require the applicant to provide an email address for its contact person to enable the department to communicate more efficiently with the applicant's contact person. Having an email address for the permittee's contact person would enable the department to disseminate information more quickly and easily. For example, if an amendment must be made to the permit because of a new restriction provided by TxDOT, the department currently sends an email to the permit holders who provide the department with an email address. The department sends an email to the permit holders regarding a new restriction so they can receive the update as soon as possible and print an updated permit. As another example, when a safety issue arises like a new height restriction on a specific roadway that includes a bridge, the permit holders need to know about the new height restriction as soon as possible. An email with this information would reach permittees more quickly than phone calls, which can be a slow process, especially if the department must call a large number of permit holders. Also, the department's permitting staff currently contact applicants and permit holders by both email and telephone, depending on the issue. For these reasons, similar amendments that would require applicants to provide email addresses are also proposed to the following sections: §§219.14(b), 219.31(b), 219.32(c), 219.33(b), 219.34(b), 219.35(b), and 219.36(b).

A proposed amendment to re-lettered §219.30(c)(2)(C) would require the applicant to provide vehicle registration information because Transportation Code, §623.011(b)(1) says the vehicle must be registered under Transportation Code, Chapter 502 for the maximum gross weight applicable to the vehicle under Transportation Code, §621.101, not to exceed 80,000 pounds. Other proposed amendments to re-lettered §219.30(c)(2)(C) would require the permit applicant to provide the truck year and vehicle identification number. The department needs the vehicle information for investigations regarding possible administrative enforcement actions and to provide to law enforcement officers who use the

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1 information to enforce the laws regarding size and weight under Subtitle E of Title 7 of the Transportation  
2 Code. For example, law enforcement officers use vehicle information to verify whether a permit is being  
3 used for more than one vehicle in violation of the law.

4 Proposed amendments to re-lettered §219.30(h)(4) would substitute the word “permittee” for  
5 the word “applicant” and add the replacement of the letter of credit or bond to be consistent with  
6 Transportation Code, §623.012(c) and (d). A proposed amendment to re-lettered §219.30(h) would  
7 replace the reference to deleted §219.30(d) with a reference to Transportation Code, §623.012, which  
8 contains the relevant language. Proposed amendments to §219.30 would delete subsections (k) and (l)  
9 because the applicable statutes do not provide the authority to void the permit for the reason stated in  
10 subsection (k).

11 A proposed amendment to §219.31(b)(2)(A) would require the applicant to provide its customer  
12 identification number because the department cannot issue a permit without the customer’s  
13 identification number. The applicant can obtain a customer identification number from the department  
14 at no cost. A proposed amendment to §219.31(b)(2)(A) would also delete the requirement for the  
15 applicant to provide its telephone number and email address because current §219.31(b)(2)(B) already  
16 requires the applicant to provide the department with the contact information for the applicant’s contact  
17 person. A proposed amendment to §219.31(b)(2)(B) would also rearrange the language for clarity.

18 A proposed amendment to §219.32(c)(2)(A) would require the applicant to provide its customer  
19 identification number because the department cannot issue a permit without the customer’s  
20 identification number. The applicant can obtain a customer identification number from the department  
21 at no cost. A proposed amendment to §219.32(c)(2)(B) would also rearrange the language for clarity. For  
22 these reasons, similar amendments are also proposed to the following sections: §§219.33(b), 219.34(b),  
23 219.35(b), and 219.36(b).

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1 A proposed amendment to re-lettered §219.32(h) would clarify that the city's curfew movement  
2 restrictions do not apply unless the department publishes the curfew movement restrictions. The  
3 department only publishes the curfew movement restrictions if TxDOT approves the restrictions.  
4 Currently, the department publishes the curfew movement restrictions on the department's website.

5 Proposed amendments to §219.33(a), (c), and (d) would delete reference to an emergency  
6 declared by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency  
7 Assistance Act, (42 U.S.C. §5121, *et seq.*) (Stafford Act) because Transportation Code, §623.341(a) and 23  
8 U.S.C. §127(i) only authorize the federal disaster relief permit if the president of the United States issues  
9 a major disaster declaration. The federal disaster relief permit authorizes an overweight vehicle that will  
10 be used to deliver relief supplies to exceed legal weight up to the axle weights and gross weight listed in  
11 §219.33(c), even if the vehicle is transporting a divisible load. Subject to the restrictions and conditions in  
12 §219.33, the permitted vehicle is authorized to exceed legal weight on state highways, including the  
13 National System of Interstate and Defense Highways.

14 Although 23 U.S.C. §127(i) uses the term "emergency," §127(i)(1)(A) says a state may issue these  
15 special permits if the president has declared the emergency to be a "major disaster" under the Stafford  
16 Act. An emergency declaration is different than a major disaster declaration under the Stafford Act.  
17 Section 5170 of the Stafford Act provides the procedures for the president to declare a major disaster,  
18 which is defined in §5122 of the Stafford Act. Section 5191 of the Stafford Act provides the procedure for  
19 the president to declare an emergency, which is defined in §5122.

20 The Federal Highway Administration (FHWA) is a government agency within the United States  
21 Department of Transportation that supports state and local governments in the design, construction, and  
22 maintenance of the U.S. highway system. FHWA's website explains that through financial and technical



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1 assistance to state and local governments, FHWA is responsible for ensuring that America's roads and  
2 highways continue to be among the safest and most technologically sound in the world.

3 FHWA issued a memo on June 5, 2013, regarding the Public Law which enacted 23 U.S.C. §127(i)  
4 in which FHWA stated as follows: "Section 1511 of MAP-21 extends the States' authority to issue Special  
5 Permits to vehicles with divisible loads that are delivering relief supplies during a Presidentially-declared  
6 emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act  
7 ("Stafford Act") (42 U.S.C. 5121 et seq.)." The memo, titled "MAP-21, Section 1511 – Special Permits  
8 During Periods of National Emergency Implementation Guidance, Revised," was available on FHWA's  
9 website as of August 1, 2023. FHWA's June 5, 2013, memo is from FHWA's Associate Administrator for  
10 Operations to the Division Administrators, Directors of Field Services, and Director of Technical Services.  
11 Although the department previously relied on FHWA's June 5, 2013, memo when enacting §219.33, the  
12 department proposes to amend §219.33(a), (c), and (d) to delete the reference to an emergency because  
13 Transportation Code, Section §623.341(a) and 23 U.S.C. §127(i) only authorize this special permit if the  
14 president issues a major disaster declaration for the reasons previously stated.

15 Proposed amendments to §219.33(c)(3) and re-numbered (c)(4) are necessary to clarify that the  
16 city's curfew movement restrictions do not apply unless the department publishes the curfew movement  
17 restrictions. The department only publishes the curfew movement restrictions if TxDOT approves the  
18 restrictions. Currently, the department publishes the curfew movement restrictions on its website.

19 A proposed amendment to re-numbered §219.33(c)(7) would specify that a permit will expire 120  
20 days after the date of a disaster because the department's permitting system does not calculate the  
21 expiration date for each federal disaster relief permit. Under Transportation Code, §623.341(b) and 23  
22 U.S.C. §127(i), the permit expires not later than the 120<sup>th</sup> day after the date the president declares a major  
23 disaster. The department's permitting system issues permits for 120 days after the major disaster

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1 declaration and does not print the expiration date on the permits. The proposed amendment would  
2 delete language that says the expiration date is listed in the permit and replace that language with  
3 language that says the permit will expire 120 days after the date of the major disaster declaration. The  
4 proposed language is consistent with Transportation Code, §623.341(b) and 23 U.S.C. §127(i).

5 Proposed amendments to §219.33(d) are necessary because in practice, only the notice of the  
6 president's major disaster declaration is available on the White House website and the Federal Emergency  
7 Management Agency's website. The official declaration that is signed by the president does not appear to  
8 be readily available to the public where a person can download it, so the department should only require  
9 a person to carry a copy of the notice of declaration in the permitted vehicle, along with the permit. If the  
10 permittee is stopped by law enforcement, the documentation will help the peace officer determine  
11 whether the permit was issued under a major disaster declaration issued by the president and whether  
12 the permit is valid under §219.33 and Transportation Code, §623.341.

13 Proposed amendments to §219.41(b) would modify the application requirements to provide the  
14 department with the information it needs to process an application under Subchapter D of Chapter 219  
15 and to contact the correct person if there are updates to the permit restrictions. A proposed amendment  
16 to §219.41(b)(1) would require the applicant to provide its customer identification number because the  
17 department cannot issue a permit without the customer's identification number. The applicant can obtain  
18 a customer identification number from the department at no cost. A proposed amendment to  
19 §219.41(b)(1) would also delete the requirement for the applicant to provide its telephone number and  
20 email address because a proposed amendment to §219.41(b)(2) would require the applicant to provide  
21 the department with the name, telephone number, and email address for the applicant's contact person.  
22 The applicant could be a large corporation with different contact people for different permits. Having an  
23 email address for the permittee's contact person would enable the department to disseminate

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1 information more quickly and easily, including information that could impact the safety of the traveling  
2 public, such as a new permit restriction provided by TxDOT. Transportation Code, §623.145 requires the  
3 board of the Texas Department of Motor Vehicles (board) and the Texas Transportation Commission to  
4 consider the safety and convenience of the general traveling public when adopting rules regarding the  
5 issuance of permits for oil well servicing and drilling machinery under Subchapter G of Chapter 623 of the  
6 Transportation Code. A proposed amendment to §219.41(b)(2) and (3) would remove the year and make  
7 of the unit from paragraph (2) and combine this language with the language in paragraph (3) regarding  
8 the identification number of the unit. For these reasons, similar amendments are also proposed to  
9 §219.61(b) regarding an application for a crane, which provisions apply to permit applications under  
10 Subchapter E of Chapter 219. Transportation Code, §623.195 requires the board and the Texas  
11 Transportation Commission to consider the safety and convenience of the general traveling public when  
12 adopting rules regarding the issuance of permits for cranes (a/k/a unladen lift equipment motor vehicles)  
13 under Subchapter J of Chapter 623 of the Transportation Code.

14 A proposed amendment to §219.41 would delete subsection (e) regarding void permits because  
15 it overstates the language in Transportation Code, §623.146 regarding the ramifications of an owner's or  
16 an owner's representative's violation of a rule of the board or a violation of a condition placed on the  
17 permit. A proposed amendment to §219.41 would delete subsection (g) regarding records retention  
18 because §219.102(b) already includes language that requires the permit to be kept in the permitted  
19 vehicle until the permit terminates or expires. Proposed amendments to §219.41 would re-letter the  
20 remaining subsections due to the deletion of subsections (e) and (g).

21 Proposed amendments to §219.43(f) and §219.63(a)(7) would eliminate the implication that a  
22 hubometer serial number is required to be listed on the permit and to conform the language to current  
23 practice. A proposed amendment to §219.43(f) and §219.63(a)(7) would clarify that an amendment can

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1 be made to the hubometer serial number on the permit if a hubometer serial number is listed on the  
2 permit.

3 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
4 has determined that for each year of the first five years the amendments will be in effect, there will be no  
5 significant fiscal impact to state or local governments as a result of the enforcement or administration of  
6 the proposal. Jimmy Archer, Director of the Motor Carrier Division (MCD), has determined that there will  
7 be no significant impact on local employment or the local economy as a result of the proposal.

8 **PUBLIC BENEFIT AND COST NOTE.** Mr. Archer has also determined that, for each year of the first five  
9 years the amended sections are in effect, there are several anticipated public benefits because of the  
10 amendments.

11 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include the  
12 following: safer public roadways for the traveling public resulting from full implementation of the  
13 department's authority under Transportation Code, §623.004 to deny a permit to an applicant who is  
14 subject to an out-of-service order issued by FMCSA or DPS; safer public roadways for the traveling public  
15 when all permit applicants provide the department with their email address, which allows the department  
16 to quickly email the permit holders any updates to permit restrictions that impact safety; additional  
17 information to help the department administer and enforce Subtitle E of Title 7 of the Transportation  
18 Code and to provide to law enforcement officers who use the information to enforce the laws regarding  
19 size and weight under Subtitle E of Title 7 of the Transportation Code; and updated rules that are more  
20 streamlined and consistent with current practice.

21 Anticipated Costs To Comply With The Proposal. Mr. Archer anticipates that there may be minimal  
22 costs to comply with the proposed amendments. The potential cost to persons required to comply with  
23 the proposal are the costs to obtain an email address to provide to the department as part of the permit

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1 application, as well as the costs to obtain access to a computer; however, many libraries provide  
2 computers that the public can use at no cost, and there are common free providers of web-based email  
3 accounts, such as Gmail, Hotmail, and Yahoo@ Mail.

4 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
5 Code, §2006.002, the department has determined that the proposed amendments will not have an  
6 adverse economic effect on small businesses, micro-businesses, and rural communities because the  
7 requirement for an applicant to provide a USDOT Number only applies if the applicant is required by law  
8 to have a USDOT Number. The proposed amendments require small businesses, micro-businesses, and  
9 rural communities to comply. Even if the proposed requirement for the applicant to provide an email  
10 address increases an applicant's costs, this requirement is necessary to protect the public health and  
11 safety under Government Code, §2006.002(c-1), so the email requirement is exempt from the  
12 requirement to prepare a regulatory flexibility analysis under Government Code, §2006.002. The  
13 department may need a permit applicant's email address to quickly provide amendments to a permit  
14 regarding safety issues, such as a new height restriction as described above.

15 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
16 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
17 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
18 taking or require a takings impact assessment under Government Code, §2007.043.

19 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
20 first five years the proposed amendments are in effect, a government program would be expanded. As  
21 described above, proposed amendments require certain permit applicants to provide their USDOT  
22 Number so the department can fully implement Transportation Code, §623.004 to deny permits to an  
23 applicant that is subject to an out-of-service order issued by FMCSA or DPS. Implementation of the

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1 proposed amendments would not require the creation of new employee positions or elimination of  
2 existing employee positions. Implementation would not require an increase or decrease in future  
3 legislative appropriations to the department or an increase or decrease of fees paid to the department.  
4 The proposed amendments create a new regulation. As described above, proposed amendments require  
5 certain permit applicants to provide their USDOT Number so the department can fully implement  
6 Transportation Code, §623.004 to deny permits to an applicant that is subject to an out-of-service order  
7 issued by FMCSA or DPS. Also, proposed amendments require permit applicants to provide an email  
8 address and contact information for their contact person. The proposed amendment to §219.11(c)(1)(C)  
9 repeals an existing regulation that requires certain permit applicants to provide their MCR number to the  
10 department to indicate that they are a motor carrier registered under Transportation Code, Chapter 643.  
11 Proposed amendments also repeal an existing regulation regarding hazardous conditions during which  
12 movement of a permitted vehicle is prohibited because DPS and FMCSA have the authority to regulate  
13 this issue, and the department lacks this authority. Lastly, the proposed amendments do not affect the  
14 number of individuals subject to the rule's applicability and will not affect this state's economy.

**REQUEST FOR PUBLIC COMMENT.**

16 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on  
17 **MM, DD, YYYY**. A request for a public hearing must be sent separately from your written comments. Send  
18 written comments or hearing requests by email to [rules@txdmv.gov](mailto:rules@txdmv.gov) or by mail to Office of General  
19 Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is  
20 held, the department will consider written comments and public testimony presented at the hearing.

21 **STATUTORY AUTHORITY.** The department proposes amendments under Transportation Code,  
22 §§621.008, 622.002, 622.051, *et seq.*, 623.002, 623.004, 623.070, *et seq.*, 623.074(d), 623.095(c), 623.145,

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623.195, 623.342, 623.411, 623.427, 1002.001, as well as the statutes referenced throughout this preamble.

Transportation Code, §621.008 authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621.

Transportation Code, §622.002 authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622, including Transportation Code, §622.051, *et seq.* which authorize the department to issue a permit for transporting poles required for the maintenance of electric power transmission and distribution lines.

Transportation Code, §623.002 authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623. Chapter 623 includes sections such as §623.004 which authorizes the department to deny a permit application if the applicant is subject to an out-of-service order issued by FMCSA or DPS; and §623.070, *et seq.* which authorize the department to issue a permit to an applicant to move certain equipment or commodities and prescribe the application requirements for such permits.

Transportation Code, §623.074(d) authorizes the department to adopt a rule to authorize an applicant to submit an application electronically.

Transportation Code, §623.095(c) authorizes the department to adopt rules concerning the requirements for a permit under §623.095(c) regarding an annual permit for a person authorized to be issued permits under §623.094 for the transportation of new manufactured homes from a manufacturing facility to a temporary storage location not to exceed 20 miles from the point of manufacture.

Transportation Code, §623.145 authorizes the board, in consultation with the Texas Transportation Commission, by rule to provide for the issuance of permits under Subchapter G of Chapter 623 of the Transportation Code regarding oil well servicing and drilling machinery.

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1 Transportation Code, §623.195 authorizes the board, in consultation with the Texas  
2 Transportation Commission, by rule to provide for the issuance of permits under Subchapter J of Chapter  
3 623 of the Transportation Code regarding cranes.

4 Transportation Code, §623.342 authorizes the board to adopt rules that are necessary to  
5 implement Subchapter R of Chapter 623 of the Transportation Code regarding federal disaster relief  
6 permits.

7 Transportation Code, §623.411 authorizes the department to adopt rules that are necessary to  
8 implement Subchapter U of Chapter 623 of the Transportation Code regarding the permit for intermodal  
9 shipping containers.

10 Transportation Code, §623.427 authorizes the department to adopt rules that are necessary to  
11 implement Subchapter V of Chapter 623 regarding the permit for fluid milk.

12 Transportation Code, §1002.001 authorizes the board to adopt rules that are necessary and  
13 appropriate to implement the powers and the duties of the department.

14 **CROSS REFERENCE TO STATUTE.** Transportation Code Chapters 621, 622, and 623.



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1 **TEXT.**

2 **SUBCHAPTER B. GENERAL PERMITS**

3 219.11 General Oversize/Overweight Permit Requirements and Procedures

4 (a) Purpose and scope. This section contains general requirements relating to  
5 oversize/overweight permits, including single-trip permits. Specific requirements for each type of  
6 specialty permit are provided for in this chapter.

7 (b) Prerequisites to obtaining an oversize/overweight permit. Unless exempted by law or this  
8 chapter, the following requirements must be met prior to the issuance of an oversize/overweight  
9 permit.

10 (1) Commercial motor carrier registration or surety bond. Prior to obtaining an  
11 oversize/overweight permit, an applicant permitted under the provisions of Transportation Code,  
12 Chapter 623, Subchapter D, must be registered as a commercial motor carrier under Chapter 218 of this  
13 title (relating to Motor Carriers) or, if not required to obtain a motor carrier registration, file a surety  
14 bond with the department as described in subsection (n) of this section.

15 (2) Vehicle registration. A vehicle registered with a permit plate will not be issued an  
16 oversize/overweight permit under this subchapter. A permitted vehicle operating under this subchapter  
17 must be registered with one of the following types of vehicle registration:

18 (A) current Texas license plates that indicate the permitted vehicle is registered  
19 for maximum legal gross weight or the maximum weight the vehicle can transport;

20 (B) Texas temporary vehicle registration;

21 (C) current out of state license plates that are apportioned for travel in Texas; or

22 (D) foreign commercial vehicles registered under Texas annual registration.

23 (c) Permit application.

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(1) An application for a permit shall be made in a form and by the method prescribed by the department, and at a minimum shall include the following, unless stated otherwise in this subchapter:

(A) name, customer identification number, and address [~~telephone number, and email address (if requested)~~] of the applicant;

(B) name, telephone number, and email address of contact person; [~~applicant's customer identification number;~~]

(C) applicant's [~~MCR number or~~] USDOT Number if applicant is required by law to have a USDOT Number [~~, if applicable~~];

(D) complete load description, including maximum width, height, length, overhang, and gross weight;

(E) complete description of vehicle, including truck year, make, license plate number and state of issuance, and vehicle identification number, if required;

(F) vehicle axle and tire information including number of axles, distance between axles, axle weights, number of tires, and tire size for overweight permit applications; and

(G) any other information required by law.

(2) Applications transmitted electronically are considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the application.

(A) The department may only accept a digital signature used to authenticate an application under procedures that comply with any applicable rules adopted by the Department of Information Resources regarding department use or acceptance of a digital signature.

(B) The department may only accept a digital signature to authenticate an application if the digital signature is:

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1 (i) unique to the person using it;

2 (ii) capable of independent verification;

3 (iii) under the sole control of the person using it; and

4 (iv) transmitted in a manner that will make it infeasible to change the

5 data in the communication or digital signature without invalidating the digital signature.

6 (d) Maximum permit weight limits.

7 (1) General. An overweight permitted vehicle will not be routed over a load-restricted  
8 bridge when exceeding the posted capacity of the bridge, unless a special exception is granted by  
9 TxDOT, based on an analysis of the bridge performed by a TxDOT approved licensed professional  
10 engineer or by TxDOT. Any analysis by a non-TxDOT engineer must have final approval from TxDOT.

11 (A) An axle group must have a minimum spacing of four feet, measured from  
12 center of axle to center of axle, between each axle in the group to achieve the maximum permit weight  
13 for the group.

14 (B) The maximum permit weight for an axle group with spacing of five or more  
15 feet between each axle will be based on an engineering study of the equipment conducted by TxDOT.

16 (C) A permitted vehicle will be allowed to have air suspension, hydraulic  
17 suspension, and mechanical suspension axles in a common weight equalizing suspension system for any  
18 axle group.

19 (D) The department may permit axle weights greater than those specified in this  
20 section, for a specific individual permit request, based on an engineering study of the route and hauling  
21 equipment performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by  
22 a non-TxDOT engineer must have final approval from TxDOT.

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(E) A permitted vehicle or combination of vehicles may not exceed the manufacturer's rated tire carrying capacity, unless expressly authorized in the language on the permit based on an analysis performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by a non-TxDOT engineer must have final approval from TxDOT.

(F) Two or more consecutive axle groups having an axle spacing of less than 12 feet, measured from the center of the last axle of the preceding group to the center of the first axle of the following group, will be reduced by 2.5% for each foot less than 12 feet.

(2) Maximum axle weight limits. Maximum permit weight for an axle or axle group is based on 650 pounds per inch of tire width or the following axle or axle group weights, whichever is the lesser amount:

(A) single axle--25,000 pounds;

(B) two axle group--46,000 pounds;

(C) three axle group--60,000 pounds;

(D) four axle group--70,000 pounds;

(E) five axle group--81,400 pounds;

(F) axle group with six or more axles--determined by TxDOT based on an engineering study of the equipment, which will include the type of steering system used, the type of axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size on each axle; or

(G) trunnion axles--30,000 pounds per axle if the trunnion configuration has:

(i) two axles;

(ii) eight tires per axle;

(iii) axles a minimum of 10 feet in width; and

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(iv) at least five feet of spacing between the axles, not to exceed six feet.

(3) Weight limits for load restricted roads. Maximum permit weight for an axle or axle group, when traveling on a load restricted road, will be based on 650 pounds per inch of tire width or the following axle or axle group weights, whichever is the lesser amount:

(A) single axle--22,500 pounds;

(B) two axle group--41,400 pounds;

(C) three axle group--54,000 pounds;

(D) four axle group--63,000 pounds;

(E) five axle group--73,260 pounds;

(F) axle group with six or more axles--determined by TxDOT based on an engineering study of the equipment, which will include the type of steering system used, the type of axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size on each axle;

(G) trunnion axles--54,000 pounds; and

(H) two or more consecutive axle groups having an axle spacing of less than 12 feet, measured from the center of the last axle of the preceding group to the center of the first axle of the following group will be reduced by 2.5% for each foot less than 12 feet.

(e) Permit issuance.

(1) General. Upon receiving an application in the form prescribed by the department, the department will review the permit application for the appropriate information and will then determine the most practical route based on information provided by TxDOT.

(2) Routing.

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(A) A permitted vehicle will be routed over the most practical route available

taking into consideration:

(i) the size and weight of the overdimension load in relation to vertical

clearances, width restrictions, steep grades, and weak or load restricted bridges;

(ii) the geometrics of the roadway in comparison to the overdimension

load;

(iii) sections of highways restricted to specific load sizes and weights due

to construction, maintenance, and hazardous conditions;

(iv) traffic conditions, including traffic volume;

(v) route designations by municipalities in accordance with

Transportation Code, §623.072;

(vi) load restricted roads; and

(vii) other considerations for the safe transportation of the load.

(B) When a permit applicant desires a route other than the most practical, more

than one permit will be required for the trip unless an exception is granted by the department.

(3) Movement to and from point of origin or place of business. A permitted vehicle will

be allowed to:

(A) move empty oversize and overweight hauling equipment to and from the job

site; and

(B) move oversize and overweight hauling equipment with a load from the

permitted vehicle's point of origin to pick up a permitted load, and to the permitted vehicle's point of

origin or the permittee's place of business after dropping off a permitted load, as long as:

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1 (i) the load does not exceed legal size and weight limits under

2 Transportation Code, Chapters 621 and 622; and

3 (ii) the transport complies with the permit, including the time period

4 stated on the permit.

5 (f) Payment of permit fees, refunds.

6 (1) Payment methods. All permit applications must be accompanied by the proper fee,  
7 which shall be payable as provided by §209.23 of this title (relating to Methods of Payment).

8 (2) Refunds. A permit fee will not be refunded after the permit number has been issued  
9 unless such refund is necessary to correct an error made by the permit officer.

10 (g) Amendments. A permit may be amended for the following reasons:

11 (1) vehicle breakdown;

12 (2) changing the intermediate points in an approved permit route;

13 (3) extending the expiration date due to conditions which would cause the move to be  
14 delayed;

15 (4) changing route origin or route destination prior to the start date as listed on the  
16 permit;

17 (5) changing vehicle size limits prior to the permit start date as listed on the permit,  
18 provided that changing the vehicle size limit does not necessitate a change in the approved route; and

19 (6) correcting any mistake that is made due to permit officer error.

20 (h) Requirements for overwidth loads.

21 (1) Unless stated otherwise on the permit, an overwidth load must travel in the outside  
22 traffic lane on multi-lane highways, when the width of the load exceeds 12 feet.

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(2) Overwidth loads are subject to the escort requirements of subsection (k) of this section.

(3) A permitted vehicle exceeding 16 feet in width will not be routed on the main lanes of a controlled access highway, unless an exception is granted by TxDOT, based on a route and traffic study. The load may be permitted on the frontage roads when available, if the movement will not pose a safety hazard to other highway users.

(4) An applicant requesting a permit to move a load exceeding 20 feet wide will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by the department.

(i) Requirements for overlength loads.

(1) Overlength loads are subject to the escort requirements stated in subsection (k) of this section.

(2) A single vehicle, such as a motor crane, that has a permanently mounted boom is not considered as having either front or rear overhang as a result of the boom because the boom is an integral part of the vehicle.



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(3) When a single vehicle with a permanently attached boom exceeds the maximum legal length of 45 feet, a permit will not be issued if the boom projects more than 25 feet beyond the front bumper of the vehicle, or when the boom projects more than 30 feet beyond the rear bumper of the vehicle, unless an exception is granted by TxDOT, based on a route and traffic study.

(4) Maximum permit length for a single vehicle is 75 feet.

(5) A load extending more than 20 feet beyond the front or rearmost portion of the load carrying surface of the permitted vehicle must have a rear escort flag vehicle, unless an exception is granted by TxDOT, based on a route and traffic study.

(6) A permit will not be issued for an oversize vehicle and load with:

(A) more than 25 feet front overhang; or

(B) more than 30 feet rear overhang, unless an exception is granted by TxDOT, based on a route and traffic study.

(7) An applicant requesting a permit to move an oversize vehicle and load exceeding 125 feet overall length will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the oversize vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the oversize vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by the department.

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(8) A permitted vehicle that is not overwidth or overheight, and does not exceed 150 feet overall length, may be moved in a convoy consisting of not more than four overlength permitted vehicles. A permitted vehicle that is not overwidth or overheight that exceeds 150 feet, but does not exceed 180 feet overall length, may be moved in a convoy consisting of not more than two overlength permitted vehicles. Convoys are subject to the requirements of subsection (k) of this section. Each permitted vehicle in the convoy must:

(A) be spaced at least 1,000 feet, but not more than 2,000 feet, from any other permitted vehicle in the convoy; and

(B) have a rotating amber beacon or an amber pulsating light, not less than eight inches in diameter, mounted at the rear top of the load being transported.

(j) Requirements for overheight loads.

(1) Overheight loads are subject to the escort requirements stated in subsection (k) of this section.

(2) An applicant requesting a permit to move an oversize vehicle and load with an overall height of 19 feet or greater will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the oversize vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the oversize vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

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1 (C) Once a route is decided upon and a permit issued, the permit may not be  
2 amended unless an exception is granted by the department.

3 (k) Escort flag vehicle requirements. Escort flag vehicle requirements are provided to facilitate  
4 the safe movement of permitted vehicles and to protect the traveling public during the movement of  
5 permitted vehicles. A permittee must provide for escort flag vehicles and law enforcement assistance  
6 when required by TxDOT. The requirements in this subsection do not apply to the movement of  
7 manufactured housing, portable building units, or portable building compatible cargo, unless stated  
8 otherwise in this chapter.

9 (1) General.

10 (A) Applicability. The operator of an escort flag vehicle shall, consistent with  
11 applicable law, warn the traveling public when:

12 (i) a permitted vehicle must travel over the center line of a narrow  
13 bridge or roadway;

14 (ii) a permitted vehicle makes any turning movement that will require  
15 the permitted vehicle to travel in the opposing traffic lanes;

16 (iii) a permitted vehicle reduces speed to cross under a low overhead  
17 obstruction or over a bridge;

18 (iv) a permitted vehicle creates an abnormal and unusual traffic flow  
19 pattern; or

20 (v) in the opinion of TxDOT, warning is required to ensure the safety of  
21 the traveling public or safe movement of the permitted vehicle.

22 (B) Law enforcement assistance. Law enforcement assistance may be required  
23 by TxDOT to control traffic when a permitted vehicle is being moved within the corporate limits of a city,

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1 or at such times when law enforcement assistance would provide for the safe movement of the  
2 permitted vehicle and the traveling public.

3 (C) Obstructions. It is the responsibility of the permittee to contact utility  
4 companies, telephone companies, television cable companies, or other entities as they may require,  
5 when it is necessary to raise or lower any overhead wire, traffic signal, street light, television cable, sign,  
6 or other overhead obstruction. The permittee is responsible for providing the appropriate advance  
7 notice as required by each entity.

8 (2) Escort requirements for overwidth loads. Unless an exception is granted based on a  
9 route and traffic study conducted by TxDOT, an overwidth load must:

10 (A) have a front escort flag vehicle if the width of the load exceeds 14 feet, but  
11 does not exceed 16 feet, when traveling on a two lane roadway;

12 (B) have a rear escort flag vehicle if the width of the load exceeds 14 feet, but  
13 does not exceed 16 feet, when traveling on a roadway of four or more lanes; and

14 (C) have a front and a rear escort flag vehicle for all roads, when the width of  
15 the load exceeds 16 feet.

16 (3) Escort requirements for overlength loads. Unless an exception is granted by TxDOT,  
17 based on a route and traffic study, overlength loads must have:

18 (A) a front escort flag vehicle when traveling on a two lane roadway if the  
19 vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length;

20 (B) a rear escort flag vehicle when traveling on a multi-lane highway if the  
21 vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length; and

22 (C) a front and rear escort flag vehicle at all times if the permitted vehicle  
23 exceeds 125 feet overall length.

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(4) Escort requirements for overheight loads. Unless an exception is granted by TxDOT, based on a route and traffic study, overheight loads must have:

(A) a front escort flag vehicle equipped with a height pole to ensure the vehicle and load can clear all overhead obstructions for any permitted vehicle that exceeds 17 feet in height; and

(B) a front and rear escort flag vehicle for any permitted vehicle exceeding 18 feet in height.

(5) Escort requirements for permitted vehicles exceeding legal limits in more than one dimension. When a load exceeds more than one dimension that requires an escort under this subsection, front and rear escort flag vehicles will be required unless an exception is granted by TxDOT.

(6) Escort requirements for convoys. Convoys must have a front escort flag vehicle and a rear escort flag vehicle on all highways at all times.

(7) General equipment requirements. The following special equipment requirements apply to permitted vehicles and escort flag vehicles that are not motorcycles.

(A) An escort flag vehicle must be a single unit with a gross vehicle weight (GVW) of not less than 1,000 pounds nor more than 10,000 pounds.

(B) An escort flag vehicle must be equipped with two flashing amber lights; one rotating amber beacon of not less than eight inches in diameter; or alternating or flashing blue and amber lights, each of which must be visible from all directions while actively engaged in escort duties for the permitted vehicle.

(C) An escort flag vehicle must display a sign, on either the roof of the vehicle, or the front and rear of the vehicle, with the words "OVERSIZE LOAD" or "WIDE LOAD." The sign must be

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1 visible from the front and rear of the vehicle while escorting the permitted load. The sign must meet the  
2 following specifications:

3 (i) at least five feet, but not more than seven feet in length, and at least  
4 12 inches, but not more than 18 inches in height;

5 (ii) the sign must have a yellow background with black lettering;

6 (iii) letters must be at least eight inches, but not more than 10 inches  
7 high with a brush stroke at least 1.41 inches wide; and

8 (iv) the sign must be visible from the front or rear of the vehicle while  
9 escorting the permitted vehicle, and the signs must not be used at any other time.

10 (D) An escort flag vehicle must maintain two-way communications with the  
11 permitted vehicle and other escort flag vehicles involved with the movement of the permitted vehicle.

12 (E) Warning flags must be either red or orange fluorescent material, at least 12  
13 inches square, securely mounted on a staff or securely fastened by at least one corner to the widest  
14 extremities of an overwidth permitted vehicle, and at the rear of an overlength permitted vehicle or a  
15 permitted vehicle with a rear overhang in excess of four feet.

16 (8) Equipment requirements for motorcycles.

17 (A) An official law enforcement motorcycle may be used as a primary escort flag  
18 vehicle for a permitted vehicle traveling within the limits of an incorporated city, if the motorcycle is  
19 operated by a highway patrol officer, sheriff, or duly authorized deputy, or municipal police officer.

20 (B) An escort flag vehicle must maintain two-way communications with the  
21 permitted vehicle and other escort flag vehicles involved with the movement of the permitted vehicle.

22 (I) Restrictions.

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1           ~~[(1) Restrictions pertaining to road conditions. Movement of a permitted vehicle is~~  
2 ~~prohibited when road conditions are hazardous based upon the judgment of the operator and law~~  
3 ~~enforcement officials. Law enforcement officials shall make the final determination regarding whether~~  
4 ~~or not conditions are hazardous. Conditions that should be considered hazardous include, but are not~~  
5 ~~limited to:]~~

6                           ~~[(A) visibility of less than 2/10 of one mile; or]~~

7                           ~~[(B) weather conditions such as wind, rain, ice, sleet, or snow.]~~

8           (1) ~~[(2)]~~ Daylight and night movement restrictions.

9                           (A) A permitted vehicle may be moved only during daylight hours unless:

10                                   (i) the permitted vehicle is overweight only;

11                                   (ii) the permitted vehicle is traveling on an interstate highway and does  
12 not exceed 10 feet wide and 100 feet long, with front and rear overhang that complies with legal  
13 standards; or

14                                   (iii) the permitted vehicle meets the criteria of clause (ii) of this  
15 subparagraph and is overweight.

16                           (B) An exception may be granted allowing night movement, based on a route  
17 and traffic study conducted by TxDOT. Escort flag vehicles may be required when an exception allowing  
18 night movement is granted.

19           (2) ~~[(3)]~~ Holiday restrictions. The maximum size limits for a permit issued under  
20 Transportation Code, Chapter 623, Subchapter D, for holiday movement is 14 feet wide, 16 feet high,  
21 and 110 feet long, unless an exception is granted based on a route and traffic study conducted by  
22 TxDOT. The department may restrict holiday movement of specific loads based on a determination that  
23 the load could pose a hazard for the traveling public due to local road or traffic conditions.

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1                   (3) [(4)] Curfew restrictions. The operator of a permitted vehicle must observe the  
2 curfew movement restrictions of any city or county in which the vehicle is operated. However, only the  
3 curfew restrictions listed on the permit apply to the permit.

4                   (m) General provisions.

5                   (1) Multiple commodities.

6                   (A) Except as provided in subparagraph (B) of this paragraph, when a permitted  
7 commodity creates a single overdimension, two or more commodities may be hauled as one permit  
8 load, provided legal axle weight and gross weight are not exceeded, and provided an overdimension of  
9 width, length or height is not created or made greater by the additional commodities. For example, a  
10 permit issued for the movement of a 12 foot wide storage tank may also include a 10 foot wide storage  
11 tank loaded behind the 12 foot wide tank provided that legal axle weight and gross weight are not  
12 exceeded, and provided an overdimension of width, length or height is not created.

13                   (B) When the transport of more than one commodity in a single load creates or  
14 makes greater an illegal dimension of length, width, or height the department may issue an oversize  
15 permit for such load subject to each of the following conditions.

16                   (i) The permit applicant or the shipper of the commodities files with the  
17 department a written certification by the Texas Economic Development and Tourism Office, attesting  
18 that issuing the permit will have a significant positive impact on the economy of Texas and that the  
19 proposed load of multiple commodities therefore cannot be reasonably dismantled. As used in this  
20 clause the term significant positive impact means the creation of not less than 100 new full-time jobs,  
21 the preservation of not less than 100 existing full-time jobs, that would otherwise be eliminated if the  
22 permit is not issued, or creates or retains not less than one percent of the employment base in the  
23 affected economic sector identified in the certification.



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1 (ii) Transport of the commodities does not exceed legal axle and gross  
2 load limits.

3 (iii) The permit is issued in the same manner and under the same  
4 provisions as would be applicable to the transport of a single oversize commodity under this section;  
5 provided, however, that the shipper and the permittee also must indemnify and hold harmless the  
6 department, its board members, officers, and employees from any and all liability for damages or claims  
7 of damages including court costs and attorney fees, if any, which may arise from the transport of an  
8 oversized load under a permit issued pursuant to this subparagraph.

9 (iv) The shipper and the permittee must file with the department a  
10 certificate of insurance on a form prescribed by the department, or otherwise acceptable to the  
11 department, naming the department, its board members, officers, and employees as named or  
12 additional insurers on its comprehensive general liability insurance policy for coverage in the amount of  
13 \$5 million per occurrence, including court costs and attorney fees, if any, which may arise from the  
14 transport of an oversized load under a permit issued pursuant to this subparagraph. The insurance  
15 policy is to be procured from a company licensed to transact insurance business in the State of Texas.

16 (v) The shipper and the permittee must file with the department, in  
17 addition to all insurance provided in clause (iv) of this subparagraph, a certificate of insurance on a form  
18 prescribed by the department, or otherwise acceptable to the department, naming the department, its  
19 board members, officers, and employees as insurers under an auto liability insurance policy for the  
20 benefit of said insurers in an amount of \$5 million per accident. The insurance policy is to be procured  
21 from a company licensed to transact insurance business in the State of Texas. If the shipper or the  
22 permittee is self-insured with regard to automobile liability then that party must take all steps and  
23 perform all acts necessary under the law to indemnify the department, its board members, officers, and

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employees as if the party had contracted for insurance pursuant to, and in the amount set forth in, the preceding sentence and shall agree to so indemnify the department, its board members, officers, and employees in a manner acceptable to the department.

(vi) Issuance of the permit is approved by written order of the board which written order may be, among other things, specific as to duration and routes.

(C) An applicant requesting a permit to haul a dozer and its detached blade may be issued a permit, as a non-dismantable load, if removal of the blade will decrease the overall width of the load, thereby reducing the hazard to the traveling public.

(2) Oversize hauling equipment. A vehicle that exceeds the legal size limits, as set forth by Transportation Code, Chapter 621, Subchapter C, may only haul a load that exceeds legal size limits unless otherwise noted in this subchapter, but such vehicle may haul an overweight load that does not exceed legal size limits, except for the special exception granted in §219.13(c)(3) of this title (relating to Time Permits).

(n) Surety bonds under Transportation Code, §623.075.

(1) General requirements. The surety bond must comply with the following requirements:

(A) be in the amount of \$10,000;

(B) be filed on a form and in a manner prescribed by the department;

(C) be effective the day it is issued and expire at the end of the state fiscal year;

(D) include the primary mailing address and zip code of the principal;

(E) be signed by the principal; and

(F) have a single entity as principal with no other principal names listed.

(2) Non-resident agent. A non-resident agent with a valid Texas insurance license may issue a surety bond on behalf of an authorized insurance company when in compliance with Insurance Code, Chapter 4056.

(3) Certificate of continuation. A certificate of continuation will not be accepted.

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1                    (4) Electronic copy of surety bond. The department will accept an electronic copy of the  
2   surety bond in lieu of the original surety bond. ~~[The following conditions apply to surety bonds specified~~  
3   ~~in Transportation Code, §623.075.]~~

4                    ~~[(A) The surety bond must:]~~

5                                ~~[(i) be made payable to the Texas Department of Transportation with~~  
6   ~~the condition that the applicant will pay the Texas Department of Transportation for any damage caused~~  
7   ~~to the highway by the operation of the equipment covered by the surety bond;]~~

8                                ~~[(ii) be effective the day it is issued and expires at the end of the state~~  
9   ~~fiscal year, which is August 31st. For example, if you obtain a surety bond on August 30th, it will expire~~  
10   ~~the next day at midnight;]~~

11                                ~~[(iii) include the complete mailing address and zip code of the principal;]~~

12                                ~~[(iv) be filed with the department and have an original signature of the~~  
13   ~~principal;]~~

14                                ~~[(v) have a single entity as principal with no other principal names listed;~~  
15   ~~and]~~

16                                ~~[(vi) A non-resident agent with a valid Texas insurance license may issue~~  
17   ~~a bond on behalf of an authorized insurance company when in compliance with Insurance Code, Chapter~~  
18   ~~4056.]~~

19                    ~~[(B) A certificate of continuation will not be accepted.]~~

20                    ~~[(C) The owner of a vehicle bonded under Transportation Code, §623.075 or~~  
21   ~~§623.163, that damages the state highway system as a result of the permitted vehicle's movement will~~  
22   ~~be notified by certified mail of the amount of damage and will be given 30 days to submit payment for~~

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1 such damage. Failure to make payment within 30 days will result in TxDOT placing the claim with the  
2 attorney general for collection.]

3 [(D) The venue of any suit for a claim against a surety bond for the movement of  
4 a vehicle permitted under the provisions of Transportation Code, Chapter 623, Subchapter D, will be any  
5 court of competent jurisdiction in Travis County.]

6 [(2) Permit surety bonds.]

7 [(A) A surety bond required under the provisions of Transportation Code,  
8 Chapter 623, Subchapter D, must be submitted on the department's standard surety bond form in the  
9 amount of \$10,000.]

10 [(B) A facsimile or electronic copy of the surety bond is acceptable in lieu of the  
11 original surety bond, for a period not to exceed 10 days from the date of its receipt in the department. If  
12 the original surety bond has not arrived in the department by the end of the 10 days, the applicant will  
13 not be issued a permit until the original surety bond has been received in the department.]

14 [(C) The surety bond requirement does apply to the delivery of farm equipment  
15 to a farm equipment dealer.]

16 [(D) A surety bond is required when a dealer or transporter of farm equipment  
17 or a manufacturer of farm equipment obtains a permit.]

18 [(E) The surety bond requirement does not apply to driving or transporting farm  
19 equipment which is being used for agricultural purposes if it is driven or transported by or under the  
20 authority of the owner of the equipment.]

21 [(F) The surety bond requirement does not apply to a vehicle or equipment  
22 operated by a motor carrier registered with the department under Transportation Code, Chapters 643  
23 or 645 as amended.]

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## 2 219.13 Time Permits

3 (a) General information. Applications for time permits issued under Transportation Code,  
4 Chapter 623, and this section shall be made in accordance with §219.11(b) and (c) of this title (relating to  
5 General Oversize/Overweight Permit Requirements and Procedures). Permits issued under this section  
6 are governed by the requirements of §219.11(e)(1) of this title.

7 (b) 30, 60, and 90 day permits. The following conditions apply to time permits issued for  
8 overwidth or overlength loads, or overlength vehicles, under this section.

9 (1) Fees. The fee for a 30-day permit is \$120; the fee for a 60-day permit is \$180; and the  
10 fee for a 90-day permit is \$240. All fees are payable in accordance with §219.11(f) of this title. All fees  
11 are non-refundable.

12 (2) Validity of Permit. Time permits are valid for a period of 30, 60, or 90 calendar days,  
13 based on the request of the applicant, and will begin on the effective date stated on the permit.

14 (3) Weight/height limits. The permitted vehicle may not exceed the weight or height  
15 limits set forth by Transportation Code, Chapter 621, Subchapters B and C.

16 (4) Registration requirements for permitted vehicles. Time permits will not be issued to a  
17 vehicle or vehicle combination that is registered with temporary vehicle registration.

18 (5) Vehicle indicated on permit. The permit will indicate only the truck or truck-tractor  
19 transporting the load; however, any properly registered trailer or semi-trailer is covered by the permit.

20 (6) Permit routes. The permit will allow travel on a statewide basis.

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1 (7) Restrictions.

2 (A) The permitted vehicle must not cross a load restricted bridge or load  
3 restricted road when exceeding the posted capacity of the road or bridge.

4 (B) The permitted vehicle may travel through highway construction or  
5 maintenance areas if the dimensions do not exceed the construction restrictions as published by the  
6 department.

7 (C) The permitted vehicle is subject to the restrictions specified in §219.11(l) of  
8 this title, and the permittee is responsible for obtaining from the department information concerning  
9 current restrictions.

10 (8) Escort requirements. Permitted vehicles are subject to the escort requirements  
11 specified in §219.11(k) of this title.

12 (9) Transfer of time permits. Time permits issued under this subsection are non-  
13 transferable between permittees or vehicles.

14 (10) Amendments. With the exception of time permits issued under subsection (e)(4) of  
15 this section, time permits issued under this subsection will not be amended except in the case of permit  
16 officer error.

17 (c) Overwidth loads. An overwidth time permit may be issued for the movement of any load or  
18 overwidth trailer, subject to subsection (a) of this section and the following conditions:

19 (1) Width requirements.

20 (A) A time permit will not be issued for a vehicle with a width exceeding 13 feet.

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1 (B) When multiple items are hauled at the same time, the items may not be  
2 loaded in a manner that creates a width greater than the width of the widest item being hauled.

3 (2) Weight, height, and length requirements.

4 (A) The permitted vehicle shall not exceed legal weight, height, or length  
5 according to Transportation Code, Chapter 621, Subchapters B and C.

6 (B) When multiple items are hauled at the same time, the items may not be  
7 loaded in a manner that creates:

- 8 (i) a height greater than 14 feet;  
9 (ii) an overlength load; or  
10 (iii) a gross weight exceeding the legal gross or axle weight of the vehicle  
11 hauling the load.

12 (3) Movement of overwidth trailers. When the permitted vehicle is an overwidth trailer,  
13 it will be allowed to:

- 14 (A) move empty to and from the job site; and  
15 (B) haul a load from the permitted vehicle's point of origin to pick up a permitted  
16 load, and to the permitted vehicle's point of origin or the permittee's place of business after dropping off  
17 a permitted load, as long as:

- 18 (i) the load does not exceed legal size and weight limits under  
19 Transportation Code, Chapters 621 and 622; and

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(ii) the transport complies with the permit, including the time period

stated on the permit.

(4) Use in conjunction with other permits. An overwidth time permit may be used in

conjunction with an overlength time permit.

(d) Overlength loads. An overlength time permit may be issued for the transportation of overlength loads or the movement of an overlength self-propelled vehicle, subject to subsection (a) of this section and the following conditions:

(1) Length requirements.

(A) The maximum overall length for the permitted vehicle may not exceed 110 feet.

(B) The department may issue a permit under Transportation Code, §623.071(a) for an overlength load or an overlength self-propelled vehicle that falls within the definition of a nondivisible load or vehicle.

(2) Weight, height and width requirements.

(A) The permitted vehicle may not exceed legal weight, height, or width according to Transportation Code, Chapter 621, Subchapters B and C.

(B) A permit will not be issued when the load has more than 25 feet front overhang, or more than 30 feet rear overhang.

(3) Use in conjunction with other permits. An overlength time permit may be used in conjunction with an overwidth time permit.



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(4) Emergency movement. A permitted vehicle transporting utility poles will be allowed emergency night movement for restoring electrical utility service, provided the permitted vehicle is accompanied by a rear escort flag vehicle.

(e) Annual permits.

(1) General information. All permits issued under this subsection are subject to the following conditions.

(A) Fees for permits issued under this subsection are payable as described in §219.11(f) of this title.

(B) Permits issued under this subsection are not transferable.

(C) Vehicles permitted under this subsection shall be operated according to the restrictions described in §219.11(l) of this title. The permittee is responsible for obtaining information concerning current restrictions from the department.

(D) Vehicles permitted under this subsection may not travel over a load restricted bridge or load restricted road when exceeding the posted capacity of the road or bridge.

(E) Vehicles permitted under this subsection may travel through any highway construction or maintenance area provided the dimensions do not exceed the construction restrictions as published by the department.

(F) With the exception of permits issued under paragraph (5) of this subsection, vehicles permitted under this subsection shall be operated according to the escort requirements described in §219.11(k) of this title.

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(2) Implements of husbandry. An annual permit may be issued for an implement of husbandry being moved by a dealer in those implements, and for harvesting equipment being moved as part of an agricultural operation. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

(A) The fee for a permit issued under this paragraph is \$270, plus the highway maintenance fee specified in Transportation Code, §623.077.

(B) The time period will be for one year and will start on the effective date stated on the permit.

(C) The maximum width may not exceed 16 feet; maximum height may not exceed 16 feet; maximum length may not exceed 110 feet; and maximum weight may not exceed the limits stated in §219.11(d) of this title.

(D) Unless stated otherwise on the permit, the permitted vehicle must travel in the outside traffic lane on multi-lane highways, when the width of the load exceeds 12 feet.

(E) The permitted vehicle must be registered in accordance with Transportation Code, Chapter 502, for maximum weight for the vehicle or vehicle combination, as set forth by Transportation Code, Chapter 621.

(3) Water well drilling machinery. The department may issue annual permits under Transportation Code, §623.071, for water well drilling machinery and equipment that fall within the definition of a nondivisible load or vehicle. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

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1 (A) The fee for a permit issued under this paragraph is \$270, plus the highway  
2 maintenance fee specified in Transportation Code, §623.077 for an overweight load.

3 (B) A water well drilling machinery permit is valid for one year from the effective  
4 date stated on the permit.

5 (C) The maximum dimensions may not exceed 16 feet wide, 14 feet 6 inches  
6 high, 110 feet long, and maximum weight may not exceed the limits stated in §219.11(d) of this title.

7 (D) The permitted vehicle must be registered in accordance with Transportation  
8 Code, Chapter 502, for the maximum weight of the vehicle, as set forth by Transportation Code, Chapter  
9 621.

10 (E) A permit issued under this section authorizes a permitted vehicle to operate  
11 only on the state highway system.

12 (4) Envelope vehicle permits.

13 (A) The department may issue an annual permit under Transportation Code,  
14 §623.071(c), to a specific vehicle, for the movement of superheavy or oversize equipment that falls  
15 within the definition of a nondivisible load. This permit may not be used for a container, including a  
16 trailer or an intermodal container, loaded with divisible cargo. Unless otherwise noted, permits issued  
17 under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

18 (i) Superheavy or oversize equipment operating under an annual  
19 envelope vehicle permit may not exceed:

20 (I) 12 feet in width;

21 (II) 14 feet in height;

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1 (III) 110 feet in length; or

2 (IV) 120,000 pounds gross weight.

3 (ii) Superheavy or oversize equipment operating under an annual  
4 envelope vehicle permit may not transport a load that has more than 25 feet front overhang, or more  
5 than 30 feet rear overhang.

6 (iii) The fee for an annual envelope vehicle permit is \$4,000, and is non-  
7 refundable.

8 (iv) The time period will be for one year and will start on the effective  
9 date stated on the permit.

10 (v) This permit authorizes operation of the permitted vehicle only on the  
11 state highway system.

12 (vi) The permitted vehicle must comply with §219.11(d)(2) and (3) of this  
13 title.

14 (vii) The permitted vehicle or vehicle combination must be registered in  
15 accordance with Transportation Code, Chapter 502, for maximum weight as set forth by Transportation  
16 Code, Chapter 621.

17 (viii) A permit issued under this paragraph is non-transferable between  
18 permittees.

19 (ix) A permit issued under this paragraph may be transferred from one  
20 vehicle to another vehicle in the permittee's fleet provided:

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(I) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that the negotiable certificate of title or other qualifying documentation has been surrendered to the department; or

(II) the certificate of title to the permitted vehicle is transferred to someone other than the permittee, and the permittee presents proof that the negotiable certificate of title or other qualifying documentation has been transferred from the permittee.

(x) A single-trip permit, as described in §219.12 of this title (relating to Single-Trip Permits Issued Under Transportation Code, Chapter 623, Subchapter D), may be used in conjunction with an annual permit issued under this paragraph for the movement of vehicles or loads exceeding the height or width limits established in subparagraph (A) of this paragraph. The department will indicate the annual permit number on any single-trip permit to be used in conjunction with a permit issued under this paragraph, and permittees will be assessed a fee of \$60 for the single-trip permit.

(B) The department may issue an annual permit under Transportation Code, §623.071(d), to a specific motor carrier, for the movement of superheavy or oversize equipment that falls within the definition of a nondivisible load. This permit may not be used for a container, including a trailer or an intermodal container, loaded with divisible cargo. Unless otherwise noted, permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection and subparagraphs (A)(i)-(viii) of this paragraph. A permit issued under this paragraph may be transferred from one vehicle to another vehicle in the permittee's fleet provided:

(i) that no more than one vehicle is operated at a time; and

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1 (ii) the original certified permit is carried in the vehicle that is being  
2 operated under the terms of the permit.

3 (C) An annual envelope permit issued under subparagraph (B) of this paragraph  
4 will be sent to the permittee via registered mail, or at the permittee's request and expense overnight  
5 delivery service. This permit may not be duplicated. This permit will be replaced only if:

6 (i) the permittee did not receive the original permit within seven  
7 business days after its date of issuance;

8 (ii) a request for replacement is submitted to the department within 10  
9 business days after the original permit's date of issuance; and

10 (iii) the request for replacement is accompanied by a notarized  
11 statement signed by a principle or officer of the permittee acknowledging that the permittee  
12 understands the permit may not be duplicated and that if the original permit is located, the permittee  
13 must return either the original or replacement permit to the department.

14 (D) A request for replacement of a permit issued under subparagraph (B) of this  
15 paragraph will be denied if the department can verify that the permittee received the original.

16 (E) Lost, misplaced, damaged, destroyed, or otherwise unusable permits will not  
17 be replaced. A new permit will be required.

18 (5) Annual manufactured housing permit. The department may issue an annual permit  
19 for the transportation of new manufactured homes from a manufacturing facility to a temporary storage  
20 location, not to exceed 20 miles from the point of manufacture, in accordance with Transportation  
21 Code, §623.094. Permits issued under this paragraph are subject to the requirements of paragraph (1),  
22 subparagraphs (A), (B), (C), (D), (E), and (G), of this subsection.

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(A) A permit shall contain the name of the company or person authorized to be issued permits by Transportation Code, Chapter 623, Subchapter E.

(B) The fee for a permit issued under this paragraph is \$1,500. Fees are non-refundable, and shall be paid in accordance with §219.11(f) of this title.

(C) The time period will be for one year from the effective date stated on the permit.

(D) The permitted vehicle must travel in the outside traffic lane on multi-lane highways when the width of the load exceeds 12 feet.

(E) The permitted vehicle must be registered in accordance with Transportation Code, Chapter 502.

(F) Authorized movement for a vehicle permitted under this section shall be valid during daylight hours only as defined by Transportation Code, §541.401.

(G) The permitted vehicle must be operated in accordance with the escort requirements described in §219.14(f) of this title (relating to Manufactured Housing, and Industrialized Housing and Building Permits).

(H) Permits issued under this section are non-transferable between permittees.

(6) Power line poles. An annual permit will be issued under Transportation Code, Chapter 622, Subchapter E, for the movement of poles required for the maintenance of electric power transmission and distribution lines. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

(A) The fee for the permit is \$120.

(B) The time period will be for one year and will start on the effective date stated on the permit.

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(C) The maximum length of the permitted vehicle may not exceed 75 feet.

(D) The width, height and gross weight of the permitted vehicle may not exceed the limits set forth by Transportation Code, Chapter 621.

(E) Vehicles permitted under this paragraph may not travel over a load restricted bridge or load zoned road when exceeding posted limits.

(F) The permitted vehicle must be registered in accordance with Transportation Code, Chapter 502, for maximum weight as set forth by Transportation Code, Chapter 621.

(G) Movement will be between the hours of sunrise and sunset; however, the limitation on hours of operation does not apply to a vehicle being operated to prevent interruption or impairment of electric service, or to restore electric service that has been interrupted. When operated at night, a vehicle permitted under this subsection must be accompanied by a rear escort flag vehicle.

~~[(H) The permitted vehicle may not travel during hazardous road conditions as stated in §219.11(I)(1)(A) and (B) of this title except to prevent interruption or impairment of electric service, or to restore electric service that has been interrupted.]~~

(H) ~~[(H)]~~ The speed of the permitted vehicle may not exceed 50 miles per hour.

(I) ~~[(H)]~~ The permitted vehicle must display on the extreme end of the load:

(i) two red lamps visible at a distance of at least 500 feet from the rear;

(ii) two red reflectors that indicate the maximum width and are visible, when light is insufficient or atmospheric conditions are unfavorable, at all distances from 100 to 600 feet from the rear when directly in front of lawful lower beams of headlamps; and

(iii) two red lamps, one on each side, that indicate the maximum overhang, and are visible at a distance of at least 500 feet from the side of the vehicle.



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(7) Cylindrically shaped bales of hay. An annual permit may be issued under Transportation Code, §623.017, for the movement of vehicles transporting cylindrically shaped bales of hay. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

(A) The permit fee is \$10.

(B) The time period will be for one year, and will start on the effective date stated on the permit.

(C) The maximum width of the permitted vehicle may not exceed 12 feet.

(D) The length, height, and gross weight of the permitted vehicle may not exceed the limits set forth by Transportation Code, Chapter 621.

(E) Movement is restricted to daylight hours only.

(F) The permitted vehicle must be registered in accordance with Transportation Code, Chapter 502, for maximum weight, as set forth by Transportation Code, Chapter 621.

(8) Overlength load or vehicles. An annual overlength permit may be issued for the transportation of a nondivisible overlength load or the movement of a nondivisible overlength vehicle or combination of vehicles under Transportation Code, §623.071(c-1). This permit is subject to the portions of subsections (a), (b), and (d) of this section that are not limited to the fee or duration for the 30, 60, and 90 day permits.

## 219.14 Manufactured Housing, and Industrialized Housing and Building Permits

(a) General Information.

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(1) A manufactured home that exceeds size limits for motor vehicles as defined by Transportation Code, Chapter 621, Subchapters B and C, must obtain a permit from the department.

(2) Pursuant to Transportation Code, Chapter 623, Subchapter E, a permit may be issued to persons registered as manufacturers, installers, or retailers with the Texas Department of Housing and Community Affairs or motor carriers registered with the department under Transportation Code, Chapter 643.

(3) The department may issue a permit to the owner of a manufactured home provided that:

(A) the same owner is named on the title of the manufactured home and towing vehicle;

(B) or the owner presents a lease showing that the owner of the manufactured home is the lessee of the towing vehicle.

(b) Permit application. ~~[Application for permit.]~~

(1) To qualify for a permit under this section, a person must submit an application to the department. ~~[The applicant must complete the application and shall include the manufactured home's HUD label number, Texas seal number, or the complete identification number or serial number of the manufactured home, and the overall width, height, and length of the home and the towing vehicle in combination. If the manufactured home is being moved to or from a site in this state where it has been, or will be, occupied as a dwelling, the permit must also show the name of the owner of the home, the location from which the home is being moved, and the location to which the home is being delivered.]~~

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(2) All applications shall be made in a form and by the method prescribed by the department, and at a minimum shall include the following:

(A) name, customer identification number, and address of the applicant;

(B) name, telephone number, and email address of contact person;

(C) applicant's USDOT Number if applicant is required by law to have a USDOT Number;

(D) complete description of the manufactured home, including the year, make and one of the following:

(i) manufactured home's HUD label number;

(ii) Texas seal number; or

(iii) the complete identification number or serial number;

(E) the maximum width, height and length of the vehicle and manufactured home; and

(F) any other information required by law, including the information listed in Transportation Code §623.093(a). [A permit application for industrialized housing or industrialized building that does not meet the definition in Occupations Code, §1202.002 and §1202.003 shall be submitted in accordance with §219.11(c) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]

(c) Amendments to permit. Amendments can only be made to change intermediate points between the origination and destination points listed on the permit.

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(d) Payment of permit fee. The cost of the permit is \$40, payable in accordance with §219.11(f) of this title.

(e) Permit provisions and conditions.

(1) The overall combined length of the manufactured home and the towing vehicle includes the length of the hitch or towing device.

(2) The height is measured from the roadbed to the highest elevation of the manufactured home.

(3) The width of a manufactured home includes any roof or eaves extension or overhang on either side.

(4) A permit will be issued for a single continuous movement not to exceed five days.

(5) Movement must be made during daylight hours only and may be made on any day except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(6) The department may limit the hours for travel on certain routes because of heavy traffic conditions.

(7) The department will publish any limitations on movements during the national holidays listed in this subsection, or any limitations during certain hours of heavy traffic conditions, and will make such publications available to the public prior to the limitations becoming effective.

(8) The permit will contain the route for the transportation of the manufactured home from the point of origin to the point of destination.

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(9) The route for the transportation must be the most practical route as described in §219.11(e) of this title, except where construction is in progress and the permitted vehicle's dimensions exceed the construction restrictions as published by the department, or where bridge or overpass width or height would create a safety hazard.

(10) The department will publish annually a map or list of all bridges or overpasses which, due to height or width, require an escort flag vehicle to stop oncoming traffic while the manufactured home crosses the bridge or overpass.

(11) A permittee may not transport a manufactured home with a void permit; a new permit must be obtained.

(f) Escort requirements.

(1) A manufactured home exceeding 12 feet in width must have a rotating amber beacon of not less than eight inches in diameter mounted somewhere on the roof at the rear of the manufactured home, or may have two five-inch flashing amber lights mounted approximately six feet from ground level at the rear corners of the manufactured home. The towing vehicle must have one rotating amber beacon of not less than eight inches in diameter mounted on top of the cab. These beacons or flashing lights must be operational and luminiferous during any permitted move over the highways, roads, and streets of this state.

(2) A manufactured home with a width exceeding 16 feet but not exceeding 18 feet must have a front escort flag vehicle on two-lane roadways and a rear escort flag vehicle on roadways of four or more lanes.

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(3) A manufactured home exceeding 18 feet in width must have a front and a rear escort flag vehicle on all roadways at all times.

(4) The escort flag vehicle must:

(A) have one red 16 inch square flag mounted on each of the four corners of the vehicle;

(B) have a sign mounted on the front and rear of the vehicle displaying the words "WIDE LOAD" in black letters at least eight inches high with a brush stroke at least 1.41 inches wide against a yellow background;

(C) have mounted on top of the vehicle and visible from both the front and rear:

(i) two simultaneously flashing lights;

(ii) one rotating amber beacon of not less than eight inches in diameter;

or

(iii) alternating or flashing blue and amber lights; and

(D) maintain two-way communications with the permitted vehicle and other escort flag vehicles involved with the movement of the permitted vehicle.

(5) Two transportable sections of a multi-section manufactured home, or two single section manufactured homes, when towed together in convoy, may be considered one home for purposes of the escort flag vehicle requirements, provided the distance between the two units does not exceed 1,000 feet.

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(6) An escort flag vehicle must comply with the requirements in §219.11(k)(1) and §219.11(k)(7)(A) of this title.

**SUBCHAPTER C. PERMITS FOR OVER AXLE AND OVER GROSS WEIGHT TOLERANCES**

## 219.30 Permits for Over Axle and Over Gross Weight Tolerances

(a) Purpose. In accordance with Transportation Code, §623.011, the department is authorized under certain conditions to issue an annual permit for the operation of a vehicle within certain tolerances above legal axle and gross weight limits, as provided in Transportation Code, Chapter 621. The sections under this subchapter set forth the requirements and procedures to be used in issuing an annual permit.

(b) Scope. A permit may be issued to an applicant under this subchapter to operate a vehicle that exceeds the legal axle weight by a tolerance of 10% and the legal gross weight by a tolerance of 5.0% on any county road and on any road in the state highway system provided the vehicle:

(1) is not operated on the national system of interstate and defense highways at a weight greater than authorized by federal law; and

(2) is not operated on a bridge for which the maximum weight and load limit has been established and posted under Transportation Code, §621.102 or §621.301, if the gross weight of the vehicle and load or the axles and wheel loads are greater than the established and posted limits, unless the bridge provides the only public vehicular access to or from the permittee's origin or destination.

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1       ~~[(c) Eligibility. To be eligible for a permit under this section, a vehicle must be registered~~  
2       ~~under Transportation Code, Chapter 502, for the maximum gross weight applicable to the vehicle~~  
3       ~~under Transportation Code, §621.101, not to exceed 80,000 pounds in total gross weight.]~~

4       ~~[(d) Security.]~~

5               ~~[(1) Before a permit may be issued under this section, an applicant, other than an~~  
6       ~~applicant who intends to operate a vehicle that is loaded with timber or pulp wood, wood chips,~~  
7       ~~cotton, or agricultural products in their natural state, must have on file with the department one~~  
8       ~~of the following forms of security in the amount of \$15,000, conditioned that payment will be~~  
9       ~~made to the department for any damages to the state highway system and to any county for~~  
10       ~~damages to a road or bridge of such county caused by the operation of any vehicle for which a~~  
11       ~~permit is issued under this section and which has an axle weight or gross weight that exceeds the~~  
12       ~~weights authorized in Transportation Code, Chapter 621:]~~

13               ~~[(A) an irrevocable letter of credit issued by a financial institution which~~  
14       ~~deposits are guaranteed by the Federal Deposit Insurance Corporation; or]~~

15               ~~[(B) a blanket surety bond.]~~

16               ~~[(2) The department may reject a bond which it determines will not provide the~~  
17       ~~intended security.]~~

18               ~~[(3) If payment is made by the issuer in respect of the bond or letter of credit and~~  
19       ~~the applicant does not file with the department a replacement bond or letter of credit in the full~~  
20       ~~amount of \$15,000, or a notification from the issuer of the existing bond or letter of credit that the~~  
21       ~~existing bond or letter of credit has been restored to the full \$15,000, within 30 days after the date~~  
22       ~~of such payment, all permits held by the applicant under this section shall automatically expire on~~  
23       ~~the 31st day after such date.]~~



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1           (c) ~~(e)~~ Application for permit.

2                   (1) To qualify for a permit under this section, a person ~~[A person who desires to~~  
3 ~~permit a vehicle as provided in this section,]~~ must submit an application to the department.

4                   (2) The application shall be in a form prescribed by the department and at a  
5 minimum will require the following:

6                           (A) name, customer identification number, and address of the applicant;

7                           (B) name, ~~[of contact person and]~~ telephone number, and email address of  
8 contact person;

9                           (C) vehicle information, including truck year, make, license plate number  
10 and state of issuance, and vehicle identification number;

11                          (D) an indication as to whether the commodities to be transported will be  
12 agricultural or non-agricultural; ~~and]~~

13                          (E) a list of counties in which the vehicle will operate; and

14                          (F) applicant's USDOT Number if applicant is required by law to have a USDOT  
15 Number.

16                   (3) The application shall be accompanied by:

17                           (A) the total permit fee, which includes an administrative fee of \$5, the base  
18 fee, and the applicable annual fee based on the number of counties designated for travel; and

19                           (B) an original bond or irrevocable letter of credit as required in  
20 Transportation Code §623.012.

21                   (4) Payment of fees. Fees for permits issued under this subchapter are payable as  
22 required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements  
23 and Procedures).

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1           (d) ~~[(f)]~~ Issuance of permit and windshield sticker.

2                   (1) A permit and a windshield sticker will be issued on the approval of the  
3 application and each will be mailed to the applicant at the address contained in the application.

4                   (2) The permit shall be carried in the vehicle for which the permit is issued at all  
5 times.

6                   (3) The windshield sticker shall be affixed to the inside of the windshield of the  
7 vehicle within six inches above the vehicle's inspection sticker in a manner that will not obstruct  
8 the vision of the driver. Any attempt to remove the sticker from the windshield will render the  
9 sticker void, and will require a new permit and sticker. The windshield sticker must be removed  
10 from the vehicle upon expiration of the permit.

11                  (4) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be  
12 issued, provided that the permittee submits a request on a form approved by the department  
13 which shall include a statement, signed by the permittee, affirming that the sticker was lost,  
14 stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle. The cost  
15 for a replacement sticker is \$3.00.

16                  (5) Within 14 days of issuance of the permit, the department shall notify the county  
17 clerk of each county indicated on the application, and such notification shall contain or be  
18 accompanied by the following minimum information:

19                               (A) the name and address of the person for whom a permit is issued; and

20                               (B) the vehicle identification number, license plate number, and registration  
21 state of the vehicle, and the permit number.

22           (e) ~~[(g)]~~ Issuance of a credit. Upon written application on a form prescribed by the  
23 department, a prorated credit for the remaining time on the permit may be issued for a vehicle

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1 that is destroyed or otherwise becomes permanently inoperable to an extent that it will no longer  
2 be utilized. The date for computing a credit will be based on the date of receipt of the credit  
3 request. The fee for a credit will be \$25, and will be issued on condition that the applicant provides  
4 to the department:

5 (1) the original permit; or

6 (2) if the original permit no longer exists, written evidence of the destruction or  
7 permanent incapacity from the insurance carrier of the vehicle.

8 (f) ~~[(h)]~~ Use of credit. A credit issued under subsection (e) ~~[(g)]~~ of this section may be used  
9 only towards the payment of permit fees under this section.

10 (g) ~~[(i)]~~ Exceptions. A vehicle carrying timber, wood chips, wood pulp, cotton, or other  
11 agricultural products in their natural state, may be allowed to exceed the maximum allowable axle  
12 weight by 12% without a permit; however, if such vehicle exceeds the maximum allowable gross  
13 weight by an amount of up to 5.0%, a permit issued in accordance with this section will be  
14 required.

15 (h) ~~[(j)]~~ Lapse or termination of permit. A permit shall lapse or terminate and the  
16 windshield sticker must be removed from the vehicle:

17 (1) when the lease of the vehicle expires;

18 (2) on the sale of the vehicle for which the permit was issued;

19 (3) on the sale, takeover, or dissolution of the firm, partnership, or corporation to  
20 which a permit was issued; or

21 (4) if the permittee ~~[applicant]~~ does not replace or replenish the letter of credit or  
22 bond as required by Transportation Code, §623.012. ~~[in subsection (d) of this section.]~~

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1       ~~[(k) Void permit. A permit will be voided when the department is informed by law~~  
2       ~~enforcement that a citation has been issued for a violation of a permit's terms and conditions.]~~

3       ~~[(l) Movement with void permit. A permittee may not operate a permitted vehicle with a~~  
4       ~~void permit; a new permit must be obtained.]~~

5  
6       219.31 Timber Permits

7       (a) Purpose. This section prescribes the requirements and procedures regarding the annual  
8       permit for the operation of a vehicle or combination of vehicles that will be used to transport  
9       unrefined timber, wood chips, woody biomass, or equipment used to load timber on a vehicle  
10      under the provisions of Transportation Code, Chapter 623, Subchapter Q.

11      (b) Application for permit.

12           (1) To qualify for a timber permit, a person must submit an application to the  
13      department.

14           (2) The application shall be in a form prescribed by the department and at a  
15      minimum, will require the following:

16                   (A) name, customer identification number, and address ~~[, telephone~~  
17      ~~number, and email address (if requested)]~~ of the applicant;

18                   (B) name, ~~[of contact person and]~~ telephone number, and ~~[or]~~ email  
19      address of contact person;

20                   (C) vehicle information, including vehicle year, make, license plate number  
21      and state of issuance, and vehicle identification number; ~~[and]~~

22                   (D) a list of timber producing counties described in Transportation Code,  
23      §623.321(a), in which the vehicle or combination of vehicles will be operated; and

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1                                (E) applicant's USDOT Number if applicant is required by law to have a USDOT  
2   Number.

3                                (3) The application shall be accompanied by:

4                                (A) the total annual permit fee required by statute; and

5                                (B) a blanket bond or irrevocable letter of credit as required by

6   Transportation Code, §623.012, unless the applicant has a current blanket bond or irrevocable  
7   letter of credit on file with the department that complies with Transportation Code, §623.012.

8                                (4) Fees for permits issued under this section are payable as required by §219.11(f)  
9   of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

10                              (c) Issuance and placement of permit and windshield sticker; restrictions.

11                              (1) A permit and a windshield sticker will be issued once the application is  
12   approved, and each will be mailed to the applicant at the address contained in the application.

13                              (2) The windshield sticker shall be affixed to the inside of the windshield of the  
14   vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will  
15   not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will  
16   render the sticker void and will require a new permit and sticker.

17                              (3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be  
18   issued, provided that the permittee submits a request on a form approved by the department  
19   which shall include a statement, signed by the permittee, affirming that the sticker was lost,  
20   stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

21                              (d) Notification. The financially responsible party as defined in Transportation Code,  
22   §623.323(a), shall electronically file the notification document described by §623.323(b) with the  
23   department via the form on the department's website.

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(e) Transfer of permit. An annual permit issued under this section is not transferable between vehicles.

(f) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(g) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

- (1) on the expiration of the permit;
- (2) when the lease of the vehicle expires;
- (3) on the sale or other transfer of ownership of the vehicle for which the permit was issued;
- (4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued; or
- (5) if the permittee fails to timely replenish the bond or letter of credit as required by Transportation Code, §623.012.

(h) Restrictions. Permits issued under this section are subject to the restrictions in §219.11(l) of this title.

#### 219.32 Ready-Mixed Concrete Truck Permits

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for a ready-mixed concrete truck, operating on three axles, under the provisions of Transportation Code, §623.0171 and Chapter 622, Subchapter B.

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(b) Axles. To qualify for movement with a ready-mixed concrete truck permit, the truck may only operate on three axles, regardless of whether the truck actually has more than three axles.

(c) Application for permit.

(1) To qualify for a ready-mixed concrete truck permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, ~~[of contact person and]~~ telephone number, and ~~[or]~~ email address of contact person;

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number; ~~[and]~~

(D) a list of counties in which the vehicle will be operated; and

(E) applicant's USDOT Number if applicant is required by law to have a USDOT Number.

(3) The application shall be accompanied by the total annual permit fee of \$1,000.

(4) Fees for permits issued under this section are payable as required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(d) Issuance and placement of permit and windshield sticker; restrictions.

(1) A permit and a windshield sticker will be issued once the application is approved, and each will be mailed to the applicant at the address contained in the application.

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(2) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void and will require a new permit and sticker.

(3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department. The request shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

(e) Transfer of permit. An annual permit issued under this section is not transferable between vehicles.

(f) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(g) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

(1) on the expiration of the permit;

(2) when the lease of the vehicle expires;

(3) on the sale or other transfer of ownership of the vehicle for which the permit was issued; or

(4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued.

~~[(h) Restrictions pertaining to road conditions. Movement of a permitted vehicle is prohibited when road conditions are hazardous based upon the judgment of the operator and law enforcement officials. Law enforcement officials shall make the final determination regarding~~



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1 ~~whether or not conditions are hazardous. Conditions that should be considered hazardous include,~~  
2 ~~but are not limited to:]~~

3 ~~[(1) visibility of less than 2/10 of one mile; or]~~

4 ~~[(2) weather conditions such as wind, rain, ice, sleet, or snow.]~~

5 (h) ~~[(i)]~~ Curfew restrictions. The operator of a permitted vehicle must observe the curfew  
6 movement restrictions published by the department. ~~[of any city in which the vehicle is operated.]~~

7 (i) ~~[(j)]~~ Construction or maintenance areas.

8 (1) Permits issued under this section authorize the operator of the permitted  
9 vehicle to travel through any state highway construction or maintenance area, provided the size  
10 and weight of the vehicle do not exceed the construction restrictions that are available on the  
11 department's website. If a permitted vehicle is delivering concrete to a state highway construction  
12 or maintenance jobsite within a construction or maintenance area, the following may provide the  
13 permittee a written exception to operate the permitted vehicle in the construction or maintenance  
14 area at a size or weight that exceeds the size and weight listed on the department's website: the  
15 Texas Department of Transportation or a Texas Department of Transportation contractor that is  
16 authorized by the Texas Department of Transportation to issue permit exceptions. The written  
17 exception must be carried in the permitted vehicle when the vehicle is on a state highway and  
18 must be provided to the department or law enforcement upon request.

19 (2) The permittee is responsible for contacting the appropriate local jurisdiction for  
20 construction or maintenance restrictions on non-state maintained roadways.

21 (j) ~~[(k)]~~ Manufacturer's tire load rating. Permits issued under this section do not authorize  
22 the vehicle to exceed the manufacturer's tire load rating.

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1           (k) ~~(4)~~ Distribution of fees. The fees collected for permits under Transportation Code,  
2   §623.0171 shall be distributed as follows:

3                   (1) 50 percent shall be deposited to the credit of the state highway fund; and

4                   (2) 50 percent shall be divided equally among all counties designated in the permit  
5   application under Transportation Code, §623.0171.

6  
7   219.33 Federal Disaster Relief Permit

8           (a) Purpose. In accordance with Transportation Code, Chapter 623, Subchapter R, and 23  
9   U.S.C. §127(i), the department may issue a special permit that authorizes additional weight  
10   allowances for the transportation of certain divisible loads on state highways in Texas during a ~~an~~  
11   ~~emergency or~~ major disaster declared by the president of the United States under the Robert T.  
12   Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. §5121 et seq.). This section  
13   prescribes the requirements, restrictions, and procedures regarding this permit.

14           (b) Application for permit.

15                   (1) To obtain a Federal Disaster Relief Permit, a person must submit an application  
16   to the department.

17                   (2) The application shall be in a form prescribed by the department and at a  
18   minimum, will require the following:

19                           (A) name, customer identification number, and address of the applicant;

20                           (B) name, ~~of contact person and~~ telephone number, and ~~or~~ email  
21   address of contact person;

22                           (C) vehicle information, including vehicle year, make, license plate number  
23   and state of issuance, and vehicle identification number; ~~and~~

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1 (D) the applicable attestation(s); and

2 (E) applicant's USDOT Number if applicant is required by law to have a USDOT

3 Number.

4 (c) Conditions and restrictions. This permit is subject to the following conditions and  
5 restrictions:

6 (1) The vehicle and load must not exceed the following weight limits:

7 (A) single axle--21,500 pounds;

8 (B) two-axle group--43,000 pounds;

9 (C) three-axle group--53,000 pounds. For the purposes of this section, a  
10 three-axle group is three consecutive axles more than 8 feet apart but less than 13 feet apart,  
11 measured from the center of the first axle to the center of the last axle in the group; and

12 (D) gross weight--160,000 pounds.

13 (2) The permitted vehicle must not cross a load-restricted bridge or travel on a  
14 load-restricted state highway when exceeding the posted capacity of the bridge or state highway.

15 (3) Nighttime movement is allowed under this permit, unless prohibited by the  
16 curfew movement restrictions published by the department. ~~[of a city in which the vehicle is~~  
17 ~~operated.]~~

18 ~~[(4) Movement of a permitted vehicle is prohibited when road conditions are~~  
19 ~~hazardous, based upon the judgment of the operator and law enforcement officials. Law~~  
20 ~~enforcement officials shall make the final determination regarding whether or not conditions are~~  
21 ~~hazardous. Conditions that should be considered hazardous include, but are not limited to:]~~

22 ~~[(A) visibility of less than 2/10 of one mile; or]~~

23 ~~[(B) weather conditions such as wind, rain, ice, sleet, or snow.]~~

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(4) [(5)] The operator of a permitted vehicle must observe the curfew movement restrictions published by the department. ~~[of any city in which the vehicle is operated.]~~

(5) [(6)] The permit does not authorize the vehicle to exceed the manufacturer's tire load rating.

(6) [(7)] The permit is not transferable from the applicant to another person or entity. Also, the permit is not transferable between vehicles.

(7) [(8)] The permit will expire 120 days after the date of the major disaster declaration. ~~[on the expiration date listed in the permit.]~~

(8) [(9)] The permit may not be used in conjunction with any other oversize or overweight permits.

(9) [(10)] If the vehicle is being used to deliver relief supplies, the entire load must consist of relief supplies, which may include, but are not limited to:

(A) medicine and medical equipment;

(B) food supplies (including feed for livestock);

(C) water;

(D) materials used to provide or construct temporary housing;

(E) other supplies directly supporting the type of relief needed following a presidential declaration of a [emergency or] major disaster; and

(F) other materials as authorized by federal law or regulation; the United States Department of Transportation, Federal Highway Administration; or the president of the United States.

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1                   (10) [(11)] If the vehicle is being used to deliver relief supplies, the permit only  
2 authorizes delivery to a destination that is part of the geographical area covered by the president's  
3 [emergency or] major disaster declaration.

4                   (11) [(12)] If the vehicle is being used to transport materials from a geographical  
5 area covered by the president's [emergency or] major disaster declaration, the permit only  
6 authorizes loads which are necessary to facilitate the delivery of relief supplies to the geographical  
7 area covered by the president's [emergency or] major disaster declaration. An example of an  
8 authorized load is debris, as long as the removal of the debris expedites the clearing of roadways,  
9 staging areas, or locations for temporary structures in order to facilitate the delivery of relief  
10 supplies. However, the permit will only authorize such divisible overweight load if the permit  
11 expressly authorizes it.

12               (d) Copy of permit and notice of current [emergency or] disaster declaration. A copy of the  
13 permit and notice of the president's current [emergency or] major disaster declaration, including  
14 any amendments, must be kept in the permitted vehicle until the day after the date the permit  
15 expires.

16  
17 219.34 North Texas Intermodal Permit

18               (a) Purpose. This section prescribes the requirements, restrictions, and procedures  
19 regarding the annual permit for transporting an intermodal shipping container under the  
20 provisions of Transportation Code, §623.0172.

21               (b) Application for permit.

22                   (1) To qualify for a North Texas intermodal permit, a person must submit an  
23 application to the department.

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(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, ~~[of contact person and]~~ telephone number, and ~~[or]~~ email address of contact person; ~~and~~

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number; and

(D) applicant's USDOT Number if applicant is required by law to have a USDOT Number.

(3) The application shall be accompanied by the total annual permit fee of \$1,000.

(4) Fees for permits issued under this section are payable as required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(c) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(d) Transfer of permit. A permit issued under this section may only be transferred once during the term of the permit from one vehicle to another vehicle in the permittee's fleet provided:

(1) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been surrendered to the department; or

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1 (2) the title to the permitted vehicle is transferred to someone other than the  
2 permittee, and the permittee presents proof that the negotiable title or other qualifying  
3 documentation, as determined by the department, has been transferred from the permittee.

4 ~~[(e) Restrictions pertaining to road conditions. Movement of a permitted vehicle is~~  
5 ~~prohibited when road conditions are hazardous based upon the judgment of the operator and law~~  
6 ~~enforcement officials. Law enforcement officials shall make the final determination regarding~~  
7 ~~whether or not conditions are hazardous. Conditions that should be considered hazardous include,~~  
8 ~~but are not limited to:]~~

9 ~~[(1) visibility of less than 2/10 of one mile; or]~~

10 ~~[(2) weather conditions such as wind, rain, ice, sleet, or snow.]~~

11 (e) ~~[(f)]~~ Curfew restrictions. The operator of a permitted vehicle must observe the curfew  
12 movement restrictions published by the department.

13 (f) ~~[(g)]~~ Construction or maintenance areas. The permitted vehicle may not travel through  
14 any state highway construction or maintenance area if prohibited by the construction restrictions  
15 published by the department.

16 (g) ~~[(h)]~~ Night movement. Night movement is allowed under this permit, unless prohibited  
17 by the curfew movement restrictions published by the department.

18 (h) ~~[(i)]~~ Manufacturer's tire load rating. Permits issued under this section do not authorize  
19 the vehicle to exceed the manufacturer's tire load rating.

20 (i) ~~[(j)]~~ A truck-tractor and semitrailer combination is only eligible for a permit issued under  
21 this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle in the  
22 combination is equipped with a roll stability support safety system.

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(i) ~~(k)~~ A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the distance between the front axle of the truck-tractor and the last axle of the semitrailer, measured longitudinally, is approximately 647 inches. For the purposes of this subsection, "approximately 647 inches" means the distance can be up to 15 percent above 647 inches for a total distance of 744.05 inches.

## 219.35 Fluid Milk Transport Permit

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for transporting fluid milk under the provisions of Transportation Code, Chapter 623, Subchapter U, as added by Chapter 750 (S.B. 1383), Acts of the 85th Legislature, Regular Session, 2017.

## (b) Application for permit.

(1) To qualify for a fluid milk transport permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, ~~[of contact person and]~~ telephone number, and ~~[or]~~ email address of contact person;

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number; ~~[and]~~

(D) a list of counties in which the vehicle will be operated; and



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1                                (E) applicant's USDOT Number if applicant is required by law to have a USDOT  
2   Number.

3                                (3) The application shall be accompanied by the total annual permit fee of \$1,200.

4                                (4) Fees for permits issued under this section are payable as required by §219.11(f)  
5 of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

6                                (c) Issuance and placement of permit and windshield sticker; restrictions.

7                                (1) A permit and a windshield sticker will be issued once the application is  
8 approved, and each will be mailed to the applicant at the address contained in the application.

9                                (2) The windshield sticker shall be affixed to the inside of the windshield of the  
10 vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will  
11 not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will  
12 render the sticker void and will require a new permit and sticker.

13                                (3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be  
14 issued, provided that the permittee submits a request on a form approved by the department  
15 which shall include a statement, signed by the permittee, affirming that the sticker was lost,  
16 stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

17                                (d) Amendments. An annual permit issued under this section will not be amended except in  
18 the case of department error.

19                                (e) Transfer of permit. A permit issued under this section may only be transferred once  
20 during the term of the permit from one vehicle to another vehicle in the permittee's fleet  
21 provided:

22                                (1) the permitted vehicle is destroyed or otherwise becomes permanently  
23 inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that

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1 the negotiable title or other qualifying documentation, as determined by the department, has  
2 been surrendered to the department; or

3 (2) the title to the permitted vehicle is transferred to someone other than the  
4 permittee, and the permittee presents proof that the negotiable title or other qualifying  
5 documentation, as determined by the department, has been transferred from the permittee.

6 (f) Termination of permit. An annual permit issued under this section will automatically  
7 terminate, and the windshield sticker must be removed from the vehicle:

8 (1) on the expiration of the permit;

9 (2) when the lease of the vehicle expires;

10 (3) on the sale or other transfer of ownership of the vehicle for which the permit  
11 was issued; or

12 (4) on the dissolution or termination of the partnership, corporation, or other legal  
13 entity to which the permit was issued.

14 ~~[(g) Restrictions pertaining to road conditions. Movement of a permitted vehicle is~~  
15 ~~prohibited when road conditions are hazardous based upon the judgment of the operator and law~~  
16 ~~enforcement officials. Law enforcement officials shall make the final determination regarding~~  
17 ~~whether or not conditions are hazardous. Conditions that should be considered hazardous include,~~  
18 ~~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 snow.]~~

21 (g) ~~[(h)]~~ Curfew restrictions. The operator of a permitted vehicle must observe the curfew  
22 movement restrictions published by the department.

23 (h) ~~[(i)]~~ Construction or maintenance areas.

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(1) The permitted vehicle may not travel through any state highway construction or maintenance area if prohibited by the construction restrictions published by the department.

(2) The permittee is responsible for contacting the appropriate local jurisdiction for construction or maintenance restrictions on non-state maintained roadways.

(i) ~~(j)~~ Night movement. Night movement is allowed under this permit, unless prohibited by the curfew movement restrictions published by the department.

(j) ~~(k)~~ Manufacturer's tire load rating. Permits issued under this section do not authorize the vehicle to exceed the manufacturer's tire load rating.

(k) ~~(l)~~ A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle in the combination is equipped with a roll stability support safety system.

#### 219.36 Intermodal Shipping Container Port Permit

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for transporting an intermodal shipping container under the provisions of Transportation Code, Chapter 623, Subchapter U, as added by Chapter 108 (S.B. 1524), Acts of the 85th Legislature, Regular Session, 2017.

(b) Application for permit.

(1) To qualify for an intermodal shipping container port permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

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(B) name, ~~[of contact person and]~~ telephone number, and ~~[or]~~ email address of contact person;

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number;

(D) a list of counties in which the vehicle will be operated; ~~and~~

(E) a list of municipalities in which the vehicle will be operated; and

(F) applicant's USDOT Number if applicant is required by law to have a USDOT Number.

(3) The application shall be accompanied by the total annual permit fee of \$6,000.

(4) Fees for permits issued under this section are payable as required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(c) Issuance and placement of permit and windshield sticker; restrictions.

(1) A permit and a windshield sticker will be issued once the application is approved, and each will be mailed to the applicant at the address contained in the application.

(2) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void and will require a new permit and sticker.

(3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department which shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

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(d) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(e) Transfer of permit. A permit issued under this section may only be transferred once during the term of the permit from one vehicle to another vehicle in the permittee's fleet provided:

(1) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been surrendered to the department; or

(2) the title to the permitted vehicle is transferred to someone other than the permittee, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been transferred from the permittee.

(f) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

(1) on the expiration of the permit;

(2) when the lease of the vehicle expires;

(3) on the sale or other transfer of ownership of the vehicle for which the permit was issued; or

(4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued.

~~[(g) Restrictions pertaining to road conditions. Movement of a permitted vehicle is prohibited when road conditions are hazardous based upon the judgment of the operator and law enforcement officials. Law enforcement officials shall make the final determination regarding~~

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1 ~~whether or not conditions are hazardous. Conditions that should be considered hazardous include,~~  
2 ~~but are not limited to:]~~

3 ~~[(1) visibility of less than 2/10 of one mile; or]~~

4 ~~[(2) weather conditions such as wind, rain, ice, sleet, or snow.]~~

5 (g) ~~[(h)]~~ Curfew restrictions. The operator of a permitted vehicle must observe the curfew  
6 movement restrictions published by the department.

7 (h) ~~[(i)]~~ Construction or maintenance areas.

8 (1) The permitted vehicle may not travel through any state highway construction or  
9 maintenance area if prohibited by the construction restrictions published by the department.

10 (2) The permittee is responsible for contacting the appropriate local jurisdiction for  
11 construction or maintenance restrictions on non-state maintained roadways.

12 (i) ~~[(j)]~~ Night movement. Night movement is allowed under this permit, unless prohibited  
13 by the curfew movement restrictions published by the department.

14 (j) ~~[(k)]~~ Manufacturer's tire load rating. Permits issued under this section do not authorize  
15 the vehicle to exceed the manufacturer's tire load rating.

16 (k) ~~[(l)]~~ A truck-tractor and semitrailer combination is only eligible for a permit issued  
17 under this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle  
18 in the combination is equipped with a roll stability support safety system.

19 (l) ~~[(m)]~~ A truck-tractor and semitrailer combination is only eligible for a permit issued  
20 under Transportation Code, §623.402(a) if the distance between the front axle of the truck-tractor  
21 and the last axle of the semitrailer, measured longitudinally, is approximately 647 inches. For the  
22 purposes of this subsection, "approximately 647 inches" means the distance can be up to 15  
23 percent above 647 inches for a total distance of 744.05 inches.

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1        (m) ~~(n)~~ A truck-tractor and semitrailer combination is only eligible for a permit issued  
2        under Transportation Code, §623.402(b) if the distance between the front axle of the truck-tractor  
3        and the last axle of the semitrailer, measured longitudinally, is approximately 612 inches. For the  
4        purposes of this subsection, "approximately 612 inches" means the distance can be up to 15  
5        percent above 612 inches for a total distance of 703.8 inches.

**SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL RELATED VEHICLES**

## 219.41 General Requirements

## (a) General information.

(1) Permits issued under this subchapter, with the exception of permits issued under  
§219.45 of this title (relating to Permits for Vehicles Transporting Liquid Products Related to Oil Well  
Production), are subject to the requirements of this section.

## (2) Oil well related vehicles are eligible for:

(A) single-trip mileage permits;

(B) quarterly hubometer permits; and

(C) annual permits.

(b) Permit application. All applications shall be made on a form and in a manner prescribed by  
the department. An applicant shall provide all applicable information, including:

(1) name, customer identification number, and address ~~[, telephone number, and~~  
email address (if requested)] of the applicant;

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(2) name, telephone number, and email address of contact person; [year and make of the unit;]

(3) year, make, and vehicle identification number of the unit;

(4) width, height, and length of the unit;

(5) unit axle and tire information, including number of axles, distance between axles, gauge per axle, axle weights, number of tires, and tire size; [and]

(6) applicant's USDOT Number if applicant is required by law to have a USDOT Number;  
and

(7) any other information required by law.

(c) Payment of permit fees. Fees for permits issued under this subchapter are payable as described in §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(d) Restrictions.

(1) A vehicle permitted under this subchapter is subject to the restrictions specified in §219.11(l) (2) [(1), and (3) [, and (4)], and the permittee is responsible for obtaining information concerning current restrictions from the department.

(2) Vehicles permitted under this subchapter may not cross a load restricted bridge when exceeding the posted capacity of such. Vehicles permitted under this subchapter may travel on a load restricted road unless otherwise noted.



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(3) A vehicle permitted under this subchapter may travel through highway construction or maintenance areas provided the dimensions do not exceed the construction restrictions as published by the department.

(4) A unit exceeding nine feet in width, 14 feet in height, or 65 feet in length is restricted to daylight movement only.

~~[(e) Void permits. A permit will be voided when the department is informed by law enforcement that a citation has been issued for a violation of a permit's terms and conditions.]~~

(e) ~~[(f)]~~ Transferability. Unless otherwise noted, a permit issued under this subchapter may not be transferred between units or permittees.

~~[(g) Records retention. A unit permitted under this section must keep the permit and any attachments to the permit in the unit until the day after the date the permit expires.]~~

(f) ~~[(h)]~~ Escort requirements. In addition to any other escort requirements specified in this subchapter, vehicles permitted under this subchapter are subject to the escort requirements specified in §219.11(k).

## 219.43 Quarterly Hubometer Permits

### (a) General information.

(1) Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(2) A quarterly hubometer permit:

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- 1 (A) is effective for three consecutive months;
- 2 (B) allows the unit to travel on all state-maintained highways; and
- 3 (C) allows the unit to travel on a state-wide basis.
- 4 (3) A unit permitted under this subsection must not exceed any of the following
- 5 dimensions:
- 6 (A) 12 feet in width;
- 7 (B) 14 feet, 6 inches in height; and
- 8 (C) 95 feet in length.
- 9 (4) With the exception of units that are overlength only, a unit operated with a permit
- 10 issued under this section must be equipped with a hubometer. The permittee must maintain the
- 11 hubometer in good working condition.
- 12 (5) A unit exceeding 175,000 pounds gross weight must:
- 13 (A) have front and rear escort flag vehicles to prevent traffic from traveling
- 14 beside the unit as it crosses a bridge;
- 15 (B) cross all multi-lane bridges by centering the unit on a lane line;
- 16 (C) cross all two-lane bridges in the center of the bridge; and
- 17 (D) cross each bridge at a speed not greater than 20 miles per hour.
- 18 (b) Maximum permit weight limits.

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(1) The maximum permit weight for any single axle must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a unit will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A unit that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be permitted with a single-trip mileage or quarterly hubometer permit for travel on any route that does not include a load restricted bridge.

(5) A unit that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be eligible, on an individual case-by-case basis, for a single-trip mileage permit only; permit approval or denial will be based on a detailed route study and an analysis conducted by TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) are capable of sustaining the movement.

(6) A bridge that has been analyzed and determined to be incapable of sustaining the unit will be excluded from the permit route.

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## Chapter 219 – Oversize and Overweight Vehicles and Loads

## Proposed Sections

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1 (c) Initial permit application and issuance.

2 (1) An application for an initial quarterly hubometer permit under this section must be  
3 made in accordance with §219.41(b) of this title. In addition, the applicant must provide the current  
4 hubometer mileage reading and an initial \$31 processing fee.

5 (2) Upon verification of the unit information and receipt of the permit fee, the  
6 department will provide a copy of the permit to the applicant, as well as a renewal application.

7 (d) Permit renewals and closeouts.

8 (1) An application for a permit renewal or closeout must be made on a form and in the  
9 manner prescribed by the department.

10 (2) Upon receipt of the renewal application, the department will verify unit information,  
11 check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the  
12 permit fee.

13 (e) Permit fees.

14 (1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the  
15 calculated permit fee or \$31, whichever is the greater amount.

16 (2) Fees for overlength units. A unit that is overlength only must obtain a quarterly  
17 hubometer permit with a fee of \$31, but is not required to have a hubometer.

18 (3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly  
19 hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the  
20 total rate per mile, and then adding the indirect cost share to the product.

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(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the unit's current hubometer mileage reading minus the unit's hubometer mileage reading from the previous quarterly hubometer permit.

(B) Highway use factor. The highway use factor for a quarterly hubometer permit is 0.3.

(C) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. The rate per mile for a trailer mounted unit is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(4) Permit fees for trailer mounted units.

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(A) The permit fee for a trailer mounted unit is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(B) A unit with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

(i) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.

(ii) An axle group will not have more than one axle disregarded.

(iii) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

(f) Amendments. A quarterly hubometer permit may be amended only to change the following [indicate]:

(1) if listed on the permit, the [a-new] hubometer serial number; or

(2) the [a-new] license plate number.

**SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT EQUIPMENT MOTOR  
VEHICLES**

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## Chapter 219 – Oversize and Overweight Vehicles and Loads

219.61 General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles

(a) General information.

(1) Unless otherwise noted, permits issued under this subchapter are subject to the requirements of this section.

(2) Cranes are eligible for an annual permit under this subchapter.

(3) Cranes are also eligible for the following permits under this subchapter at weights above those established by §219.11(d)(2) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures):

(A) single-trip mileage permits; and

(B) quarterly hubometer permits.

(4) If a truck-tractor is used to transport a trailer-mounted crane, the combination of vehicles is limited to the dimensions and weights listed in this subchapter.

(b) Permit application. An application shall be made on a form and in a manner prescribed by the department. The applicant shall provide all applicable information, including:

(1) name, customer identification number, and address [~~telephone number, and email address (if requested)~~] of the applicant;

(2) name, telephone number, and email address of contact person; [~~year and make of the crane;~~]

(3) year, make and vehicle identification number of the crane;

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(4) width, height, and length of the crane;

(5) crane axle and tire information, including the number of axles, distance between axles, gauge per axle, axle weights, number of tires, and tire size; ~~and~~

(6) applicant's USDOT Number if applicant is required by law to have a USDOT Number;  
and

(7) any other information required by law.

(c) Payment of permit fees. Fees for permits issued under this subchapter are payable as described in §219.11(f) of this title.

(d) Restrictions.

(1) A crane permitted under this subchapter is subject to the restrictions specified in §219.11(l) (2) [(1), and (3) [, and (4)]] of this title, and the permittee is responsible for obtaining information concerning current restrictions from the department.

(2) A crane permitted under this subchapter may travel through highway construction or maintenance areas provided the dimensions do not exceed the construction restrictions as published by the department.

(3) A crane permitted under this subchapter may only be operated during daylight, unless:

(A) the crane is overweight only; or

(B) the crane complies with one of the following, regardless of whether the crane is overweight:



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(i) the crane does not exceed nine feet in width, 14 feet in height, or 65 feet in length; or

(ii) the crane is accompanied by a front and rear escort flag vehicle and does not exceed:

(I) 10 feet, 6 inches in width;

(II) 14 feet in height; or

(III) 95 feet in length.

(e) Transferability. Unless otherwise noted, a permit issued under this subchapter may not be transferred between cranes or between permittees.

(f) Escort requirements. In addition to any other escort requirements specified in this subchapter, cranes permitted under this subchapter are subject to the escort requirements specified in §219.11(k) of this title.

(g) Properly secured equipment. A crane permitted under this subchapter may travel with properly secured equipment, such as outriggers, booms, counterweights, jibs, blocks, balls, cribbing, outrigger pads, and outrigger mats, in accordance with the manufacturer's specifications to the extent the equipment is necessary for the crane to perform its intended function, provided the axle weights, axle group weights, and gross weight do not exceed the maximum permit weights listed in this subchapter.

219.63 Quarterly Hubometer Permits

## TITLE 43. TRANSPORTATION

## Part 10. Texas Department of Motor Vehicles

## Chapter 219 – Oversize and Overweight Vehicles and Loads

1 (a) General information.

2 (1) Permits issued under this section are subject to the requirements of §219.61 of this  
3 title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment  
4 Motor Vehicles).

5 (2) A quarterly hubometer permit:

6 (A) is effective for three consecutive months;

7 (B) allows the crane to travel on all state-maintained highways; and

8 (C) allows the crane to travel on a state-wide basis.

9 (3) A crane permitted under this section must not exceed any of the following  
10 dimensions:

11 (A) 12 feet in width;

12 (B) 14 feet, 6 inches in height; or

13 (C) 95 feet in length.

14 (4) With the exception of cranes that are overlength only, cranes operated with a  
15 quarterly hubometer permit must be equipped with a hubometer. The permittee must maintain the  
16 hubometer in good working condition.

17 (5) A crane exceeding 175,000 pounds gross weight must:

18 (A) have front and rear escort flag vehicles to prevent traffic from traveling  
19 beside the crane as it crosses a bridge;

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(B) cross all multi-lane bridges by centering the crane on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(6) The permitted crane must not cross a load-restricted bridge when exceeding the posted capacity of the bridge.

(7) The permit may be amended only to change the following [indicate]:

(A) if listed on the permit, the [a-new] hubometer serial number; or

(B) the [a-new] license plate number.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a crane will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1 :43 TAC §219.62(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A crane that has any group of axles that exceeds the limits established by Figure 1 :43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit

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Weight Formulas," is not eligible for a permit under this section; however, it is eligible for a permit under §219.62 of this title (relating to Single-Trip Mileage Permits).

(c) Initial permit application and issuance.

(1) An application for an initial quarterly hubometer permit must be made in accordance with §219.61(b) of this title. In addition, the applicant must provide the current hubometer mileage reading and an initial \$31 processing fee.

(2) Upon verification of the crane information and receipt of the permit fee, the department will provide a copy of the permit to the applicant, and will also provide a renewal application form to the applicant.

(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must be made on a form and in a manner prescribed by the department.

(2) Upon receipt of the renewal application, the department will verify crane information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees.

(1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Fees for overlength cranes. A crane that is overlength only is not required to have a hubometer. The fee for this permit is \$31.

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(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the crane's current hubometer mileage reading minus the crane's hubometer mileage reading from the previous quarterly hubometer permit.

(B) Highway use factor. The highway use factor for a quarterly hubometer permit is 0.3.

(C) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the crane.

(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055

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times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(4) Special fee provisions. A crane with two or more axle groups that do not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.

(B) An axle group will not have more than one axle disregarded.

(C) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

**CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on M DD, YYYY.

**Board Meeting Date: 8/17/2023**  
**ACTION ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Patricia Ueckert, Vehicle Titles and Registration Division Operations Section Director  
**Agenda Item:** 10.  
**Subject:** Specialty Plate Designs

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#### RECOMMENDATION

Action Item. The Vehicle Titles and Registration Division seeks board approval or denial for one plate design submitted for your consideration. The plate design is from the marketing vendor, My Plates.

#### PURPOSE AND EXECUTIVE SUMMARY

Texas Rangers is a crossover plate design.

#### FINANCIAL IMPACT

Costs incurred by the department related to the My Plates program and an \$8 administrative fee per plate are recouped from the My Plates vendor. Revenue generated from the sale of vendor specialty license plates is split between the state (General Revenue Fund) and My Plates. The details of the revenue splits can be found in Section IV (State/Contractor Revenue Sharing) of the Specialty License Plate Marketing contract.

#### BACKGROUND AND DISCUSSION


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 §504.851(g) and (g-1) (1). Statutory authority for a sponsor of a specialty license plate under Texas Transportation Code Chapter 504, Subchapter J, to contract with the private vendor authorized under Texas Transportation Code §504.851 for the marketing and sale of the specialty license plate is in Texas Transportation Code §504.6011. Statutory authority for the board to approve non-profit organization specialty license plates and invite the public's comment on proposed plate designs is in Texas Transportation Code §504.801. The board's approval criteria are clarified in Texas Administrative Code §217.45 Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.52 Marketing of Specialty License Plates through a Private Vendor.

The vendor contract (Statement of Work paragraph #2, Marketing Services) specifies that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval for a plate to be produced (*existing* plates must also maintain 200 registrations 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 and confirms when 200 prepaid orders are achieved.

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 10-day

“like/dislike/comment-by-email” survey, called an eVIEW, on its website. Although the survey counts the public’s “likes” and “dislikes,” it is unscientific and not used as an indicator of a plate’s popularity.

The plate design listed below was presented to the public in a June 2023 eVIEW. No negative comments were received. The count of the public’s “like/dislikes” are noted below with the design:

Texas Rangers	CURRENT	CROSSOVER
790 people liked this design and 318 did not		

Texas Rangers (Crossover)





# TEXAS SPECIALTY PLATE BUSINESS

Vehicle Titles and  
Registration Division  
Special Plates Unit (5FTEs) 07/23



VTR Director  
Annette Quintero

## AUG. 2023



## NEW THIS SUMMER FROM MYPLATES



### TOP TEN DATA 06-2023

**SLP AVAILABLE** \_\_\_\_\_ **520**  
**MILITARY AND DV** \_\_\_\_\_ **196**  
**RESTRICTED USE** \_\_\_\_\_ **59**  
**STATE SPECIALTY** \_\_\_\_\_ **126**  
**VENDOR SPECIALTY** \_\_\_\_\_ **139**



1. ANIMAL FRIENDLY	7,157	258	7,415
2. CONSERVATION: HORNED LIZARD	6,138	256	6,394
3. STATE OF THE ARTS	5,610	709	6,319
4. CONSERVATION: BLUEBONNET	4,545	230	4,775
5. CONSERVATION: WHITE-TAILED DEER	3,186	161	3,347
6. TEXAS A & M UNIVERSITY	2,145	045	2,190
7. BIG BEND NATIONAL PARK	1,963	118	2,081
8. CONSERVATION: HUMMINGBIRD	1,951	107	2,058
9. CONSERVATION: LARGE MOUTH BASS	1,880	111	1,991
10. CONSERVATION: CAMPING	1,833	114	1,947



1. CLASSIC BLACK	60,373	10,652	71,025
2. LARGE STAR WHITE-BLACK	39,244	6,321	45,565
3. TEXAS BLACK 1845	17,103	3,754	20,857
4. LONE STAR BLACK	14,422	3,079	17,501
5. CARBON FIBER	13,458	2,900	16,358
6. CLASSIC BLACK-SILVER	9,663	2,353	12,016
7. LONE STAR 1836	5,218	843	6,061
8. TEXAS VINTAGE BLACK	4,186	656	4,842
9. LONE STAR BLACK-SILVER	4,181	937	5,118
10. TEXAS A&M (MAROON)	4,171	591	4,762



1. DISABLED VETERAN	210,269	6,946	217,215
2. DV U.S. ARMY	53,035	1,873	54,908
3. DV U.S. MARINE CORPS	29,378	887	30,265
4. DV U.S. AIR FORCE	23,977	765	24,742
5. DV U.S. NAVY	21,339	704	22,043
6. DV BRONZE STAR MEDAL	14,508	385	14,893
7. PURPLE HEART	13,059	350	13,409
8. MERITORIOUS SERVICE MEDAL	13,031	537	13,568
9. U.S. MARINE CORPS	12,249	511	12,760
10. U.S. ARMY	10,535	477	11,012

### SPECIAL PLATES UNIT CUSTOMER SERVICE STATISTICS FY 2023

<b>70,721</b>	<b>21,276</b>	<b>68</b>	<b>10,249</b>	<b>2,928</b>	<b>38</b>	<b>4,091</b>
Personalized Plate Applications Reviewed (96% Approved)	Telephone Calls	Walk-in Customers	Emails	Refunds	Public Information Open Records	Correspondence (Including Plate Applications)



Board Meeting Date: 8/17/2023

ACTION ITEM

To: Texas Department of Motor Vehicles Board  
From: David Richards, Associate General Counsel  
Agenda Item: 11  
Subject: Advisory Committee Appointments  
Appointment of New Advisory Committee Members

### RECOMMENDATION

Action Item. That the Texas Department of Motor Vehicles Board (board) appoint the individuals from the list of potential members presented to the board by the executive director as members of the Customer Service and Protection Advisory Committee, the Vehicle Titles and Registration Advisory Committee, and the Motor Vehicle Industry Regulation Advisory Committee.

### PURPOSE AND EXECUTIVE SUMMARY

To implement Transportation Code §1001.031, directing the board to establish advisory committees by appointing advisory members to the Customer Service and Protection Advisory Committee, the Vehicle Titles and Advisory Committee, and the Motor Vehicle Industry Regulation Advisory Committee.

### FINANCIAL IMPACT

No financial impact.

### BACKGROUND AND DISCUSSION

The Sunset Advisory Commission recommended (Recommendation 1.7) that the board “establish advisory committees to provide expertise for rulemaking and other issues and adopt rules regarding standard committee structure and operating criteria.”

Under Transportation Code §1001.031, the board established four advisory committees by rules. The rules establishing these advisory committees as well as their purpose, use and structure, were adopted by the board at the August 8, 2019, board meeting. The board is required to “appoint members to an advisory committee by selecting them from a list of potential members provided by the executive director.” Further, the board is required, to the extent practical, to consider the balance of the advisory committee to ensure representation of: industries or occupations regulated or indirectly regulated by the board, consumers of services provided by the board, and different geographical regions of the state. The board has previously selected members for the Customer Service and Protection Advisory Committee, the Motor Carrier Regulation Advisory Committee, the Vehicle Titles and Registration Advisory Committee, and the Motor Vehicle Industry Regulation Advisory Committee.

The appointment of the potential new members of the Customer Service and Protection Advisory Committee would add two regulated-industry members who are both franchise dealers, and two consumer members: one Texas Recreational Vehicles Association representative, and one transportation compliance representative.

The appointment of the potential new individual member of the Motor Vehicle Industry Regulation Advisory Committee would add one regulated-industry member, a franchise dealer.

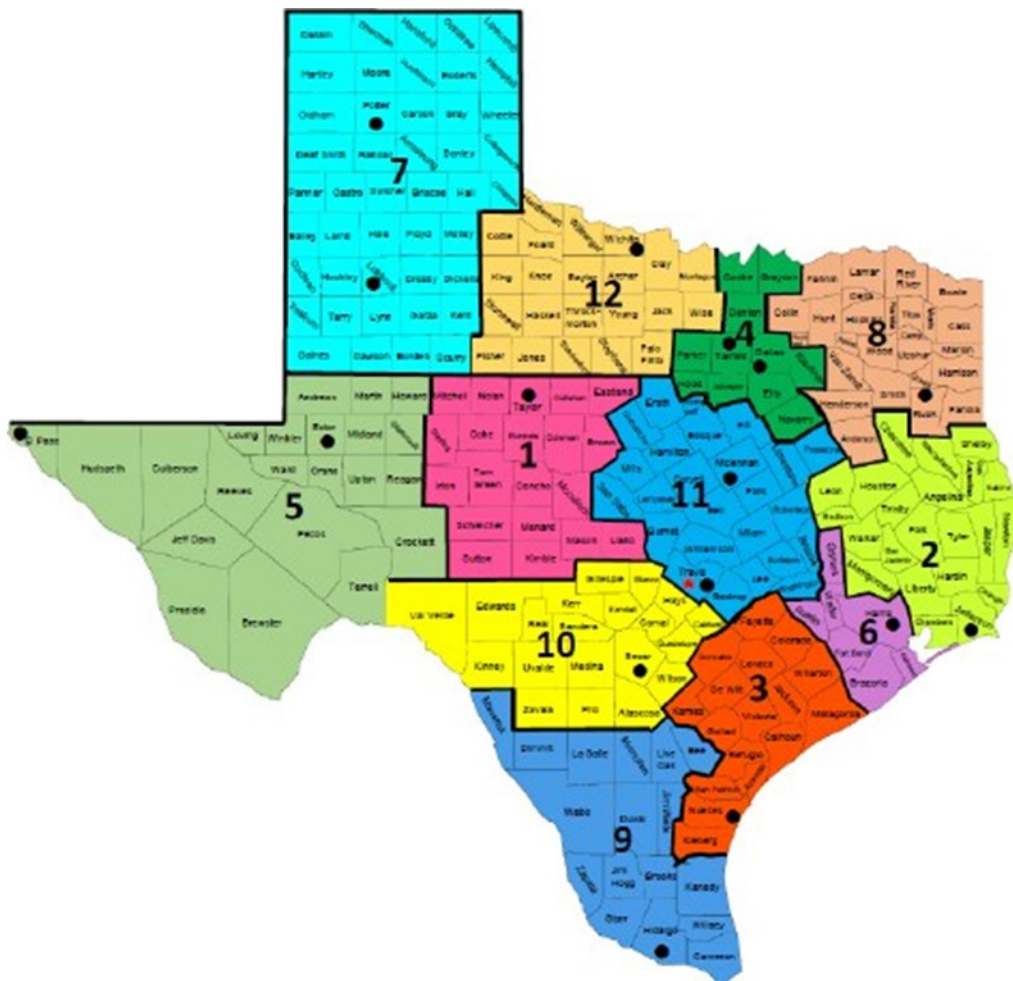
The appointment of the potential new individual members of the Vehicle Titles and Registration Advisory Committee would add one regulated-industry member who is a representative affiliated with a franchise dealer/distributor, and four consumer members: one auto title service representative, two tax assessor-collector representatives, one Texas Recreational Vehicles Association representative.

There are no appointments to bring before the Board for the Motor Carrier Regulation Advisory Committee at this time.



## Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



### Roles of the Four Advisory Committees

1. The **Customer Service and Protection Advisory Committee** will make recommendations related to improving and enhancing customer service by the department including: infrastructure, new customer service initiatives, policy and process improvements, and technology; topics on investigation and enforcement issues including: vehicle titles and registration fraud; lemon law; the warranty performance program; and various other topics affecting consumers.
2. The **Motor Carrier Regulation Advisory Committee** will make recommendations on topics related to motor carrier registration and motor carrier regulation.
3. The **Motor Vehicle Industry Regulation Advisory Committee** will make recommendations on topics related to regulation of the motor vehicle industry.
4. The **Vehicle Titles and Registration Advisory Committee** will make recommendations on topics related to vehicle titles and registration.



**Names for Consideration**

No.	Potential Member	GeoRegion	County	Employer	License Affiliation
1	Mark "Jim" Hardick	04	Parker	Moritz Dealerships - Managing Partner	Franchise Dealer
2	Charles Hicks	03	Nueces	Ed Hicks Imports / Ed Hicks Nissan / Ed Hicks Infiniti / Hicks Family - Dealer Principal	Franchise Dealer
3	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
4	Jackie Polk	02	Angelina	Lee TranServices, Inc. - President	Transportation Compliance

No.	Members	GeoRegion	County	Employer	License Affiliation
1	Laird Doran	06	Harris	The Friedkin Group - Vice President & Senior Counsel	Affiliated with Franchise Dealer/Distributor
2	Christopher Gaston	06	Harris	Texas Gulf Coast Auto Title - Title Clerk	Auto Title Service
3	William Smith	06	Harris	Monument Chevrolet - Owner	Franchise Dealer
4	Christopher Wall	03	Victoria	Keating Auto Group - General Counsel	Franchise Dealer
5	Dorothy Brooks	11	Travis	Texas Trucking Association/Southwest Movers Association (SMA) - Director of Operations	Motor Carrier / Mover Representative
6	Susan Sutton	06	Harris	Texas Motor Transportation Consultants LLC - Senior Title Administrator	Motor Carrier Consultant
7	Ford Wagner	10	Comal	Texas Auto Carriers, Inc. - COO	Motor Carrier Operations - Others
8	Traci McCullah	06	Harris	Westar Moving & Storage, Inc. - Vice President	Moving & Storage
9	Matthew Nance	11	Travis	Office of Consumer Credit Commissioner - Deputy General Counsel	Public
10	Russell Hayter	10	Hays	Retired - Insurance Industry	Public
11	Raymond "Ray" Olah	11	Travis	Retired - Office of the Attorney General, Assistant Attorney General	Public
12	Ruben Gonzalez	05	El Paso	El Paso County - Tax Assessor Collector	Tax Assessor-Collector
13	Cheryl Johnson	06	Galveston	Galveston County - Tax Assessor Collector	Tax Assessor-Collector
14	Lori King	11	Mills	Mills County - Tax Assessor-Collector	Tax Assessor-Collector
15	Kristen Hoyt	10	Comal	Comal County - Tax Assessor-Collector	Tax Assessor-Collector
16	Bruce Stidham	04	Grayson	Grayson County - Tax Assessor Collector	Tax Assessor-Collector
17	John Ames	04	Dallas	Dallas County - Tax Assessor Collector	Tax Assessor-Collector
18	Jeanette Rash	02	Montgomery	Milam St Auto Storage, Inc./ Cannino West, Inc. - President	Towing Company

**Names for Consideration**

No.	Potential Member	GeoRegion	County	Employer	License Affiliation
1	Charles Hicks	03	Nueces	Ed Hicks Imports / Ed Hicks Nissan / Ed Hicks Infiniti / Hicks Family - Dealer Principal	Franchise Dealer

No.	Members	GeoRegion	County	Employer	License Affiliation
1	Laird Doran	06	Harris	The Friedkin Group - Vice President & Senior Counsel	Affiliated with Franchise Dealer/Distributor
2	Thomas Durant	04	Tarrant	Classic Chevrolet Inc. - COO/General Counsel	Attorney for Franchise Dealer
3	Lloyd "Buddy" Ferguson	11	McLennan	Barack Ferrazzano Kirschbaum & Nagelberg, LLP - Partner	Attorney for Manufacture/Distributor
4	Franklin Sims	01	Taylor	Freedom Motors - Owner	Converter - Wheelchair Accessible
5	Michael "Mike" Sullivan	06	Harris	Group 1 Automotive - Director Governmental and Public Affairs	Franchise Dealer
6	Scott Stark, MVIRAC First Vice Chair	11	Travis	South Point Hyundai, Genesis of Austin, South Point Dodge Chrysler Jeep and Ram - President/Owner	Franchise Dealer
7	Stephen Prather, Sr.	06	Harris	Retired -	Franchise Dealer
8	Trey Sralla, MVIRAC Second Vice Chair	12	Clay	Eddie Hill's Fun Cycles - General Manager	Franchise Dealer - Motorcycles
9	Christopher Donnelly	02	Montgomery	Donnelly Auto Group - President/Managing Member	Independent Dealer
10	Jimmy Vitela	02	Montgomery	Northstar Auto Group/Vitela Investment, LLC - CEO	Independent Dealer
11	Kalien Thomas	04	Ellis	Frontera Truck Parts & Equipment, Inc. - Office Manager	Independent Dealer
12	Tony Hall	11	Travis	Carvana - Senior Manager, Government Affairs	Independent Dealer Representative
13	Julio Gonzalez	04	Dallas	Dallas Police Department - Lieutenant of Police	Law Enforcement
14	Michael Bradburn, Sr.	11	Bell	Travis County Constable Precinct 3 - Corporal	Law Enforcement
15	Michael Provost	06	Fort Bend	City of Houston/Houston Police Department - Sergeant	Law Enforcement
16	Russell Hayter	10	Hays	Retired - Insurance Industry	Public
17	William Murphy	10	Kerr	Self-employed - Owner	Public
18	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
19	David Blassingame, MVIRAC Presiding Officer	04	Dallas	Autoflex Leasing & Blassingame Consulting - Special Projects Coordinator and Owner of Consulting Company	Vehicle Lessor Consultant

**Names for Consideration**

No.	Potential Member	GeoRegion	County	Employer	License Affiliation
1	Melinda Wolf	10	Hays	Nyle Maxwell Family of Dealerships - CFO	Affiliated with Franchise Dealer/Distributor
2	Julie Davenport	04	Denton	The Tile Girl - CEO	Auto Title Service
3	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
4	Carla French	04	Denton	Denton County - Tax Assessor-Collector	Tax Assessor-Collector
5	Nikki Lake	07	Randall	Randall County Tax Office - Office Manager	Tax Assessor-Collector

No.	Members	GeoRegion	County	Employer	License Affiliation
1	Tawna Kuni	04	Denton	IAA - Senior Manager, Title Operations	Auction
2	Keith Millard	02	Nacogdoches	Mike Perry Motor Company - Used Vehicle Sales Manager	Franchise Dealer
3	James Paschall	10	Bexar	Red McCombs Automotive - Title Department Supervisor	Franchise Dealer
4	Ivan Nino	05	El Paso	Flash Auto Title Registration Inc. - Manager	Full Service Deputy
5	Tony Hall	11	Travis	Carvana - Senior Manager, Government Affairs	Independent Dealer Representative
6	Dana Moore	11	Williamson	Southwest Movers Association - Director of Policy and Government Relations	Motor Carrier / Mover Representative
7	Christal Vincent	07	Potter	Southwestern Public Service - Fleet Operations Supervisor	Motor Carrier Operations - Self
8	Robert "Bobby" Roberti, VTRAC Presiding Officer	04	Denton	Wells Fargo Advisors - Financial Advisor	Public
9	Faron Smith, VTRAC Second Vice Chair	10	Comal	Caretaker - Assembled Vehicles Industry	Public
10	David Fontenot	11	Travis	Warren Salvage Company - President	Salvage Dealer
11	Shay Luedeke, VTRAC First Vice Chair	11	Bell	Bell County - Tax Assessor-Collector	Tax Assessor-Collector
12	Kristi Torres	09	Hidalgo	Hidalgo County Tax Office - Supervisor, Auto Department	Tax Assessor-Collector
13	Jackie Polk	02	Angelina	Lee TranServices, Inc. - President	Transportation Compliance

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

**Board Meeting Date: 8/17/2023****ACTION ITEM**

**To:** Texas Department of Motor Vehicles Board  
**From:** Glenna Bowman, Chief Financial Officer  
**Agenda Item:** 12.A  
**Subject:** FY 2024 Recommended Operating Budget

**RECOMMENDATION**

1. Approve the Recommended Fiscal Year (FY) 2024 Operating Budget.
2. Approve one contract, as follows:
  - a. American Association of Motor Vehicle Administrators (AAMVA) National Motor Vehicle Title Information System (NMVTIS) (\$695,008). This contract allows TxDMV to maintain required access to AAMVA NMVTIS.

**PURPOSE AND EXECUTIVE SUMMARY**

The recommended FY 2024 operating budget totals \$428.9 million, with 860 FTEs, and is structurally balanced to support the operational needs of the department. The recommended budget includes amounts appropriated in the General Appropriations Act (GAA) and unexpended balances carried forward from FY 2023 to FY 2024, including SB 30 amounts (supplemental appropriations bill).

**FINANCIAL IMPACT**

The recommended FY 2024 operating budget of \$428.9 million will be funded by General Revenue Fund 0001 (\$48.9 million), TxDMV Fund 0010 (\$236.6 million), federal reimbursements (\$430,950), and bond proceeds (\$143.0 million).

**BACKGROUND AND DISCUSSION****Operating Budget by Goal and Strategy**

The operating budget is appropriated (funded) by the Legislature according to goals and strategies. The department's goals and related budget amounts for FY 2024 are as follows:

Goal A: Optimize Services and Systems	\$122,274,544
Goal B: Protect the Public	\$31,908,462
Goal C: Indirect Administration	\$205,741,069
Salary Adjustments	\$2,594,940
U.B., Capital Appropriations	\$3,388,000
U.B., HB 2 Supplemental Appropriations	\$3,158,000
Contingency Appropriations <ul style="list-style-type: none"><li>• HB 718</li><li>• SB 224</li><li>• SB 505</li></ul>	\$35,000,000 \$24,667,202 \$214,440
<b>Total</b>	<b>\$428,945,717</b>

Goal A is supported by five strategies, including Titles, Registrations and Plates; Vehicle Dealer Licensing; Motor Carrier Permits & Credentials; Technology Enhancement & Automation; and the Customer Contact Center. Goal B is supported



by two strategies, Enforcement and Motor Vehicle Crime Prevention Authority (MVCPA). Goal C includes Central Administration, Information Resources and Other Support Services. Unexpended Balances (UB) will be carried forward from FY 2023 to FY 2024, including supplemental appropriations in SB 30; for TxDMV Automation Systems, Headquarters Maintenance, RSC Maintenance, and the Accounts Receivable System.

## Revenues

TxDMV collects revenue from a variety of sources and deposits those revenues into three funds: the General Revenue Fund (Fund 0001), the State Highway Fund (Fund 0006), and the TxDMV Fund 0010.

TxDMV Fund 0010 revenues are estimated to total \$184.8 million in FY 2024. The majority of revenues will come from title and registration fees totaling \$93.0 million, processing and handling fees of \$57.8 million, and oversize/overweight permit fees of \$14.0 million. TxDMV staff estimate the department will collect approximately \$2.1 billion for the State in all funds during FY 2024. The department also receives revenue pursuant to Section 1006.153, Transportation Code, to support the activities of the Motor Vehicle Crime Prevention Authority (MVCPA). These revenues are deposited to the General Revenue Fund 0001 and are estimated to total \$24.2 million in FY 2024. In addition, MVCPA is appropriated approximately \$24.7 million in FY 2024 through the enactment of SB 224 for the coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter crime in Texas.

## Contracts Requiring Board Approval

The department's Contract Approval Procedures specify that the Executive Director (or designee) must obtain board approval for contracts \$200,000 or more prior to award or renewal unless specifically excluded. Included in the FY 2024 Recommended Operating Budget is one contract that require Board approval:

***American Association of Motor Vehicle Administrators (AAMVA)*** (\$695,008) – This contract provides online access to meet the TxDMV's obligation to receive and report information to the National Motor Vehicle Title Information System (NMVTIS) as required by federal statute. NMVTIS serves as a repository of information related to vehicles that have been in the possession of auto recyclers, junk yards and salvage yards. States and consumers use the information to ensure that junk or salvage vehicles are not later resold and ensures that vehicle identification numbers from destroyed vehicles are never used for stolen vehicles.



**Texas Department *of* Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

# Texas Department of Motor Vehicles

## FY 2024 Recommended Operating Budget

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## *Part I: Executive Summary*

## Executive Summary

The FY 2024 Recommended Operating Budget totals \$428.9 million, with 860 full-time equivalents (FTEs), and is structurally balanced to support the operational needs of the department. The recommended budget includes:

- FY 2024 amounts appropriated to the TxDMV in the General Appropriations Act (GAA); and
- Unexpended balances, including SB 30 (the supplemental appropriations bill) carried forward from FY 2023 to FY 2024.

The FY 2024 Recommended Operating Budget includes several new projects and initiatives that will have an ongoing impact. Major items funded in the budget include:

- Camp Hubbard Renewal Project
- RTS Replacement Phase One
- Additional Regional Service Center locations in Dallas and Houston. This includes eight (8) new full-time equivalents (FTEs).
- Implementation of HB 718 which replaces temporary paper tags with metal plates. This includes two (2) new FTEs.
- Implementation of SB 224 to coordinate with other state agencies to develop a plan to detect and prevent catalytic converter theft. This includes four (4) new FTEs.
- Thirty-eight (38) additional FTEs to address workload and initiatives in multiple TxDMV programs.

The recommended budget focuses on continuous, secure, and uninterrupted delivery of services to our stakeholders and customers through maximizing technology and adapting to new service needs.

## *Part II: FY 2024 Recommended Operating Budget*

## FY 2024 Recommended Operating Budget by Goal and Strategy

The following table reflects the amounts approved in the GAA (HB 1, 88<sup>th</sup> Legislature, Regular Session), plus other appropriations, including carry-forward funds from previous years that are available for the department to spend in FY 2024, supplemental appropriations, and contingency appropriations.

A. Goal: Optimize Services and Systems		FY 2024 Recommended Operating Budget
Strategy:		
A.1.1. Titles, Registrations, and Plates	\$	91,284,460
A.1.2. Vehicle Dealer Licensing	\$	4,814,842
A.1.3. Motor Carrier Permits & Credentials	\$	9,563,874
A.1.4. Technology Enhancement & Automation	\$	13,204,575
A.1.5. Customer Contact Center	\$	3,406,793
<b>Total, Goal A: Optimize Services and Systems</b>	<b>\$</b>	<b>122,274,544</b>
B. Goal: Protect the Public		
Strategy:		
B.1.1.: Enforcement	\$	7,717,962
B.2.1. Motor Vehicle Crime Prevention Authority	\$	24,190,500
<b>Total, Goal B: Protect the Public</b>	<b>\$</b>	<b>31,908,462</b>
C. Goal: Indirect Administration		
Strategy:		
C.1.1. Central Administration	\$	9,671,450
C.1.2. Information Resources	\$	34,275,004
C.1.3. Other Support Services	\$	161,794,615
<b>Total, Goal C: Indirect Administration</b>	<b>\$</b>	<b>205,741,069</b>
D. Goal: Salary Adjustments		
Strategy:		
D.1.1. Salary Adjustments	\$	2,593,940
<b>Total, Goal D: Salary Adjustments</b>	<b>\$</b>	<b>2,593,940</b>
<b>Grand Total TxDMV (GAA, Article VII Line-Item Appropriations)</b>		<b>\$ 362,518,015</b>
Other Appropriations		
Capital Appropriations		
- Automation Unexpended Balance (U.B.)	\$	763,000
- HQ Maintenance (U.B.)	\$	2,000,000
- RSC Maintenance (U.B.)	\$	625,000
- Vehicle Replacement (new funding in SB 30 Supplemental Bill)	\$	158,000
Other Appropriations		
- Accounts Receivables (U.B. in SB 30 Supplemental Bill)	\$	3,000,000
Contingency Appropriations		
- HB 718	\$	35,000,000
- SB 224	\$	24,667,202
- SB 505	\$	214,440
<b>Total, Other Appropriations</b>	<b>\$</b>	<b>66,427,642</b>
<b>Total TxDMV Operating Budget</b>	<b>\$</b>	<b>428,945,717</b>

## FY 2024 Recommended Operating Budget by Method of Finance

The following table reflects the amounts approved in the GAA (H.B. 1, 88<sup>th</sup> Legislature, Regular Session), plus other appropriations, including carry-forward funds from previous years, supplemental appropriations, and contingency appropriations, by the method of finance.

Method of Finance		
General Revenue Fund 0001	\$	48,882,423
TxDMV Fund 0010	\$	236,632,284
Federal Reimbursements	\$	430,950
Bond Proceeds – Revenue Bonds	\$	143,000,000
<b>Total, Method of Finance</b>	<b>\$</b>	<b>428,945,717</b>
<b>Total Authorized FTEs</b>		<b>860.0</b>



### *Part III: FY 2024 Revenues*

## FY 2022-2024 Revenue Summary

TxDMV collects revenue from registrations, dealer licenses, titles, permits, and credentials and some miscellaneous revenue, and deposits those revenues into three funds, as follows:

- General Revenue Fund (Fund 0001)
- State Highway Fund (Fund 0006)
- TxDMV Fund (Fund 0010)

### TxDMV Fund 0010 Revenue

TxDMV Fund revenue collections are projected to total \$184.8 million in FY 2024.

### All Funds Revenue

Actual revenue collections for FY 2022, as well as estimated revenues for FY 2023 and 2024 are shown in the table below.

<b>FYs 2022-2024 Revenue Summary</b>			
<i>Revenue Fund and Fee Categories</i>	<i>FY 2022 Actual</i>	<i>FY 2023 Estimated</i>	<i>FY 2024 Estimated</i>
<b>General Revenue Fund 0001</b>			
Motor Vehicle Certificates of Title	\$ 37,352,790	\$ 37,152,000	\$ 37,384,000
Motor Vehicle Registration	\$ 26,837,876	\$ 27,560,000	\$ 28,378,000
Motor Carrier - Oversize/Overweight	\$ 46,748,185	\$ 47,216,000	\$ 50,111,000
Motor Carrier Credentialing	\$ 6,114,203	\$ 6,114,000	\$ 6,402,000
Miscellaneous Revenue	\$ 4,057,411	\$ 3,836,000	\$ 4,199,000
<b>Total Fund 0001 Revenue</b>	<b>\$ 121,110,466</b>	<b>\$ 121,878,000</b>	<b>\$ 126,474,000</b>
<b>State Highway Fund 0006</b>			
Motor Vehicle Certificates of Title	\$ 9,587,700	\$ 10,067,000	\$ 10,173,000
Motor Vehicle Registration	\$ 1,615,861,653	\$ 1,610,976,000	\$ 1,695,119,000
Motor Carrier - Oversize/Overweight	\$ 101,903,124	\$ 103,410,000	\$ 112,980,000
<b>Total Fund 0006 Revenue</b>	<b>\$ 1,727,352,476</b>	<b>\$ 1,724,453,000</b>	<b>\$ 1,818,272,000</b>
<b>Texas Department of Motor Vehicles Fund 0010</b>			
Motor Vehicle Certificates of Title	\$ 50,220,125	\$ 51,355,000	\$ 51,800,000
Motor Vehicle Registration	\$ 42,145,216	\$ 41,508,000	\$ 41,182,000
Motor Carrier - Oversize/Overweight	\$ 13,764,477	\$ 13,471,000	\$ 14,047,000
Motor Vehicle Business Licenses	\$ 7,451,703	\$ 7,079,000	\$ 7,230,000
Miscellaneous Revenue	\$ 9,475,890	\$ 14,490,000	\$ 12,724,000
Processing and Handling Fee	\$ 57,000,512	\$ 57,001,000	\$ 57,837,000
<b>Total Fund 0010 Revenue</b>	<b>\$ 180,057,922</b>	<b>\$ 184,904,000</b>	<b>\$ 184,820,000</b>
<b>TOTAL REVENUE DEPOSITS TO FUNDS 0001, 0006, AND 0010</b>	<b>\$ 2,028,520,864</b>	<b>\$ 2,031,235,000</b>	<b>\$ 2,129,566,000</b>

Note - FY 2024 State Highway Fund 0006 registration revenue includes an estimated amount for the electric vehicle additional fee established by SB 505, 88th Legislature, Regular Session. Estimates for future years will be updated for other legislative initiatives as more information becomes available.

## Motor Vehicle Crime Prevention Authority Revenues

The Motor Vehicle Crime Prevention Authority (MVCPA) is a division of TxDMV, governed by a five-member, gubernatorial-appointed board. MVCPA is funded by statutorily directed fees deposited to the General Revenue Fund (Section. 1006.153, Transportation Code).

MVCPA is required to collect a \$4 fee on all motor vehicles covered by any form of motor vehicle insurance sold in Texas. The Comptroller of Public Accounts (CPA) has estimated that FY 2024 MVCPA revenues will total approximately \$24.2 million.

### **Senate Bill 224**

The 88<sup>th</sup> Legislature, Regular Session, enacted SB 224, relating to catalytic converters. The bill increased the motor vehicle insurance fee by \$1 to a total of \$5 collected on each motor vehicle insurance policy.

The additional \$1 is to be used only for the coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter crime in Texas and is estimated to total \$24,667,202 in FY 2024 for use by MVCPA for those purposes.

## *Part IV: Contracts*

## FY 2024 Contract Summary

The Board's approval is required for one contract listed in the operating budget (see attachment).

The FY 2024 budget currently includes 26 contracts that have a value of more than \$200,000 that do not require Board approval are listed on the following pages.

The Board's Contract Approval Procedures are included in this document.

*Note: The listed contracts are subject to change based on the final terms and conditions negotiated.*

## Contracts Greater Than \$200,000 Requiring Board Approval

The contracts listed below require Board approval for the initial award or renewal, as of September 1, 2023.

Division	Vendor	Purpose	Contract Award Date	Contract End Date	FY 2024 Amount	Total Lifetime Contract Amount Through FY 2024
VTR	AMERICAN ASSOCIATION OF MOTOR VEHICLE ADMINISTRATORS	Information systems title check through AAMVA	10/1/2018	8/31/2024	\$ 695,008	\$ 3,277,917

## Contracts Greater than \$200,000 Excluded from Board Approval Requirement

The following contracts have a cumulative cost value of more than \$200,000. They are provided for informational purposes, but they are excluded from the Board approval requirement in accordance with the Board's Contract Approval Procedures.

Division	Vendor	Purpose	Contract Award Date	Contract End Date	FY 2024 Amount	Total Lifetime Contract Amount Through FY 2024
IT	TEXAS DEPARTMENT OF INFORMATION RESOURCES	Data Center Services	9/1/2020	8/31/2024	\$ 17,318,944	\$ 17,318,644
FAO	TEXAS DEPARTMENT OF CRIMINAL JUSTICE	License Plates Manufacturing	9/1/2019	8/31/2024	\$ 17,015,000	\$ 51,475,482
VTR	PITNEY BOWES	Postage	9/1/2016	8/31/2024	\$ 15,600,000	\$ 94,878,631
IT	TBD	RTS Replacement Phase One	TBD	8/31/2024	\$ 6,750,000	\$ 6,750,000
VTR	TAYLOR COMMUNICATIONS	Vehicle Registration Decals	8/26/2014	8/31/2024	\$4,271,925	\$36,265,715
IT	TBD	Okta Multi-Factor Authentication	TBD	8/31/2024	\$3,000,000	\$3,000,000
FAO	OPEN TEXT	Digital Imaging	9/1/2020	8/31/2024	\$2,800,000	\$23,557,457
IT	CARAHSOFT	eLICENSING	8/31/2022	8/31/2024	\$ 1,295,231	\$ 1,295,231
VTR	WORKQUEST	Specialty Plates Mailing	8/26/2014	8/31/2024	\$ 1,124,740	\$ 3,145,307
VTR	WORKQUEST	Huntsville Freight	8/31/2022	8/31/2024	\$920,000	\$920,000
FAO	WALDEN SECURITY	Security Guard Services - Austin	9/1/2020	8/31/2024	\$ 808,192	\$ 2,287,236
VTR	TAYLOR COMMUNICATIONS	VTR-500 Form	9/1/2023	8/31/2024	\$720,510	\$720,510

## Contracts Greater than \$200,000 Excluded from Board Approval Requirement (cont.)

Division	Vendor	Purpose	Contract Award Date	Contract End Date	FY 2024 Amount	Total Lifetime Contract Amount
ITD	TBD	Remedy Force Replacement	TBD	TBD	\$700,000	\$700,000
MCD	PROMILES	Annual Support and Hosting Fees	9/1/2016	8/31/2024	\$ 603,180	\$ 3,619,080
MCD	SOUTHWEST RESEARCH INSTITUTE	CVIEW – Maintenance Support	2/1/2020	8/31/2024	\$ 600,000	\$ 6,600,000
VTR	RR DONNELLY	Title & Registration Forms	3/6/2015	8/31/2024	\$ 567,425	\$ 4,504,675
IT	CDW GOVERNMENT	Cisco Smartnet	11/1/2020	8/31/2024	\$ 473,303	\$ 1,419,909
FAO	WORKQUEST	Freight/Small Package Shipping	9/1/2020	8/31/2024	\$388,632	\$1,034,631
FAO	WORKQUEST	Janitorial Services – Camp Hubbard	9/1/2020	8/31/2024	\$ 327,730	\$ 2,290,672
FAO	JOHNSON CONTROLS	JCI Controls	9/1/2021	8/31/2024	\$ 313,223	\$ 626,466
FAO	RAGSDALE-BROOKWOOD VENTURE	Lease 20399 Houston	11/1/2016	8/31/2024	\$ 297,062	\$ 3,030,072
FAO	JOHNSON CONTROLS	Chiller/cooling tower	9/1/2021	8/31/2024	\$285,000	\$753,000
FAO	SIGMA SURVEILLANCE	Security System Enhancements	9/1/2021	8/31/2024	\$262,430	\$724,429
FAO	PRESTIGE ELEVATOR SERVICES	Elevator Maintenance	9/1/2022	8/31/2024	\$238,000	\$476,000
FAO	WILLBANKS	Boiler Maintenance	9/1/2022	8/31/2024	\$200,000	\$400,000
FAO	ENVIRO-MASTER SERVICES	Preventive Disinfectant fogging (HQ-RSC)	9/1/2020	8/31/2024	\$ 200,000	\$ 1,394,559



## BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES CONTRACT APPROVAL PROCEDURES

Revised October 13, 2022

The Board of the Texas Department of Motor Vehicles (Board) finds it necessary to adopt procedures relating to contracts executed on behalf of the Texas Department of Motor Vehicles (department). The Executive Director (or designee) has the authority to sign and/or approve contracts on behalf of the department without Board approval, to the extent the contract approval procedures do not require prior Board approval and Board approval is not required by law. The Board authorizes the Executive Director to adopt separate internal procedures to assist with the implementation of these contract approval procedures.

### Procurement Process:

The department may enter into the procurement process to acquire goods and/or services without consultation or prior Board approval provided that the department complies with the General Contract Approval procedures below.

### General Contract Approval:

Department contracts must be submitted to the Board by the Executive Director (or designee) for review and approval prior to execution and/or award if:

- the contract or contract renewal exceeds \$200,000.
- a change order, individually or in combination with other change orders (other than the exercise of available renewal options), increases the original contract by twenty-five percent or more, as long as the dollar amount of the change order is \$50,000 or more.
- any change order, individually or in combination with any other change orders (other than the exercise of available renewal options), increases the original contract by \$100,000 or more.

At the discretion of the Executive Director (or designee), the department may request the Board consider any contract of any amount.

### Exclusion:

The department is not required to obtain approval for any grants awarded to the department or awarded by the department or any contracts which do not obligate the department to pay, such as the contract for the TexasSure program.

The following department contracts are for routine operations and are excluded from the contract approval procedures listed above:

Copier Maintenance	Real Estate Leases for Same Location <sup>1</sup>
Council on Competitive Government (CCG) Contracts	Registration Stickers
Department of Information Resources (DIR) Contracts	Security Services
Elevator Services and Needs	Set-Aside Contracts <sup>2</sup>
Equipment Maintenance	Software – Off-the-Shelf
Fire and Safety Services and Needs	Statewide Procurement Division (SPD) Contracts
General Facilities Maintenance	Temporary Staff Services
Hardware/Software Maintenance	Trash Disposal and Recycling
Heating and Cooling System Services and Needs	TxMAS Contracts <sup>3</sup>
Interagency/Interlocal Agreements	Utility-Related Services and Needs
Janitorial Services	Vehicle Registration Renewal Notices
Lawn Services	Vehicle Titles
Leased Copiers	Vehicles
Postage	

#### **Emergency Procurements:**

In the event a contract is needed on an emergency basis, the Executive Director (or designee) will contact the Board Chairman or the Finance and Audit Committee Chairman for approval to execute such a contract and will brief the full Board at the next regularly scheduled Board meeting.

An emergency procurement is an unforeseeable situation requiring a procurement and the possible execution and/or award of a contract to:

- prevent a hazard to life, health, safety, welfare or property;
- avoid undue additional costs to the state; or
- avoid undue delay to any department operations.

#### **Budgeting and Reporting:**

Even though the routine contracts listed above are excluded from Board review, the Executive Director (or designee) must still ensure that all contracts are within budget guidelines and adhere to all established procurement and contract laws, rules, regulations, and policies of oversight agencies.

No later than August 31<sup>st</sup> of each fiscal year, the Chief Financial Officer (or designee) shall submit to the Board an annual report which identifies all agency contracts which are expected to exceed

<sup>1</sup> This exclusion only applies to renewals and amendments to existing leases, as well as new leases for the same real estate that the department occupied under a prior lease.

<sup>2</sup> Set-aside contracts are a specific set of contracts for which a competitive procurement is not required, such as contracts for commodities or services that are available from Texas Correctional Industries and the Central Nonprofit Agency under contract with the Texas Workforce Commission (TWC). Currently, WorkQuest is the Central Nonprofit Agency under contract with TWC.

<sup>3</sup> Texas Multiple Award Schedule (TXMAS) contracts are contracts that have been developed from contracts awarded by the federal government or any other governmental entity of any state.

\$200,000 in the next fiscal year. This report shall include, but not be limited to, vendor name, contract purpose, contract amount, and contract duration. Additionally, the Chief Financial Officer (or designee) shall state whether sufficient funds are available in the agency's proposed operating budget for such contracts.

**Contract Approval Procedures:**

Funds for the department's contracts are first considered when the Board reviews and approves the department's operating budget. The Board's approval of the operating budget constitutes approval of any contracts listed in the operating budget. After the Board approves the operating budget, the department's Executive Director (or designee) is authorized to execute such contracts according to established procurement and contract laws, rules, regulations and policies of oversight agencies.

IT IS THEREFORE ORDERED by the Board that these contract approval procedures are adopted. The contract approval procedures dated February 10, 2022, and titled *Board of the Texas Department of Motor Vehicles, Contract Approval Procedures* are rescinded, effective October 13, 2022.

The department is directed to take the necessary steps to implement the actions authorized in these contract approval procedures.

October 13, 2022



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Charles Bacarisse, Chair  
Board of the Texas Department of Motor Vehicles

## *Part V: Appendices*

## *Appendix I: Budget Category Details*

## FY 2024 Recommended Operating Budget by Budget Category

The table below outlines the total FY 2024 recommended operating budget by budget category.

Expenditure Area	FY 2024 Recommended Operating Budget
Salaries and Wages	\$ 53,181,716
Other Personnel Costs	\$ 1,430,433
Professional Fees and Services	\$ 59,051,149
Fuels & Lubricants	\$ 73,550
Consumable Supplies	\$ 1,440,848
Utilities	\$ 4,214,474
Travel In-State	\$ 333,349
Travel Out-of-State	\$ 81,000
Rent - Building	\$ 1,234,131
Rent - Machine and Other	\$ 356,118
Purchased Contract Services	\$ 38,857,473
Advertising & Promotion	\$ 203,242
Computer Equipment Software	\$ 2,196,376
Fees & Other Charges	\$ 5,251,809
Freight	\$ 988,653
Maintenance & Repair	\$ 6,297,602
Memberships & Training	\$ 316,962
Other Expenses	\$ 36,726,667
Postage	\$ 17,790,250
Reproduction & Printing	\$ 5,892,641
Services	\$ 2,451,968
Grants	\$ 47,232,251
Other Capital	\$143,343,055
<b>Total</b>	<b>\$ 428,945,717</b>



## **Budget Category Definitions**

**Salary** – Includes staff compensation and interns; does not include contract workers who are not a part of the organization's normal payroll.

**Other Personnel** – includes longevity pay, additional retirement contribution expenses, and payments to exiting employees for accumulated leave.

**Professional Fees** – Work, requiring specific expertise, provided by third party professionals holding specific certifications and qualifications.

**Fuels and Lubricants** – Fleet maintenance and operation costs related to oil changes and refueling fleet vehicles.

**Consumables** – Standard consumable costs required to run the day-to-day operations of the department such as paper, pens, pencils, media discs and USB drives, paper clips and staples.

**Utilities** – Costs associated with providing services at facility locations and/or HQ such as electricity, telephone, water, and natural gas.

**Travel (In-State/Out-of-State)** – that which has official state business purpose, attending approved job-related training, working on behalf of or officially representing the department. Includes transportation, meals and accommodations and travel per-diems.

**Rent – Building/Rent – Machine, Other** – Costs associated with procurement of project facilities such as office rental, off-site training rooms; and costs associated with the rental of office equipment such as postage meters and copy machines.

**Purchased Contract Services** – Services outsourced to third party entities for the benefit of the department such as MyPlates and Standard Register.

**Advertising and Promotion** – Includes radio/media ads, posters, signage, brochures, flyer production and other promotional items.

**Computer Equipment** – The purchase and replacement of personal information technology equipment and peripherals such as workstations, monitors, keyboards, and laptops.

**Fees and Other Charges** – Credit card processing fees, employee health insurance fees, State Office of Risk Management insurance charges and court filing fees.

**Freight** – Goods transported in bulk by truck, train, ship, or aircraft. For example, the costs to transport license plates to county tax offices.

**Maintenance and Repair** – Expenditures related to the upkeep of TxDMV facilities, equipment and software used on the department's systems for annual application support such as e-Tags and International Registration Plan (IRP).

**Memberships and Training** – Fees for training courses and conference registrations for TxDMV staff. Also included are expenditures for memberships for the department's personnel such as Texas Association of Public Purchasers, American Association of Motor Vehicle Administrators (AAMVA) and the National Board of Motor Vehicle Boards and Commissions.

**Other Expenses** – Includes office furniture and equipment and miscellaneous non-categorized costs such as employee awards, publication purchases, parts, promotional items, and non-capitalized tools.

**Postage** – Includes costs of metered mailing for license plates, registration renewal notices and titles; and includes the cost of the rental of TxDMV post office boxes.

**Reproduction and Printing** – Includes all TxDMV printed materials primarily used in registration renewal notices and titles such as notification inserts, envelopes, and title paper.

**Services** – Includes costs associated with services provided to TxDMV through subscription such as National Motor Vehicle Title Information System (NMVTIS) and LexisNexis.

**Grants** – Pass-through funds designated for use by city, county, and other state agencies for a specific, contractual requirement.

**Capital** – Expenditures related to the acquisitions, lease-purchase, or ancillary cost (including contracts) associated with a capital items/projects over \$100,000.



## *Appendix II – Capital Project Details*

## Capital Project Details

### **TxDMV FY 2024 Capital Budget**

<b>TxDMV Capital Project Appropriations</b>		<b>FY 2024</b>
Fiscal Year 2024 Appropriation	\$	182,799,039
Estimated Unexpended Balance Carry-Forward	\$	3,546,000
<b>Total Capital Appropriations</b>	<b>\$</b>	<b>186,345,039</b>
<b>Facilities</b>		
Regional Service Center Expansion	\$	931,606
Camp Hubbard Renewal Project	\$	143,000,000
Regional Service Center Maintenance <sup>1</sup> (U.B.)	\$	1,325,000
HQ Maintenance <sup>1</sup> (U.B.)	\$	2,000,000
<b>Acquisition of Information Resource Technologies</b>		
<b>TxDMV Automation System <sup>1</sup></b>		
TxDMV Automation System	\$	10,500,000
Unallocated (U.B.)	\$	763,000
<b>Other Technology Projects</b>		
PC Replacement	\$	527,000
Technology Replacement & Upgrades - County Support	\$	5,000,000
RTS Replacement	\$	4,421,489
<b>Transportation – Replacement Vehicles</b>		
Vehicle Replacement <sup>2</sup> (SB 30 supplemental)	\$	158,000
<b>Data Center Consolidation</b>		
Data Center Consolidation	\$	17,318,944
<b>Cybersecurity</b>		
Cybersecurity	\$	400,000
<b>TxDMV Total Capital Budget</b>		
	<b>\$</b>	<b>186,345,039</b>

<sup>1</sup>Includes projects that will be funded from balances remaining at the end of FY 2023.

<sup>2</sup>Project funded through Unexpended Balance (UB) carry-forward from FY 2023, included in SB 30, 88<sup>th</sup> Session the supplemental appropriations bill.

Board Meeting Date: 8/17/2023  
BRIEFING ITEM

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**To:** Texas Department of Motor Vehicles Board  
**From:** Glenna Bowman, Chief Financial Officer  
**Agenda Item:** 12.B  
**Subject:** Delegation of Contract Approval and Signature Authority to the Executive Director or the Executive Director's Designee under Government Code, §2261.254

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**RECOMMENDATION**

Delegate contract approval and signature authority to the Executive Director or a deputy director of the department under Government Code, §2261.254.

**PURPOSE AND EXECUTIVE SUMMARY**

This agenda item is to obtain the delegation of approval of contracts and signature authority from the Texas Department of Motor Vehicles Board to Executive Director Daniel Avitia or a deputy director of the department for any contracts listed in the FY 24 operating budget that exceed \$1,000,000, in accordance with Government Code, §2261.254. The approval includes all such listed contracts, including renewals, regardless of whether the contract term is for September 1, 2023, through August 31, 2024, or includes additional months or years outside of FY 24. The approval and delegation of signature authority is for all contracts, including purchase orders, that exceed \$1,000,000. The estimated dollar amounts include all executed and proposed amendments, extensions, and renewals of the contract.

**FINANCIAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

Texas Government Code, §2261.254 requires that a state agency may enter into a contract for the purchase of goods or services that has a value exceeding \$1,000,000 only if the governing body of the state agency approves the contract and the approved contract is signed by the presiding officer of the governing body. However, it then allows the governing body to delegate this authority for approval and signature to the executive director or a deputy executive director of the agency.

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

**To:** Texas Department of Motor Vehicles Board  
**From:** Glenna Bowman, Chief Financial Officer  
**Agenda Item:** 12.C  
**Subject:** Update on Camp Hubbard Renewal Project

### **PURPOSE AND EXECUTIVE SUMMARY**

The 88<sup>th</sup> Legislature appropriated \$143,000,000 in capital budget authority to TxDMV for the Camp Hubbard Renewal Project in FY 2024 and authorized the Texas Public Finance Authority (TPFA) to issue revenue bonds or other obligations on behalf of the TxDMV to secure funding for the Project. The Legislature also appropriated money for lease payments of approximately \$12.5 million for each year of the FY 2024-25 biennium.

This is an update on the most recent activities related to this project, with an emphasis on financial issues.

### **BRIEFING**

In July 2023, TxDMV's contracted vendor, Marmon Mok, presented 65% Construction Documents to TxDMV for review. These documents lay out the design plans for the Camp Hubbard Renewal project, including drawings of the plans to renovate Building 6, demolish existing buildings, and construct a new 3-story building. The plans include specifications for site work, lighting, electrical, plumbing, HVAC, technology, space allocation, flooring, signage, landscaping, interior finishes, and a wide range of other items, and are deemed to be 65% complete. Additional work will be completed to develop 95% Construction Documents by the beginning of September, followed by 100% documents around mid-October.

The 65% Construction Documents include renderings of the new building and renovated Building 6, including exteriors and landscaping. They also include a proposal for using solar energy that is energy efficient and cost-effective. The total cost of the solar option is \$1.3 million, but after identified federal and local rebates, the net cost is only \$450,000, with a return on investment of approximately 8.5 years.

With the funding appropriated and the 65% Construction Documents complete, TxDMV staff are working with TPFA to fully develop financing plans for the project. On July 6, 2023, Executive Director Daniel Avitia presented TxDMV's application for financing to the Texas Public Finance Authority (TPFA), and the application was approved. On July 11, 2023, Chief Financial Officer, Glenna Bowman, and Deputy Chief Financial Officer, Chris Hayden, represented the department at a planning meeting of the Bond Review Board. On July 20, 2023, the Bond Review Board voted to approve interim financing for the TxDMV Camp Hubbard Renewal Project as part of the TPFA Commercial Paper Revenue Notes Series 2019A and Series 2019B (Taxable) for the issuance of commercial paper during fiscal year 2024.

TxDMV staff, in coordination with TPFA and the Texas Facilities Commission (TFC), are now in the process of determining how funds will be issued and distributed to coincide with expected payments over the life of the project. More information will be provided to the board as it becomes available.



# Update on Camp Hubbard Renewal

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- ❑ Legislatively Approved Funding
- ❑ Construction Documents
- ❑ Camp Hubbard Renderings
- ❑ Solar Option
- ❑ Financing Update



# Legislatively Approved Funding

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- ❑ \$143,000,000 in Capital Budget Authority
- ❑ Partnership with Texas Public Finance Authority (TPFA) to issue revenue bonds or other obligations on behalf of TxDMV
- ❑ \$12.5 million per year appropriated for debt service



# Construction Documents

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- ❑ MarmonMok provided 65% Construction Documents in July 2023
  - include specifications for site work, lighting, electrical, plumbing, HVAC, technology, space allocation, flooring, signage, landscaping, interior finishes, etc., and are deemed to be 65% complete
  - 95% documents expected in September
  - 100% documents expected in October





# Camp Hubbard Renderings



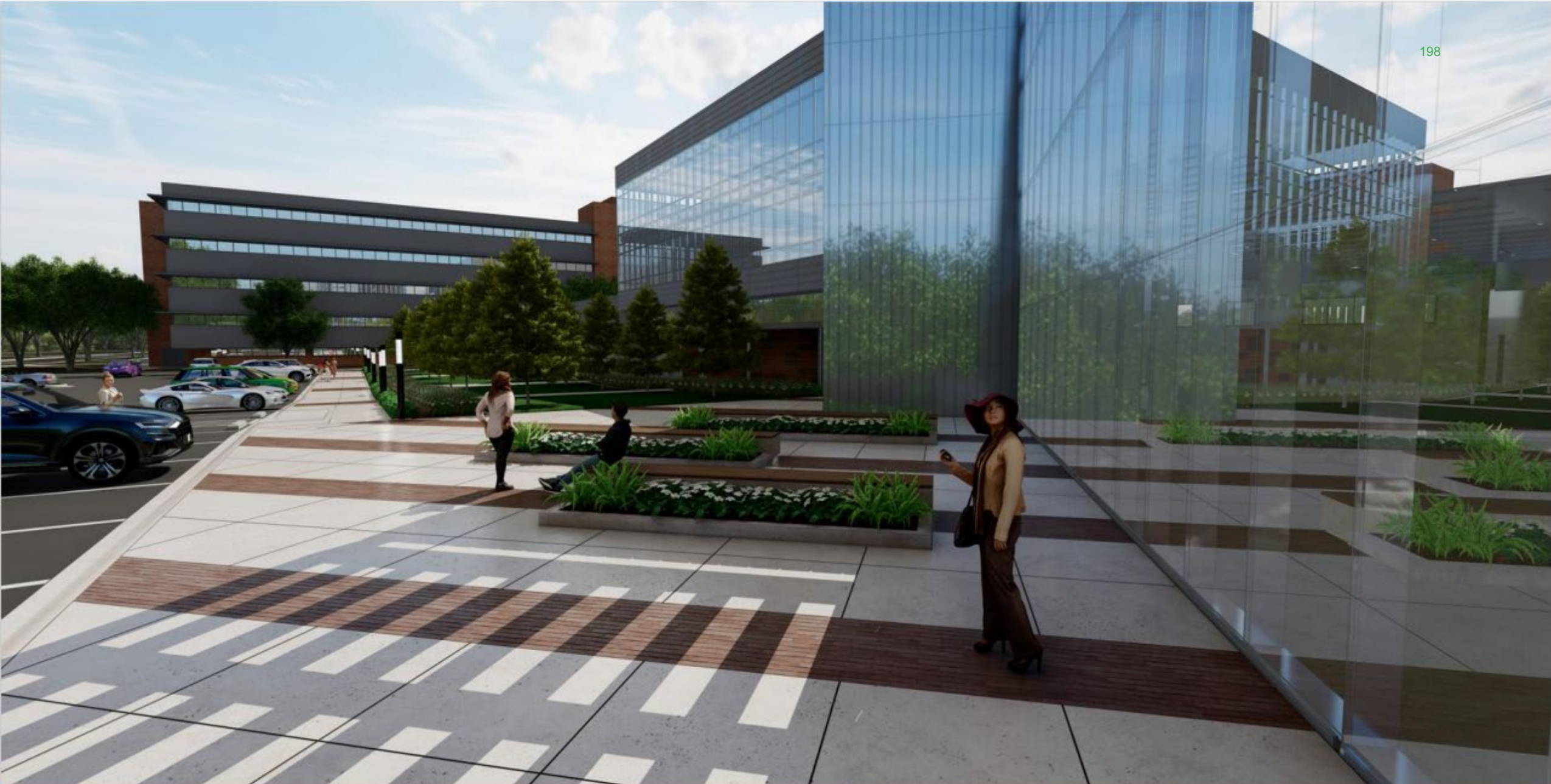




**View from CH6**

**MarmonMok**  
ARCHITECTURE





**View from Building Entry to CH6**





**View of Shade Structure**





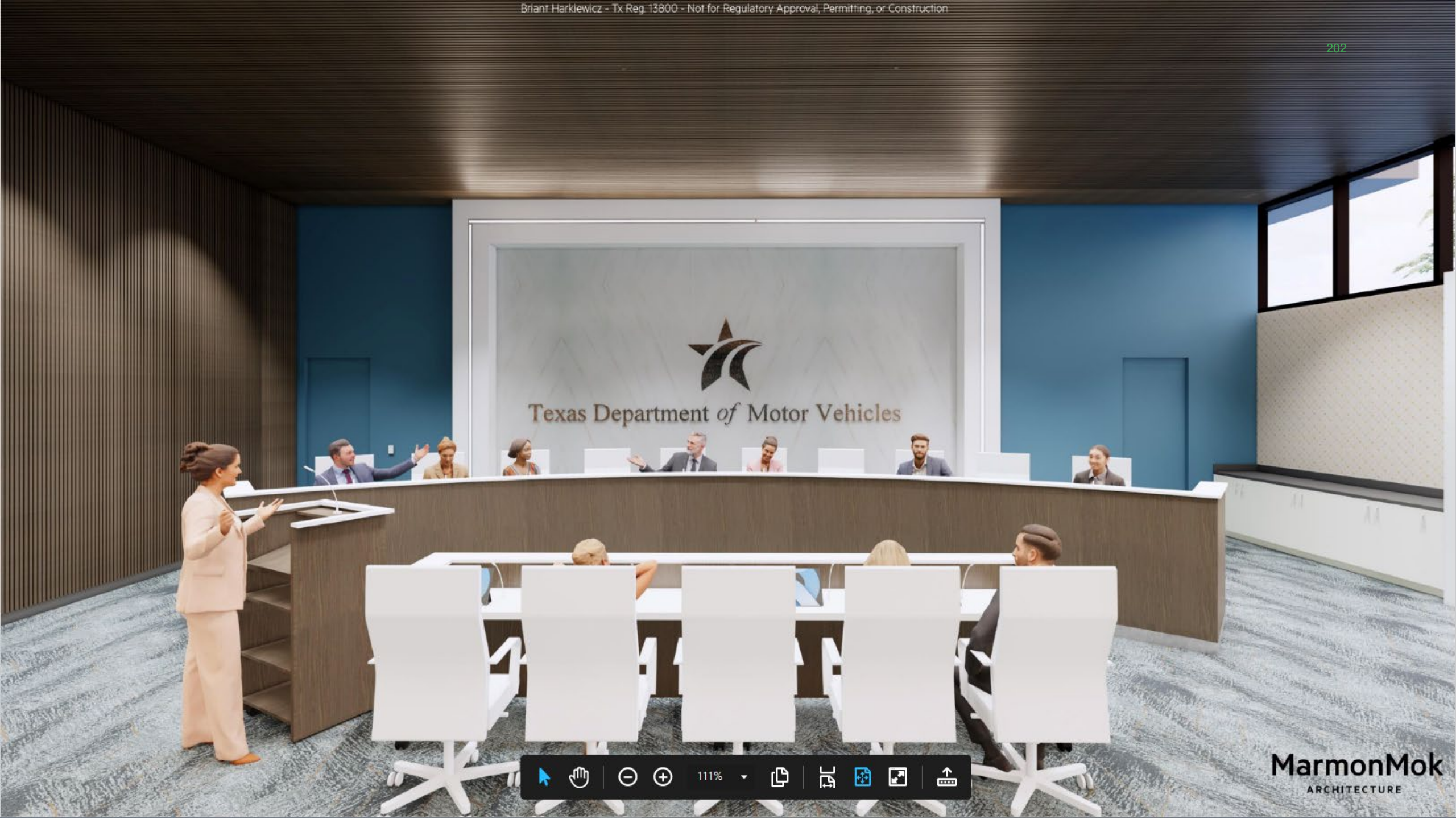
**View Toward Shade Structure**





**CAMP HUBBARD 6**





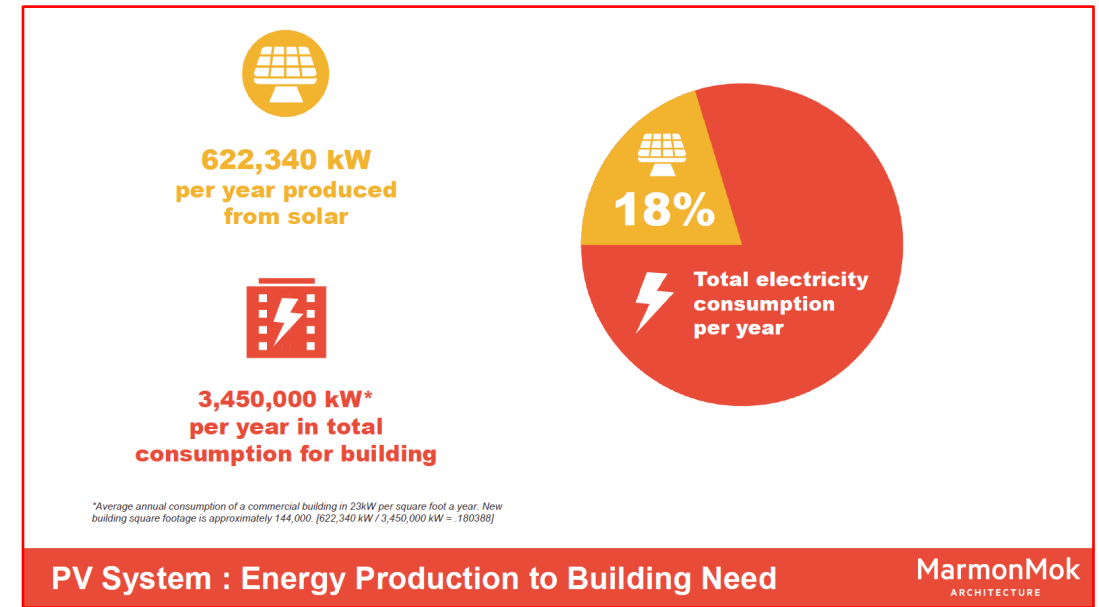
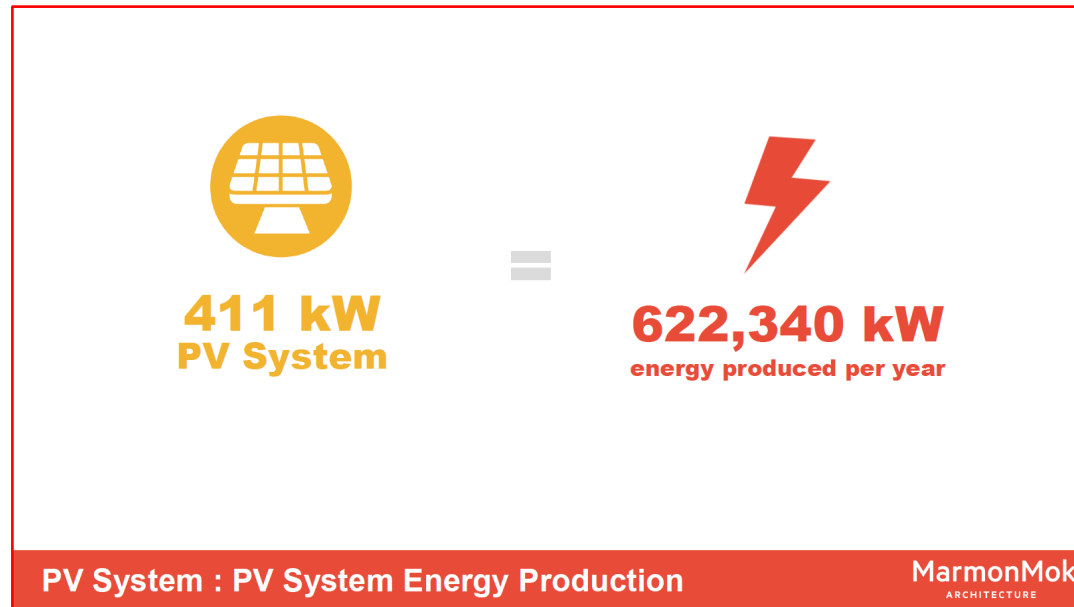






# Solar Option - Overview

- MarmonMok presented information related to using solar energy to provide a portion of the electricity on campus







# Solar Option – Costs and Savings



- Total cost of solar option is \$1,300,000; local and federal incentives total \$799,000; net cost is \$450,000





**411kW**  
SYSTEM SIZE

- Customized super structure with structural steel and imbedded anchors in building's main structure

**\$1.3M**  
INSTALL COST

- Solar now cost and assumes 10% general contractor fee for PV supplier as sub as well as supplier's associated fees

PV System : PV System Cost

MarmonMok  
ARCHITECTURE





**Local Incentives**  
Rebate check after install...

- **\$411K**

All solar energy produced goes back onto your energy bill at a rate of...

- **\$ .09 / kWh**

\*Austin energy measures solar energy production with and on-site meter and pays \$0.0991 per kilowatt-hour for the energy produced. This amount will go back onto your energy bill as a credit.

**Federal Incentives**  
Direct-pay benefit for tax exempt state entities...

- **\$388K**

As an organization that doesn't pay federal taxes, you can still take advantage of the tax credits through direct pay. This would be your payout assuming the \$1.3M install upfront and would happen in the first year.

PV System : Rebates + Incentives

MarmonMok  
ARCHITECTURE



# Financing Update

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- TxDMV has begun detailed discussions regarding financing
  - July 6, 2023 – TPFA Board approves financing application
  - July 11, 2023 – TPFA presents request to Bond Review Board
  - July 20, 2023 – Bond Review Board approves TPFA request

TxDMV is currently coordinating with TPFA and the Texas Facilities Commission (TFC) to determine how funds will be issued and distributed to correspond with expected payments over life of the project.

Board Meeting Date: 8/17/2023  
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board  
From: Salem Chuah, Internal Audit Division Director and Jason Gonzalez, Principal Internal Auditor  
Agenda Item: 12.D  
Subject: Internal Audit Division Status Update

## RECOMMENDATION

Briefing Only.

## PURPOSE AND EXECUTIVE SUMMARY

This status update provides information on current Internal Audit Division (IAD) activities including internal and external engagements.

## FINANCIAL IMPACT

None.

## BACKGROUND AND DISCUSSION

### ***Internal Engagements***

The annual Internal Audit Quality Assurance Review is in the planning phase. This review is an internal assessment of IAD which is required by auditing standards to be conducted every year. The assessment includes a review of IAD's charter, operating procedures, and key performance indicators. This assessment will be completed in October/November 2023.

The audit of selected Regional Service Centers (RSCs) is in the fieldwork phase. IAD created a flowchart of the bonded title process, obtained information on training modules completed by Customer Service Representatives (CSRs), and determined access levels provided to the CSRs. The audit is expected to be completed in late Fall 2023, dependent on staffing.

IAD completed the hiring process audit. The objective was to determine the effectiveness and efficiency of the hiring process and whether policies and procedures were followed consistently. There were three results and ten recommendations:

- **Result #1:** The Department verified employment eligibility and conducted background checks; however, it should ensure that employment eligibility forms are completed in their entirety and perform driving record checks.
- **Result #2:** The Department established hiring steps for hiring managers; however, it should revisit the sequencing of the hiring process and ensure that job requisition files contain all documentation.
- **Result #3:** The Department reports Key Performance Indicators (KPIs) on the hiring process; however, it should ensure reported data is accurate and consider reporting KPIs that provide insight on the wholistic hiring process.

The nine recommendations are related to reverifying employment authorization and ensuring completion, completing driving record checks, reviewing applicants to be interviewed, ensuring job requisition files include all documents, and evaluating the Human Resources' KPIs.

IAD completed the FY 2024 risk assessment and created the FY 2024 Internal Audit Plan for Board approval.

### ***External Engagements***



There are no external engagements being tracked by IAD at this time.

## Internal Audit Division Status

### Internal Engagements

	<b>Planning</b>	<ul style="list-style-type: none"><li>Quality Assurance Improvement Program</li></ul>
	<b>Fieldwork</b>	<ul style="list-style-type: none"><li>Regional Service Centers Audit</li></ul>
	<b>Reporting</b>	N/A
	<b>Completed</b>	<ul style="list-style-type: none"><li>FY 2024 Risk Assessment &amp; Internal Audit Plan</li><li>Hiring Process Audit</li></ul>

### External Engagements

	<b>In-Progress</b>	<ul style="list-style-type: none"><li>N/A</li></ul>
	<b>Completed</b>	<ul style="list-style-type: none"><li>N/A</li></ul>



# Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

## Hiring Process Audit Report 23-04

Internal Audit Division  
August 2023



## Hiring Process Audit Report, 23-04

### Executive Summary

The Human Resources Division (HRD) at the Texas Department of Motor Vehicles (Department) is a critical partner in developing strategies to recruit, develop, and retain talent so that the Department can meet its objectives. In the hiring process, HRD plays an integral role with hiring managers in reviewing job requisitions, posting Department positions, and approving final candidates for hire. The objective of the audit was to determine the effectiveness and efficiency of the hiring process and whether policies and procedures are followed consistently.

#### WHAT WE FOUND

The audit found that the hiring process is at a Level 3 – Established: The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed or well communicated. The Internal Audit Division (IAD) issued three results to address the items identified.

- **Result #1:** The Department verified employment eligibility and conducted background checks; however, it should ensure that employment eligibility forms are completed in its entirety and perform driving record checks.
- **Result #2:** The Department established hiring steps for hiring managers; however, it should revisit the sequencing of the hiring process and ensure that job requisition files contain all documentation.
- **Result #3:** The Department reports Key Performance Indicators (KPIs) on the hiring process; however, it should ensure reported data is accurate and consider reporting KPIs that provide insight on the wholistic hiring process.

#### WHAT WE RECOMMEND

IAD made nine recommendations in this audit related to the following areas:



Reverifying employment authorization as needed and ensuring completion of forms



Ensuring job requisition files include all documents



Completing driving record checks



Evaluating Key Performance Indicators



Reviewing applicants to be interviewed

Of the nine recommendations, eight were rated as **HIGH** priority and one was rated as **LOW** priority.

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## Background

The Human Resources Division (HRD) provides programs, policies, and procedures for the Texas Department of Motor Vehicles (Department) to recruit, develop, and retain talent to meet the business needs of the Department. HRD's responsibilities include providing services such as benefit information, employee relations, classification reviews, compensation analysis, organizational development, and maintenance of human resources policies.

Regarding the hiring and talent acquisition process, team members in HRD assist hiring managers with the job requisition and selection process. With 20.2% turnover in fiscal year 2022, HRD is an important partner in the hiring process to ensure the Department can continue to meet its objectives.

The hiring process starts with the hiring manager preparing the job description, screening documents, and interview questions for the job vacancy with HRD reviewing the documents and posting the job. Once applications are received, hiring managers screen applicants against minimum qualifications and then groups or ranks applicants for interviews. After applicants are interviewed, the hiring manager conducts a reference check on the best qualified applicant and submits the job requisition file to the HRD for review. HRD communicates to the hiring manager if a conditional offer can be made to the candidate. If the candidate accepts the conditional offer, HRD obtains information from the candidate to facilitate the criminal history background check process through its vendor. Once the background check process clears, HRD lets the hiring manager know that the final offer can be extended to the candidate. The hiring process steps are outlined in Appendix 3.

As of July 2023, HRD has ten positions with two vacancies as shown in Figure 1 below.

Figure 1: Human Resources Division Positions





## Strengths

- HRD has been under new senior management since August 2022. HRD effectively hired team members for onboarding & benefits, recruiting & employee relations, recruiting & retention, and general administration. The new team members collectively bring their experiences to help self-identify improvements to the hiring process.
- HRD developed standard operating procedures on recruitment processes, candidate selection review, and issuance of conditional offers.
- The Department communicated its hiring process in the Department's Human Resources Manual.

## Audit Engagement Team

The audit was performed by Jason E. Gonzalez (Principal Internal Auditor), Hugo Quiñones (Intern), and Salem Chuah (Internal Audit Director).

## Audit Results

### Audit Results #1: The Department verified employment eligibility and conducted background checks; however, it should ensure that employment eligibility forms are completed in its entirety and perform driving record checks.

The Department verified the identity and employment authorization of new hires but should review employment eligibility forms to ensure those forms are completed entirely and establish a process to verify employees whose documents require reverification.

As part of the employment authorization process, the Department is required to submit an electronic eligibility verification through E-Verify, validate identity using the U.S. Citizenship and Immigration Services Form I-9 (Form I-9), and monitor verification document expiration dates.



The Department verified the identity and employment authorization of individuals hired for employment and ensured that those individuals were reported to E-Verify within three days of hire as required.

However, there were two instances where the Form I-9 was not completed in its entirety.

- In one (3 percent) of 35 Form I-9s, Section 1 (Employee Information and Attestation) was not signed by the hired individual.
- In one (3 percent) of 35 Form I-9s, Section 2 (Employer Review and Verification) was not signed by HRD.

Both employees and employers must complete Form I-9s. Employees must complete and sign Section 1 no later than their first day of employment and employers must complete and sign Section 2 within 3 business days of the employee's date of hire. See Figure 2 for a snapshot of the form. Employers are required to validate identity by examining, in-person, eligibility supporting documentation such as, U.S. passport or a combination of the employee's driver license and U.S. Social Security account number card.

Figure 2: Snapshot of Form I-9, Sections 1 and 2

**Employment Eligibility Verification**  
Department of Homeland Security  
U.S. Citizenship and Immigration Services

**USCIS Form I-9**  
OMB No. 1615-0047  
Expires 10/31/2022

► **START HERE:** Read instructions carefully before completing this form. The instructions must be available, either in paper or electronically, during completion of this form. Employers are liable for errors in the completion of this form.

**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) an employee may present to establish employment authorization and identity. The refusal to hire or continue to employ an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** (Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)

**Employment Eligibility Verification**  
Department of Homeland Security  
U.S. Citizenship and Immigration Services

**USCIS Form I-9**  
OMB No. 1615-0047  
Expires 10/31/2022

**Section 2. Employer or Authorized Representative Review and Verification**  
(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents.")

The Department's Human Resources Manual (HR Manual) states that the Department will not employ persons who are ineligible to work in the United States. The department uses the U.S. Citizenship and Immigration Services (USCIS) E-Verify Internet-based system to verify the eligibility of newly hired employees to work in the U.S.

The HR Manual also states that when an employee's work authorization expires, employment eligibility must be reverified and employees must present either an extension granted by the USCIS or a new work authorization. The Department tracks these individuals through a manual spreadsheet. However, one individual selected for testing had eligibility documents due to expire but was not documented on the tracking sheet.

The Human Resources Division identified the need to develop a monitoring process for employees that requires reverification. HRD informed IAD of a new process that started in which reports will be generated directly from E-Verify to capture expiring eligibility documents so that those documents can be reverified prior to expiration. Non-compliance increases the risk of incurring federal civil monetary penalties.

### The Department completed criminal history background checks for selected new hires.

The Department completed criminal history background checks for all 35 new hires reviewed prior to the employee's hire date. The average workdays to receive background check results for the 35 new hires was 1.34 workdays.

The Department's HR Manual states that a criminal background check will be performed on all final applicants. Also, the Department's background check vendor contract requires the vendor to perform 95% of criminal history searches within and outside Texas within 5 workdays.

When a final candidate has been selected for hire, a conditional offer is made to the candidate and HRD initiates a vendor background check. Upon receiving the candidates "clear" background check results, HRD provides the hiring manager approval to make a final offer to the selected candidate.

### The Department should develop processes to ensure that driving record checks are completed and that the results of those checks are maintained.

The Department initiates a driving record check through the Texas Department of Public Safety (DPS). The results are obtained through the Texas DPS portal and are reviewed by HRD to ensure the candidate has a clear driving record.



The Department did not consistently perform or document driving record checks. 28 (80 percent) of 35 new hires did not have a driving check on file.

Of the 28 new hires that did not have a driving check on file, 3 (11 percent) accessed a fleet vehicle. Allowing unqualified or high-risk drivers to access fleet vehicles impacts the Department's risk liability, as unqualified or high-risk drivers could increase the chances of at fault accidents.

The HR Manual requires the completion of a driving record check for all final candidates. According to HRD, driving records may have been performed and validated for candidates but not saved in hiring files due to staff turnover that may have caused process inconsistencies.

### Recommendations

1. The Human Resources Division should implement a review process to ensure that employment eligibility forms are completed in their entirety **(HIGH)**.
2. The Human Resources Division should implement a process to track employees whose employment eligibility is scheduled to expire **(HIGH)**.
3. The Human Resources Division (HRD) should conduct checks on driving records for all new hires and ensure that results of those records are saved. If driving record checks will not be conducted for all new hires, HRD should work with hiring managers to determine job classifications to determine if driving is a reasonable expectation for the job, and if so, implement procedures to conduct and record driving record checks for those identified job classifications **(HIGH)**.

## **Audit Results #2: The Department established hiring steps for hiring managers; however, it should revisit the sequencing of the hiring process and ensure that job requisition files contain all documentation.**

Human Resources hiring processes are defined. However, HRD should review applicants prior to final candidate selection to ensure applicants that meet minimum qualifications are interviewed and veterans preference requirements are met.

Applicants were generally selected correctly to interview based on their group placement with the right number of veterans based on requirements.

In 27 (77 percent) of 35 job requisition files, qualified applicants that were best ranked or placed in highest group(s) were interviewed. However, in 8 (23 percent) job requisition files, interviews excluded some Group 1 applicants while other interviews excluded Group 2 and/or Group 3 applicants even though other applicants from those same groups were interviewed. In these instances, there was no documentation on why those applicants were excluded from the interviews even though were in the same grouping as other interviewed applicants. See Figure 3 below for an example of this scenario.

Figure 3: An Example Applicants Screened but Not Interviewed with No Documentation or Justification

Applicants Screened into Group 1	Applicants Interviewed	Applicant Selected
<ul style="list-style-type: none"><li>• Applicant 3</li><li>• Applicant 7</li><li>• Applicant 10</li><li>• Applicant 14</li></ul>	<ul style="list-style-type: none"><li>• Applicant 3</li><li>• Applicant 10</li></ul>	<ul style="list-style-type: none"><li>• Applicant 10</li></ul>

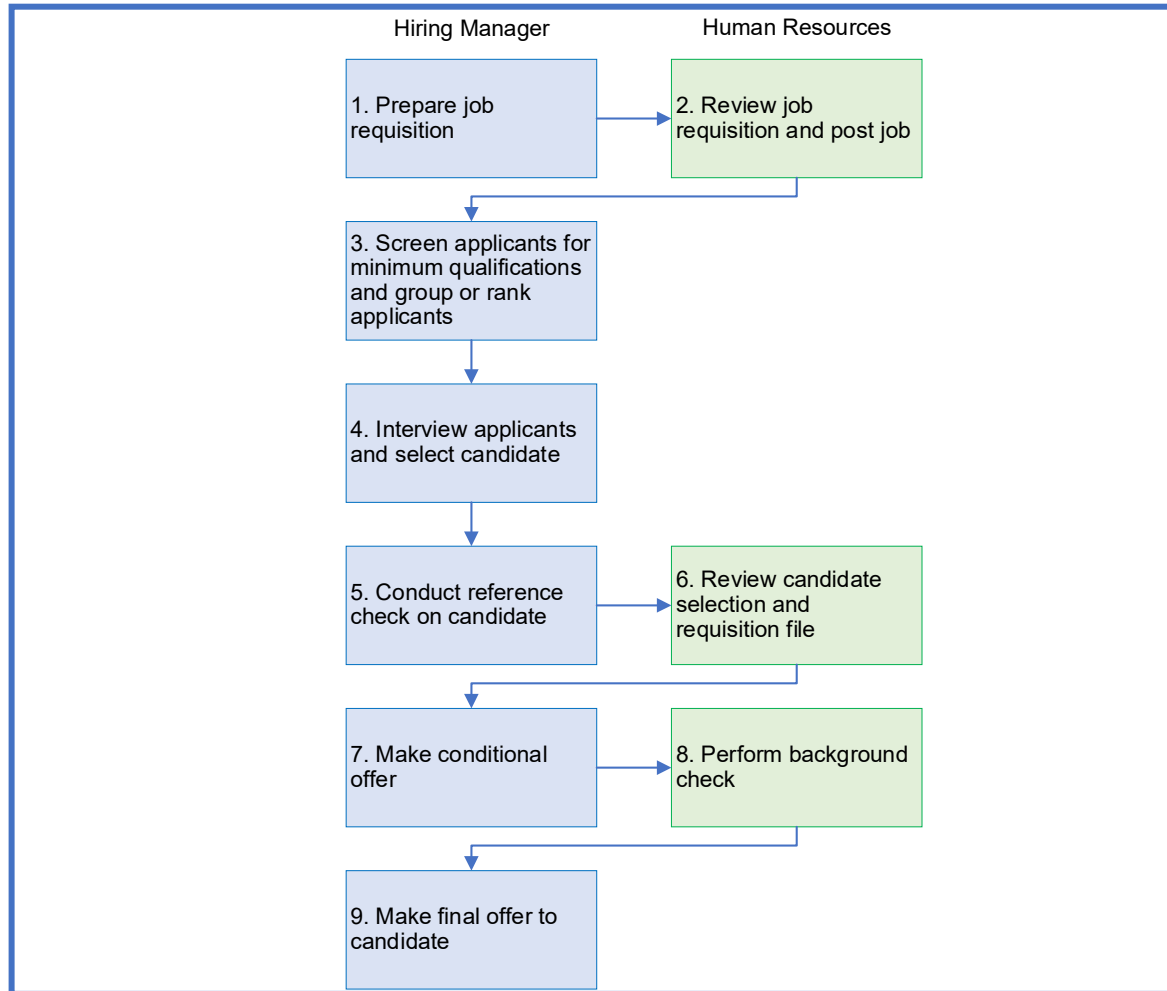
The HR Manual states the hiring manager will evaluate applications against the minimum requirements as advertised in the job requisition. Applicants who meet the minimum requirements will either be interviewed, or the application will be further evaluated against job related screening criteria to group or rank applicants based on experience for interviews.

In 31 (89 percent) of 35 job requisition files, the correct number of veterans were interviewed based on the total number of applicants interviewed.

Texas Government Code Chapter 657 Veterans Employment Preference establishes a 20 percent goal for hiring veterans and interviewing veterans. A state agency must interview at least one veteran if the number of candidates interviewed is six or fewer. If the total number of individuals interviewed for the position is more than six, agencies must interview at least 20 percent of the total number interviewed.

The issues identified above are a result of the current hiring process. HRD reviews the job requisition files *after* the hiring manager has identified a final candidate instead of *before* all applicants are interviewed (see steps 4 and 6 of the hiring process flowchart in Figure 4 below).

Figure 4: Flowchart of the Hiring Process



When HRD reviews job requisition files after a final candidate has been selected, there is a risk that not all the highest qualified applicants were interviewed, leading to additional work for hiring managers.

There are federal and state agencies that have processes in which potential applicants to interview are approved *prior* to being interviewed by hiring managers. The agencies include: the U.S. Office of Personnel Management (OPM), U.S. Department of Agriculture (USDA) Lamar University, University of Houston, and The University of Texas Rio Grande Valley (UTRG).

Also, the Department requires hiring managers to evaluate applications against the minimum requirements defined in the job requisition and group or rank applicants for interviews, as mentioned above. Through review of Texas state agency human resources job descriptions, some Texas state agencies' Human Resource departments perform minimum qualification screening to gain efficiency and standardize the screening process.

As shown in Figure 5 below, in four of six human resource job descriptions, screening for minimum qualification is listed as a component for human resources employees to perform.

Figure 5: Job Descriptions that Show Human Resources Screening for Minimum Qualifications





State Agency	Performs Minimum Qualification Screening in Job Description
State Office of Administrative Hearing (SOAH)	Yes
Office of the Attorney General (OAG)	Yes
Texas Department of Agriculture (TDA)	Yes
General Land Office (GLO)	Yes
Texas Commission on Law Enforcement (TCOLE)	No
Texas Juvenile Justice Department (TJJD)	No

Current processes impact the hiring process effectiveness in interviewing qualified candidates and identifying veterans.

Most job requisition files included required documentation, but review processes should be implemented to ensure all files include screening documents, interview scoring sheets, and reference checks.

The majority of job requisition files contained screening documents (Form 1989), scoring sheets for all interviewed applicants, and reference checks for the selected candidate. However, 15 (43 percent) of 35 job requisition files did not contain all required documentation as shown in Figure 6 below.

Figure 6: Missing Documents in Job Requisition Files

 # of Job Requisition Files	 Missing Form 1989	 Missing Interview Scoring Sheet	 Missing Reference Check
9 Files		X	
2 Files	X		
1 File	X	X	
1 File		X	X
2 Files			X

While IAD located some missing interview scoring sheets and reference checks by following up with the division's hiring managers, those documents were not included in the job requisition files obtained from HRD. Also, some missing Form 1989s were saved within the CAPPS Recruit system. Official job requisition files are currently saved in three locations: the hiring manager's files, the job requisition file maintained by HRD, and in CAPPS Recruit.

According to standard operating procedures, completed job requisition files should include various documentation such as candidate screening documents (Form 1989), scoring sheets for all interviewed candidates, and reference checks for the selected candidate. Specifically:

- The Department's hiring managers use Form 1989 to document criteria such as education, experience, and competencies to rank or group applicants for interviewing. If applicants are not ranked, hiring managers are required to group candidates based on extensive experience, some experience, or little to no experience. Ranking and grouping applicants allows hiring managers to identify the most qualified candidates to interview.
- The hiring manager and panel members (if applicable) must take notes to thoroughly document the applicants' responses. Hiring managers should evaluate the relevance of responses to each interview question and may assign a numerical value for scoring purposes.
- References must be documented on the Reference Check Form (Form 1943) by the hiring supervisor (or designee). At least one reference check must be conducted before a conditional job offer is made. Reference checks are used to verify a candidate's work and performance history to select the best qualified individual for the job.

While standard operating procedures exist to assist hiring managers through the requisition process, there is not a checklist for hiring managers to identify all documents that are needed in the final requisition file once an applicant has been selected. Also, HRD does not have a consistent review process to ensure the completeness of requisition files. Finally, the Department's use of various methods to document job requisition information does not allow data to be found within a single reference point, which could lead to duplicate files and data redundancy.

Inconsistent performance of job screening could create a perception that the hiring process was not competitive. Also, not performing reference checks could result in hiring candidates who have a history of employment performance issues.

### Recommendations

4. The Human Resources Division should review applicants that will be interviewed to ensure those applicants are appropriate in meeting grouping and veteran requirements **(HIGH)**.
5. The Human Resources Division should perform applicant minimum qualification screening before providing applicants to hiring managers for grouping or ranking **(HIGH)**.
6. The Human Resources Division (HRD) should develop a standardized hiring packet completion checklist for hiring managers to ensure job requisition files are complete. Also, HRD should implement a review process to check that job requisition files contain all necessary documentation **(HIGH)**.
7. The Human Resources Division should evaluate and identify an official repository ("single source of truth") to document job requisition information instead of having multiple repositories in which information is saved **(LOW)**.



### **Audit Results #3: The Department reports Key Performance Indicators (KPIs) on the hiring process; however, it should ensure reported data is accurate and consider reporting KPIs that provide insight on the wholistic hiring process.**

The Department reported KPIs on hiring processes. However, KPIs could not be fully validated and the data source contained inaccuracies.

HRD reports seven (7) Key Performance Indicators (KPIs) to Executive Management. The reported metrics include information on the hiring process, employee satisfaction, training courses performed, job classification, and FMLA eligibility and determination. In FY2023, HRD reported the two KPIs related to the hiring process as shown in Figure 7 below.

Figure 7: Key Performance Indicators Related to the Hiring Process

Key Performance Indicators (KPI)	FY2023 Q1 Reported	FY2023 Q2 Reported
Average # of business days to make job offers, measured from the point of receiving complete selection packet to releasing conditional offer.	1.68 days	0.97 days
Average # business days to post jobs from the time hiring supervisor provides complete information and job posting is approved by division.	0.2 days	0.23 days

*Note: Target metric = 0-1.9 days*

IAD was unable to validate the accuracy of reporting for FY2022 because data for the KPIs is contained in employee emails and those records are no longer available due to HRD staff turnover.

HRD uses a job requisition tracking spreadsheet to record hiring process documentation as submitted by divisional hiring managers. The source information includes email communications between the hiring manager and HRD. Upon receipt of hiring process communications and documents, HRD records the data in the tracking spreadsheet.

The FY2023 HRD Recruiting Log had job requisition completed, job posted, selection packet received, and conditional release dates that did not match to the data source (e.g., hiring manager and human resource emails and CAPPs Recruit job posting date).

- Ten (17 percent) of 60 job requisition dates from the recruiting log did not match the data source date. These inaccuracies relate to six (40 percent) of 15 job requisitions.

The State Auditor's Office Guide to Performance Measure Management states that an effective performance measurement system should provide accurate and consistent information over time.

HRD staff turnover impacted the IAD's ability to validate KPI information as the employee email transactions were unavailable for FY2022. Also, the HRD Recruiting Log is a manual log that requires HRD to manually input dates obtained from email communications between HRD and divisional hiring managers.

Unreliable information could impact the Department's ability to make accurate strategic decisions that impact the Department and its stakeholders.

The Department identified hiring process KPIs. However, KPIs do not include data that could provide valuable insight for the Department. The Department reports metrics from HRD owned processes but does not include metrics that include the overall hiring process.

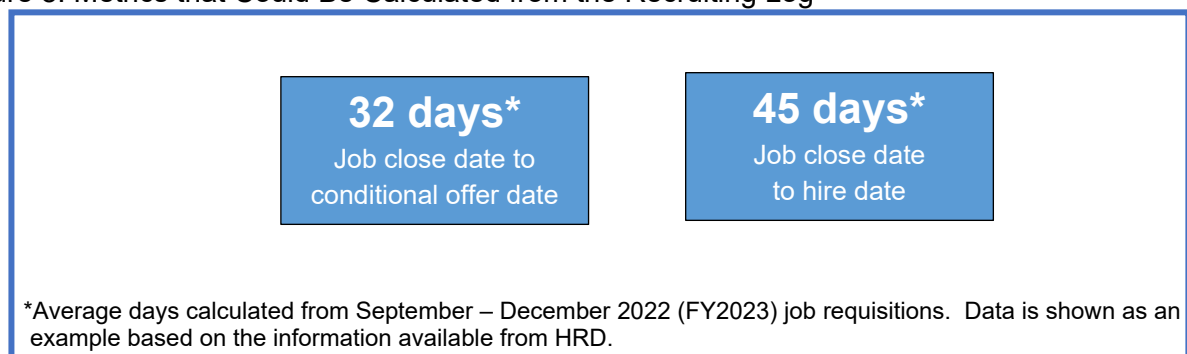
The Department's overall hiring process, as described previously, includes processes owned by division hiring managers and HRD. The reported metrics do not include information on the overall hiring process and focus on processes owned by HRD. As a result, the KPIs do not include metrics that provide insight on the efficiency of the overall hiring process.

For example, the reported "Average days to post jobs *from the time hiring supervisor provides complete information*" focus on HRD's hiring process components and do not provide insight on the entire process from identifying hiring needs through offer acceptance. HRD industry suggested reporting metrics capture include overall processes, such as:

- Average time to fill a position (e.g., job closed date to offer acceptance date or to hire date).
- Ratio of applicants to job vacancies.
- Ratio of offers to applicants.
- Ratio of acceptances to offers.

The existing HRD Recruiting Log already includes information that could provide insight on the wholistic hiring process. For example, the "number of days from job close date to conditional offer date" can be calculated. Also, the "job close date to hire date" can be calculated. These are examples of metrics that could provide more meaningful information for the Department. See Figure 8 below for data calculated from the HRD Recruiting Log. Within these metrics, there are ways to identify bottlenecks and areas for improvement, such as specific divisions taking longer in a certain process. Identifying trends from specific divisions could provide opportunities for focused training to improve the hiring process.

Figure 8: Metrics that Could Be Calculated from the Recruiting Log



Human Resources industry leadership defines Human Resource related KPIs as quantifiable or qualitative specific measures of an organization's performance in critical areas of its business. Human resource industry publications state that evaluating turnover rates can help management identify whether turnover rates can be decreased. Decreasing turnover can decrease costs by lowering training costs and cost-per-hire.

The Department defined its philosophy as customer-focused and performance driven. While stating the Department is dedicated to providing services in an efficient, effective, and progressive manner as good stewards of state resources. With feedback from customers, stakeholders and employees, the Department continuously strives to improve operations and increase customer satisfaction.

Evaluation of Human Resources KPIs could improve the reported metrics to ensure they align with the Department's operational philosophy and include metrics that assist executive management with overall decisions.

### Recommendations

8. The Human Resources Division (HRD) should ensure that information in the HRD Recruiting Log is correct so that Key Performance Indicators are presented accurately. HRD should evaluate if CAPPS Recruit can be used to generate reports so that there is less reliance on manual inputs **(HIGH)**.
9. The Human Resources Division should consider updating Key Performance Indicators (KPIs) to include information that provides insight on the entire hiring process (e.g., total time to hire, acceptance rates, etc.) **(HIGH)**.

## Appendix 1: Objectives, Scope, Methodology, and Rating Information

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### Objectives

To determine the effectiveness and efficiency of the hiring process and whether policies and procedures are followed consistently.

### Scope and Methodology

The scope of the audit included contracts from September 2021 to December 2022.

Information and documents reviewed in the audit included the following:

- Interviewed Human Resources and divisional employees.
- Selected 35 new hire employees hiring packets, including screening, interview, and selection documentation.
- Reviewed eligibility documentation to ensure required documents were completed.
- Developed a hiring process flowchart.
- Reviewed the Texas Department of Motor Vehicles Human Resources Manual.
- Reviewed Texas Government Code, Chapters: 411.0891 Department Access to Criminal History Record Information, 657 Veteran's Employment Preference, and 673 Verification of Employee Information.
- Reviewed Texas Department of Motor Vehicles FY2022 and FY2023 Key Performance Indicators (KPIs).

This audit was included in the FY2023 Second Six Month Internal Audit Plan. IAD 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. Those standards require that IAD plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. IAD believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

### Report Distribution

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, and the State Auditor's Office.

### Ratings Information

#### Maturity Assessment Rating Definition

IAD derived the maturity assessment ratings and definitions from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model, the Enterprise Risk Management (ERM) Maturity Model, and the ISACA Maturity Model. The model was adapted for assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. The ratings and definitions are provided in Table 1.

Table 1. Maturity Assessment/Process Capability Rating Definitions

Rating	Name	Definition
<b>1</b>	Minimal	The function may have policies and procedures established for some activities but relies on intuition and handles issues on an ad-hoc basis.
<b>2</b>	Informal and Reactive	The function achieves its purpose with basic processes and activities that are not very organized or followed.
<b>3</b>	Established	The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed or well communicated.
<b>4</b>	Predictable	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. The function is fully integrated within the Department, the function has full resources to achieve business objectives, and policies and procedures are regularly improved.
<b>5</b>	Optimized	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. There is continuous improvement that is pursued, and technology is heavily leveraged to automate workflow and improve quality and effectiveness of processes.

### Recommendation Rating Criteria

The IAD rates audit recommendation's priority (i.e., HIGH or LOW) to help the Department Board and executive management identify the importance of the recommendation. The criteria for Low and High Priority are documented in Table 2.

Table 2. Recommendation Priority Criteria

Priority	Criteria
<b>Low</b>	<ul style="list-style-type: none"> <li>• Requires only a written policy or procedure update</li> <li>• Is within an acceptable range of risk tolerance for the Department</li> <li>• A non-reoccurring or regulatory external audit issue</li> </ul>
<b>High</b>	<ul style="list-style-type: none"> <li>• Executive Management or Board Request</li> <li>• Not within an acceptable range of the risk tolerance of the division</li> <li>• New process had to be developed to address recommendations</li> <li>• Regulatory impact or reoccurring issue</li> </ul>

## **Appendix 2: Management Response and Action Plan**

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Human Resources Division provided the following response:

Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
1. The Human Resources Division should implement a review process to ensure that employment eligibility forms are completed in their entirety <b>(HIGH)</b> .	Human Resources Division	Human Resources has executed a new two-person verification process for accuracy and completeness. In addition, as a best practice, Human Resources has implemented a semi-annual internal review of I-9s to mitigate errors.	6/12/23
2. The Human Resources Division should implement a process to track employees whose employment eligibility is scheduled to expire <b>(HIGH)</b> .	Human Resources Division	New reports have been generated directly from E-Verify to capture future expiring eligibility documents for employees (i.e., Employment Authorization Document card). Information is being tracked, and employees will be notified sixty (60) days prior to the expiration date. Employees must submit renewed documentation by the expiration date to continue employment.	4/18/23
3. The Human Resources Division (HRD) should conduct checks on driving records for all new hires and ensure that results of those records are saved. If driving record checks will not be conducted for all new hires, HRD should work with hiring managers to determine job classifications to determine if driving is a reasonable expectation for the job, and if so, implement procedures to conduct and record driving record checks for those identified job classifications <b>(HIGH)</b> .	Human Resources Division	Human Resources continuously reviews and updates departmental processes and guidelines to ensure they accurately reflect best practices. Currently, these practices regarding driving record checks for new hires are consistent and maintained. However, many of the driving checks were not previously saved in the Human Resources T:Drive. As of May 2023, driving checks are performed on all selected applicants, both internal and external, and each driving check is saved in that folder.  Human Resources will own/manage the Department of Public Safety driving record check system and will coordinate with Finance and Operations for additional driving checks as needed.	First part is May 2023  Second piece, 3/1/24
4. The Human Resources Division should review applicants that will be interviewed to ensure those applicants are appropriate in meeting grouping and veteran requirements <b>(HIGH)</b> .	Human Resources Division	Human Resources emphasizes, in hiring managers, the importance of compliance with established department policies, procedures, guidelines, and Texas statutes.  Human Resources works closely with hiring managers to avoid applicants being excluded improperly. Once the hiring selection packet is submitted, Human Resources	11/1/23

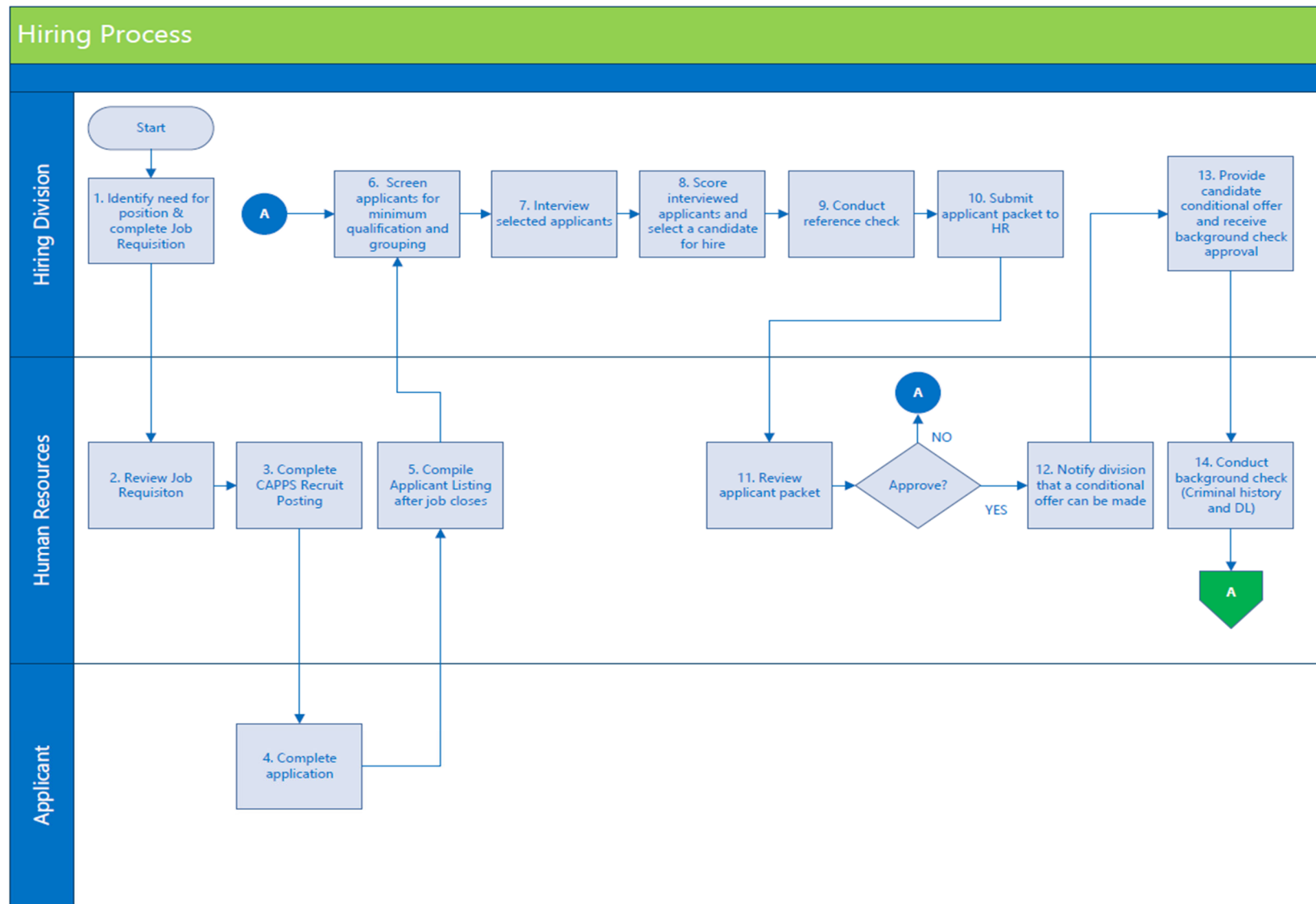
Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
		<p>works with the hiring manager to ensure applicants who should also be interviewed are included.</p> <p>Only applicants who meet the stated minimum requirements reflected in a job posting should be permitted to proceed to the next phase of the hiring process. However, in some instances applying higher selection criteria is appropriate and, in the agency's best interest, so long as Human Resources is consulted initially to ensure no disparate impact occurs. In addition, Human Resources will ensure proper documentation is reflected to substantiate why an applicant may possibly be excluded.</p> <p>Human Resources is enhancing the current screening and interviewing process and associated desk aids for managers to ensure objectivity and consistency across all divisions and to ensure that managers understand how to fairly and consistently screen and offer interviews. Additionally, training will be provided to all hiring managers.</p>	
<p>5. The Human Resources Division should perform applicant minimum qualification screening before providing applicants to hiring managers for grouping or ranking <b>(HIGH)</b>.</p>	<p>Human Resources Division</p>	<p>Currently, the screening process of applications is completed by the hiring managers. However, we will be transitioning the screening process to be conducted by our Human Resources Specialists. We will be conducting the initial screening for minimum requirements for job requisitions.</p> <p>This will have multiple benefits:</p> <ul style="list-style-type: none"> <li>• Reduce the overall time to fill a vacant position. <ul style="list-style-type: none"> <li>○ Currently, delays occur for some hiring managers to screen all applicants,</li> </ul> </li> </ul>	<p>2/1/24</p>

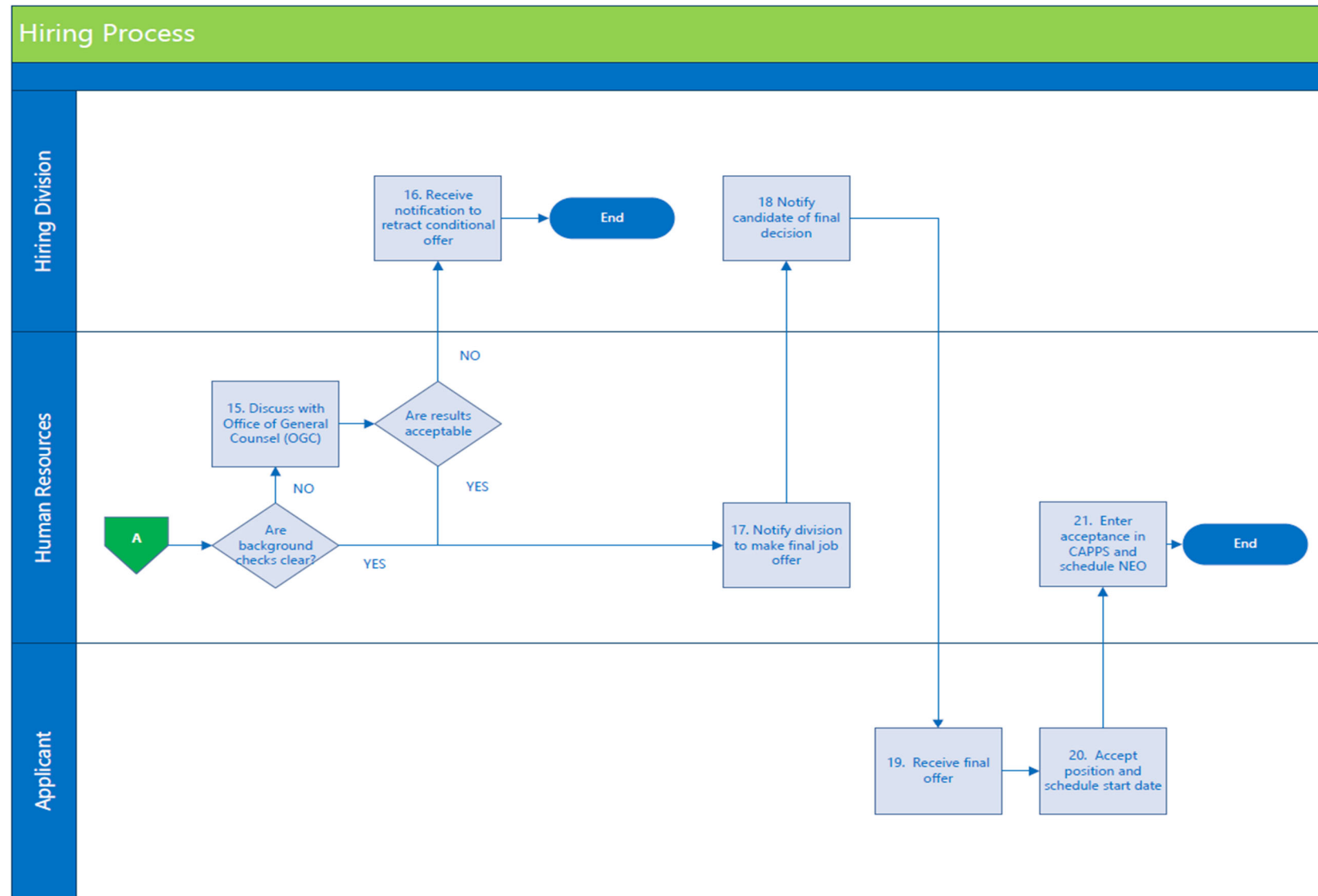


Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
		<p>interview, select, and submit the selection packet.</p> <ul style="list-style-type: none"> <li>• Inform the hiring manager of how many veterans will need to be interviewed.</li> <li>• Reduce the number of applications the manager needs to secondary screen.</li> <li>• Ensure that applicants who meet secondary screening criteria do not cause a disparate impact on the rest of the minimally qualified applicants.</li> </ul>	
6. The Human Resources Division (HRD) should develop a standardized hiring packet completion checklist for hiring managers to ensure job requisition files are complete. Also, HRD should implement a review process to check that job requisition files contain all necessary documentation ( <b>HIGH</b> ).	Human Resources Division	<p>Human Resources has created an internal Standard Operating Procedure/Checklist to ensure a comprehensive and complete process is followed and proper documentation is obtained.</p> <p>With both parties utilizing the checklist, we will eliminate the possibility of any missing files for a job requisition. The completed checklist will also be saved as part of the documentation to ensure nothing was overlooked.</p>	8/1/23
7. The Human Resources Division should evaluate and identify an official repository ("single source of truth") to document job requisition information instead of having multiple repositories in which information is saved ( <b>LOW</b> ).	Human Resources Division	Human Resources already has an official repository on the T:Drive that contains all files related to the job posting. Additionally, the checklist we created will ensure that no files are missing from the T:Drive for record purposes.	<p>Repository 10/2022</p> <p>Checklist 7/20/23</p>

Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
8. The Human Resources Division (HRD) should ensure that information in the HRD Recruiting Log is correct so that Key Performance Indicators are presented accurately. HRD should evaluate if CAPPS Recruit can be used to generate reports so that there is less reliance on manual inputs <b>(HIGH)</b> .	Human Resources Division	Upon KPI implementation, Human Resources created a manual spreadsheet to track and report recruiting metrics, resulting in human error. Human Resources is currently exploring system reporting through Oracle Business Intelligence/CAPPS Recruit that will eventually eliminate the manual process for KPI reporting.	12/1/23
9. The Human Resources Division should consider updating Key Performance Indicators (KPIs) to include information that provides insight on the entire hiring process (e.g., total time to hire, acceptance rates, etc.) <b>(HIGH)</b> .	Human Resources Division	The current hiring KPI metrics measure Human Resources' involvement with the hiring process, which is how long it takes to post a position and how long it takes to review a selection packet and release a conditional offer. Potential new KPIs could be total time to fill a position from job posting date to final offer acceptance or the length of time it takes the hiring manager to complete the secondary screening, interview, and selection process. After Human Resources takes over the initial minimum requirement screening for job postings, having a 'big picture' metric for filling vacancies will be more meaningful as Human Resources will have a direct impact on that process.	9/1/23

## Appendix 3: Flowchart of the Hiring Process







To: Texas Department of Motor Vehicles Board  
From: Salem Chuah, Internal Audit Division Director  
Agenda Item: 13  
Subject: FY 2024 Internal Audit Plan

### RECOMMENDATION

Recommendation to approve the FY 2024 Internal Audit Plan.

### PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles Board approves an internal audit plan each year in compliance with the Texas Internal Auditing Act (Texas Government Code 2102.008). The Fiscal Year (FY) 2024 Internal Audit Plan provides information on risk-based audits, advisory services, required activities, value-added services, and division initiatives. The Internal Audit Plan was developed based on risk assessment results.

### FINANCIAL IMPACT

None.

### BACKGROUND AND DISCUSSION

The Texas Internal Auditing Act (Texas Government Code 2102.008) states that the annual audit plan developed by the internal auditor must be approved by the state agency's governing board or by the administrator of a state agency if the state agency does not have a governing board.

The FY 2024 Internal Audit Plan covering the period of September 1, 2023 to August 31, 2024 provides information on risk-based audits, advisory services, required activities, value-added services, and division initiatives for approval.

### **Audits, Advisory Services, and Required Activities**

IAD identified 12 engagements to be conducted in the next fiscal year. Out of the 12 engagements, six engagements are risk-based audits, two engagements are advisory services, and four engagements are required activities. The Internal Audit Plan also includes three contingency audits and two contingency advisory services.

#### Risk-based Audits:

1. Regional Service Center
2. Investigation Processes
3. Inventory Management
4. Information Security
5. Public Information Request
6. Fleet Management

**Advisory Services:**

1. Motor Carrier Licensing Processes
2. Contract Monitoring

**Required Activities:**

1. FY 2023 Internal Audit Report
2. FY 2023 Quality Assurance and Improvement Program – Internal Assessment
3. Audit Recommendation Implementation Status
4. FY 2025 Risk Assessment and Internal Audit Plan

**Contingencies:**

1. Key Performance Metrics Audit
2. Closed Data Portal Audit
3. Network Infrastructure and Monitoring Audit
4. Information Technology Governance Advisory
5. Leave and Overtime Advisory

**Value-Added Services and Divisional Initiatives**

IAD also conducts value-added services and works on division initiatives to further enhance organizational value and improve IAD's effectiveness and efficiency. Items in these categories include investigations on fraud, waste, and abuse, external audit/review coordination, workgroup participation, and staff development.



**Texas Department  
*of* Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

## Fiscal Year 2024 Internal Audit Plan

Internal Audit Division

August 2023

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## Executive Summary

The Internal Audit Division's (IAD) Internal Audit Plan (Plan) for fiscal year (FY) 2024 covers the period of September 2023 through August 2024. This Plan includes risk-based audits, advisory services, required activities, value-added services, and division initiatives as illustrated in Figure 1 below.

Figure 1. Summary of the FY 2024 Internal Audit Plan:

	<b>Audits</b>	<ul style="list-style-type: none"> <li>• Regional Service Center</li> <li>• Investigation Processes</li> <li>• Inventory/Asset Management</li> <li>• Information Security</li> <li>• Public Information Request</li> <li>• Fleet Management</li> </ul>
	<b>Advisory Services</b>	<ul style="list-style-type: none"> <li>• Motor Carrier Licensing</li> <li>• Contract Monitoring</li> </ul>
	<b>Required Activities</b>	<ul style="list-style-type: none"> <li>• FY 2023 Internal Audit Annual Report</li> <li>• Quality Assurance and Improvement Program – Internal Assessment</li> <li>• Audit Recommendation Implementation Status</li> <li>• FY 2025 Risk Assessment and Internal Audit Plan</li> </ul>
	<b>Value-Added Services</b>	<ul style="list-style-type: none"> <li>• Investigations on Fraud, Waste, and Abuse</li> <li>• External Audit/Review Coordination</li> <li>• Workgroup Participation / Ad-hoc Advisory</li> <li>• Department Training</li> </ul>
	<b>Division Initiatives</b>	<ul style="list-style-type: none"> <li>• TeamMate+ Process Optimization</li> <li>• Staff Development and Hiring</li> </ul>

## Detailed Information

### Engagements

Tables 1 provides information on the planned risk-based audits, advisory services, and required activities for FY 2024 while Table 2 provides information on alternative engagements in place of those presented in Table 1.

Table 1. Planned Engagements

Topic	Potential Objective
Regional Service Center Audit (carryover from FY 2023)	The objective is to assess the culture at selected RSCs, determine opportunities for RSCs to better serve their customers, and determine whether RSCs process transactions uniformly.
Investigation Processes Audit	This audit could evaluate the intake process for complaints, the method for how investigations are prioritized, and the actions taken on investigation results.
Inventory/Asset Management Audit	This audit could evaluate Department processes on accounting for, safeguarding, and reporting inventory and assets throughout the State.
Information Security Audit	This audit could evaluate how the Department assesses and tracks vulnerabilities, the defenses in place to prevent malware, and the methods used to establish and maintain a security awareness program.
Public Information Request Audit	This audit could evaluate the internal controls on the Department's processes used to receive, track, and fulfill public information requests.
Fleet Management Audit	This audit could determine the effectiveness of the vehicle maintenance practices, compliance with the State Fleet Plan, and fleet monitoring.
Motor Carrier Licensing Processes Advisory	This advisory could look at the licensing/renewal process for credentialing.
Contract Monitoring Advisory	This advisory could determine how contracts are being managed.
FY 2023 Internal Audit Annual Report	A report produced in FY 2024 that summarizes IAD's activities conducted in FY 2023. This report will be submitted to the State Auditor's Office.

Topic	Potential Objective
Quality Assurance and Improvement Program - Internal Assessment	A report produced in FY 2024. This is an internal assessment to determine IAD's compliance with audit standards and performance.
Audit Recommendation Implementation Status	An engagement to verify if outstanding audit recommendations have been fully implemented.
FY 2025 Risk Assessment and Internal Audit Plan	An enterprise-wide risk assessment to identify risk areas for the upcoming year. The Internal Audit Plan will be submitted to the State Auditor's Office.

Table 2: Alternative Engagements

Topic	Potential Objective
Key Performance Metrics Audit	This audit could determine the accuracy of the reported performance metrics and the adequacy of related controls over the collection and reporting of selected performance metrics.
Closed Data Portal Audit	This audit could evaluate the controls in place prior to granting access to the Closed Data Portal and for ensuring appropriate use.
Network Infrastructure and Monitoring Audit	This audit could evaluate how the Department establishes, implements, and actively manages network devices as well as the processes in monitoring the network
Leave and Overtime Advisory	This advisory could provide analysis on leave balances (e.g., vacation/comp time) in various divisions and approval processes.
Information Technology Governance Advisory	This advisory could assess the effectiveness of the governance structure in providing oversight over key information technology projects.

## Value-Added Services and Division Initiatives

### Value-Added Services

- **Investigations on Fraud, Waste, and Abuse:** Detecting, tracking, and reviewing any internal fraud, waste, and abuse allegations, complaints from external parties, and those from the State Auditor's Office. IAD investigates internal fraud, waste, and abuse allegations.
- **External Audit/Review Coordination:** Coordinating external audits or reviews by providing audit status updates and facilitating management responses to recommendations.

- **Workgroup Participation / Ad-hoc Advisory:** Participating in TxDMV workgroups, such as the Executive Steering Committee and the Governance Team, to help identify unforeseen risks in enterprise projects or activities. IAD also sets aside hours to address any short-term assessment or information requests by TxDMV staff.
- **Department Training:** Providing training to help TxDMV staff understand the role of IAD and staff's responsibilities in recommendation implementation and prevention of fraud, waste, and abuse.

#### Division Initiatives

- **TeamMate+ Process Optimization:** Enhancing the software's functionality by continuing to update the risks stored within the software, creating and automating reports, and staying current on best practices for optimized software functionality.
- **Staff Development & Hiring:** Taking the minimum required hours of training each year (40 hours) in accordance with auditing standards. This includes creating development plans to obtain required knowledge, skills, and abilities for audit and advisory services. Hiring internal audit staff to fill IAD vacancies and providing training to integrate new hires into the office.

## Scope and Methodology

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### Scope

The Internal Audit Plan covers engagements and activities for the period of September 1, 2023 to August 31, 2024 (fiscal year 2024).

### Risk Assessment

#### Risk Methodology

The audit plan was developed using a risk-based methodology, which incorporated input from TxDMV Board members, Executive management, Division management, and risks identified by audit staff through previous engagements and observations. IAD also analyzed TxDMV information, reviewed internal audit and industry publications, and considered audit topics by the State Auditor's Office and other State agencies to identify and rank audit topics. In addition, IAD collected information on the potential controls that were in place to mitigate the identified risks.

Each risk was reviewed using approved Department risk guidance that included the following factors:

- Operational effectiveness and efficiency impact;
- Reputational impact;
- Financial impact;
- Legal or regulatory impact;
- Degree of change in the program, function, or process;
- Degree of complexity; and
- Control design strength.

The risk scores ranged from zero, which is the lowest risk score, to five, which is the highest risk score. Table 3 provides information on the risk scores and definitions for each category.

Table 3. Risk Scores

Risk Category	Score	Definition
High	> 3.99	The risk may substantially hinder the Department, division, and/or function in achieving its objectives or goals.
Medium-High	3.00 – 3.99	The risk may significantly hinder the Department, division, and/or function in achieving its objectives or goals.

Risk Category	Score	Definition
Medium	2.00 – 2.99	The risk should be monitored on a regular basis to ensure it does not become an issue; however, it is not currently hindering the Department, division, or function from achieving its objectives or goals.
Low	< 2.00	The risk is mostly mitigated and may not hinder the Department, division, or function from achieving its objectives or goals.

**Board Meeting Date: 8/17/2023**  
**BRIEFING ITEM**

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**To:** Texas Department of Motor Vehicles Board  
**From:** Keith Yawn, Government & Strategic Communications Division Director  
**Agenda Item:** 14  
**Subject:** Legislative Activity Update

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**RECOMMENDATION**

Briefing Only.

**PURPOSE AND EXECUTIVE SUMMARY**

Government and Strategic Communications Division (GSC) staff will provide an overview of legislative activity related to department operations.

**FINANCIAL IMPACT**

No impact.

**BACKGROUND AND DISCUSSION**

The 88<sup>th</sup> Texas Legislature convened in regular session on January 10, 2023, and adjourned on May 29, 2023. Out of more than 8,000 pieces of legislation considered by the House and Senate chambers, the legislature passed 70 bills that would impact department operations. More than half defined policies related to core motor vehicle programs and the remainder revised administrative, financial, or legal policies applied to state agencies generally. Two bills impacting department operations were vetoed by the Governor.

Department staff are undertaking a number of implementation activities for bills with immediate or short-term effective dates – such as September 1, 2023 – as well as planning for implementation of bills that will take effect later in the biennium.

## **Board Policy Documents**

Governance Process (10/13/11)

Strategic Planning (10/13/11)

Board Vision (4/7/16)

Agency Boundaries (9/13/12)



## **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.