

# Motor Vehicle Crime Prevention Authority

**Board Meeting** 

Austin, Texas

Held via teleconference

February 25, 2021



4000 Jackson Avenue Austin Texas, 78731 www.txwatchyourcar.com



#### **AGENDA**

# Motor Vehicle CRIME PREVENTION AUTHORITY MEETING OPEN MEETING VIA

TELEPHONE CONFERENCE CALL\*

PURSUANT TO GOVERNOR'S MARCH 16, 2020, TEMPORARY SUSPENSION OF

CERTAIN OPEN MEETING PROVISIONS\*\*

THURSDAY, FEBRUARY 25, 2021

9:00 A.M.

#### THIS MEETING WILL BE HELD REMOTELY VIA TELEPHONE CONFERENCE CALL\*

For Attendees to access the meeting via Webex: https://txdmv.webex.com/txdmv/onstage/g.php?MTID=e4e4d7be22913644a2ffe5ee42a147d9a

Teleconference Instructions:

Phone number for accessing the meeting via phone:

United States Toll Free: 1-844-740-1264 Meeting number/Access code: 177 005 2444

Event password: 022521

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

Link to February 25, 2021, MVCPA Board Meeting Documents (under Calendar tab): https://www.txdmv.gov/about-us/MVCPA

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

\*\*Action by Governor Greg Abbott pursuant to Texas Government Code Section 418.016 <a href="https://gov.texas.gov/news/post/governor-abbott-allows-virtual-and-telephonic-open-meetings-to-maintain-government-transparency">https://gov.texas.gov/news/post/governor-abbott-allows-virtual-and-telephonic-open-meetings-to-maintain-government-transparency</a>

All agenda items are subject to possible discussion, questions, consideration, and action by the Motor Vehicle Crime Prevention Authority. Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Authority. The Authority reserves the right to discuss any items in executive session where authorized by the Texas Open Meetings Act.

#### 1. CALL TO ORDER

- A. Roll Call and Establishment of Quorum
- B. Pledges
- C. Approval of Transcripts as Minutes
  - Transcript from July 9, 2020
- D. Comments from Chairman and Board Members
- E. Commendations and Congratulations

**BRIEFING AND ACTION ITEMS** - Bryan Wilson (including Committee Chairs and designated staff)

- 2. Discuss and consider insurance refund request for Park Wood Risk Retention Group
- 3. Review FY2021 budget and consider for approval
  - A. Unexpended Balance carryforward from FY2020 into FY2021
  - B. Allocate Funds for Rapid Response Strikeforce Grants
  - C. Establish Priorities for Issuance (i.e. Overtime, Border/port, Fraud related Motor Vehicle crime, Interdiction equipment/resources, etc.)
- 4. Discuss and consider issuance of FY2021 Rapid Response Strikeforce Grant Process and Forms
- 5. Discuss and consider authority for the MVCPA Director to finalize and issue the FY2022-2023 Taskforce Grant Request for Applications after discussion of the following items:
  - A. Application and Timing of new Texas Grant Management Standards Issued by Comptroller effective January 2022
  - B. Report on Grantee and Stakeholder Survey Results
  - C. Scoring and Distribution Standards
  - D. Applicant Eligibilty Standards
  - E. Priority Funding
  - F. Match Ratios and Amounts
  - G. Grant Types
    - i. Taskforce Grants
  - H. Discuss other grant types for future consideration if funds become available:
    - i. Motor Vehicle Crime Auxiliary Grants
    - ii. Community Oriented Solutions (COS) Grants
    - iii. Motor Vehicle Fraud Related Crime Grants
    - iv. Prosecution Grants
    - v. Technology Grants
- 6. Discuss, and Consider Adoption of the Legislative Appropriations Request and Exceptional Items Requested from the 87th Legislature
- 7. Discuss and Consider Adoption of the Legislative Recommendations
  Adopted by the Texas Department of Motor Vehicles Board and Submitted to 87th
  Legislature by TxDMV for the 87th Insurance Collections Improvement and Texas
  Department of Transportation Reporting

MVCPA DIRECTOR'S REPORTS - Bryan Wilson (including designated staff)

- 8. Reports on MVCPA-related activities identified by the Director as noteworthy, which may include reports on:
  - A. Budget
  - B. Grant Activities and Analysis
  - C. Grant Adjustments
  - D. Public Education and Public Awareness Program and Activities
  - E. MVCPA Law Enforcement Training
  - F. Assessment Collection Activities

- G. Agency Operations and COVID Impact
- H. Activity and Funds Report

#### 9. Public Comment

#### 10. EXECUTIVE SESSION

The Authority may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:

- A. 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.
- B. Section 551.074 Personnel Matters.
  - Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline and dismissal of personnel.
- **C. Section 551.076** Deliberation Regarding Security Devices or Security Audits; Closed Meeting.
  - the deployment, or specific occasions for implementation, of security personnel or devices; or
  - a security audit.
- **D. Section 551.089** Security Devices or Security Audits:
  - the deployment, or specific occasions for implementation, of security personnel or devices; or
  - a security audit.

#### 11. Action Items from Executive Session

#### 12. Adjournment

The Authority will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Authority. 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, Authority members may respond in accordance with Government Code, Section 551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you want to comment on any agenda item (including an open comment under Item #9), you must send an email to <code>AskMVCPA@txdmv.gov</code> or call (512) 465-1485 with one of the following prior to the agenda item being taken up by the Authority:

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

You must wait for the chairman to call on you before you verbally make your comment via the link or the toll-free number listed above. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker.

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

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact the Motor Vehicle Crime Prevention Authority by telephone at (512) 465-1485.

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

CERTIFYING OFFICIAL: David Richards, General Counsel, (512) 465-1423.



# Board Agenda Item Section 1. Call to Order

#### Part A. Roll Call

#### **NOTES:**

Lt. Tommy Hansen, Board Chairman
Law Enforcement Representative – Hitchcock, TX
Ms. Ashley Hunter – Board Member
Insurance Representative – Austin, TX
Mr. Armin Mizani – Board Member
Consumer Representative –Keller, TX
Deputy Chief Mike Rodriguez – Board Member
Law Enforcement Representative – Laredo, TX
Mr. Shay Gause – Board Member
Insurance Representative – Helotes, TX
Major Sharon Jones – Designee, Ex Officio Member
Law Enforcement Representative – Texas Department of Public Safety
Ms. Kit Whitehill – Board Member
Consumer Representative – Coppell, TX

#### **Motor Vehicle Crime Prevention Authority**

February 25, 2021

#### **Pledges**



"I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."



#### Board Agenda Item Section 1. Call to Order

#### Part C. Approval of Transcript as Minutes

MVCPA staff emailed the July 9, 2020 Board Meeting Transcript to all MVPCA Board Members on February 22, 2021 for review.

**Staff recommendation:** Approve the transcripts.

#### **Motor Vehicle Crime Prevention Authority**

February 25, 2021

#### **Commendations and Congratulations**

#### Sergeant Richard A. Hale retires from Travis County Sheriff's Office

In January 2021, Sheriffs' Combined Auto Theft Task Force Commander, Richard Hale retired from Travis County Sheriff's office after 33 years of service in law enforcement.

#### Joe Ray Joines retires from Sheriff's Combined Auto Theft Task Force

In 2003, Joe Ray began his career in law enforcement with the Wharton County Sheriff's Office. He worked his way through many different duty assignments before his move to the Sheriff's Combined Auto Theft Task Force in 2011. This assignment turned into the most rewarding 17 years of experience in law enforcement. He considers Auto theft to have been the most valuable and well spent time for him in law enforcement.

#### Melissa Castro promoted in Corpus Christi

Melissa Castro, Public Awareness coordinator for the Corpus Christi PD Taskforce promoted to a new position. She often coordinated Spanish language material with MVCPA.



#### **Board Agenda Item**

# **Section 2.** Discuss and consider insurance refund request for Park Wood Risk Retention Group

#### 1) Park Wood Risk Retention Group

The original request for refund was received on August 17, 2020 for \$212. The request indicated;

The above referenced company reported incorrect vehicle count on the semi annual second installment for the 2020 reporting year. The reporting agency included all vehicles including previous year. The correct amount should have been 16 vehicles instead of 69 and the amount remitted should be \$64 instead of \$276. I have attached an amended form 25-106.

On August 20<sup>h</sup> MVCPA requested verifications for Authority of Risk services LLC to represent Park Wood RRG in matters before the State of Texas from Park Wood RRG and the Texas Department of Insurance. On August 20<sup>th</sup> the confirmation was received. MVCPA further reviewed the prior payment history and found that the amount paid is consistent with an overpayment.

The MVCPA Staff recommends that the refund request be approved in the amount of \$212.

#### Texas Motor Vehicle Crime Prevention Authority Application for Refund Claim of Semiannual Fee

Company Name:	Park Wood Risk Retention	n Group, Ir	nc. Date: 2/2/2021
Address: 1605 N	n Street, Suite 800, Sarasota, FL 34236		
	payer Number: 3-20713-37 305 Main Street, Suite 800	The state of the s	TDI No: 13765926
City: Sarasota	State:		Zip: 34236
	Person: Gemma Tuanqui uanqui@pboa.com		one Number: 941-373-1144
Refund Report Ye			
Please Circle One: Refund Requested		yment	2nd Semi-Annual Payment

As provided in Title 43 Texas Administrative Code, §57.51, the authority will consider all information provided to determine if a refund request is valid, and may require that additional information is provided before a final determination can be made.

Complete the information requested below and forward to the MVCPA along with supporting documentation and proof of overpayment.

Policy Term	Motor Vehicle Years Originally Reported	Less: Ammended Motor Vehicle Years	Motor Vehicle Years Over reported	Assessment Rate per Motor Vehicle Year (circle one)	Refund Amount Requested
1 Year	69	16	53	\$4.00	212.00
6 Months				\$4.00	16.0
30 Day		***		\$4.00	
	Totals		53		212.00

#### Along with this form, you must include the following:

- 1. An explanation of the reason(s) for the refund. If a request is due to duplicate payments from multiple entities for the same policies then proof of the duplicate payments must be provided along with this request for refund.
- 2. A copy of the original report.
- 3. Documentation of original payment.
- 4. A signed copy of the amended return; do not file with Comptroller's office.

By submitting this application for refund, I certify that I have been designated by my corporation as the authorized official to apply for refunds of the MVCPA fee. The statements herein are true, complete, and accurate to the best of my knowledge. I am aware that under the Texas Penal Code § 37.10 any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties.

to criminal, civil, or administrative penalties.	
V*V*	
Authorized Signature and Title:	Date: 2/2/2021

#### Park Wood Risk Retention Group, Inc.

445 Dexter Avenue, Suite 9075 Montgomery, AL 36104

Motor Vehicle Crime Prevention Authority c/o Texas Department of Motor Vehicles 4000 Jackson Avenue Austin, TX 78731-6007

August 12, 2020

Re: Park Wood Risk Retention Group, Inc.

NAIC Co. Code: 16488; FEIN: 83-2796853 Texas Taxpayer Number: 3-20713-3782-1

Insurance Motor Vehicle Crime Prevention Authority Semiannual Fee Report – January through June 2020

Dear Sir/Madame,

The above referenced company reported incorrect vehicle count on the semi annual second installment for the 2020 reporting year. The reporting agency included all vehicles including previous year. The correct amount should have been 16 vehicles instead of 69 and the amount remitted should be \$64 instead of \$276. I have attached an amended form 25-106.

The company is requesting a refund of \$212. The check can be made payable to the following:

Park Wood Risk Retention Group, Inc.

Attn: Gemma Tuanqui Risk Services, LLC 1605 Main Street, Suite 800 Sarasota, FL 34236

If you have any questions or require further information please feel free to contact me at 941-373-1144 or via email gtuanqui@pboa.com

Sincerely,

Gemma Tuanqui

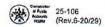
Account Manager Risk Services, LLC

ant tuaryn

As Managers for

Park Wood Risk Retention Group, Inc.

AUG 1 7 2020
MVCPA







#### Insurance Motor Vehicle Crime Prevention Authority Semiannual Fee Report - January through June

(Licensed Companies and Miscellaneous Organizations)  a. T Code = 76100	-gii odile	A report must	be filed even if no fee is due.
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Park Wood Risk Retention Group, Inc. c/o Risk Services 1605 Main Street, Suite 800  *AMENDED RE  NOTE: Insurers may recoup this fee from policyholders at Who Must File All licensed property and casualty insurance companie groups, interinsurance or reciprocal exchanges, muti	EFUND* s authorized by 28 TAC, Sec	0-252-1387. Det ww.comptroller.te h. IMPORTAI Blacken this address has beside the pr	
Casualty Companies or Lloyd's plans that are licensed vehicle insurance in this state as defined in Article 5.01( the first six months of the year are required to compute a For Specific Information for Questions Regarding the All requests for information, other than form completion, sthe Motor Vehicle Crime Prevention Authority (MVCPA) at AskMVCPA@txdmv.gov or call 512-465-1485.	to write any form of motor e), Insurance Code, during nd pay the fee.	Electronic repo available 24 ho Have this form	Tax Filing  Intring and payment options are ours a day, 7 days a week, available when you log on.  Iller.texas.gov/taxes/file-pay/
(Instructions continued on back.)			
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3. TOTAL AMOUNT DUE AND PAYABLE (Multiply Item	m 1 by Item 2)		3. <u>64</u>
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Insurance Motor Vehicle Crime Prevention A Semiannual Fee Report - January through Ju	uthority ine	2 5 1 0	6 a 1 w a 6 2 t 2 9 *
4. TOTAL AMOUNT DUE AND PAYABLE (See Item 3.)		4	64.00
Taxpayer name Park Wood Risk Retention Group, Inc.	k.		I.
■ T Code ■ Taxpayer number ■ Period	I declare the information in this do	Nument and all the	
76020 3-20713-3782-1 Period Ending 06-30-20	I declare the information in this do to the best of my knowledge and sign Authorized agent	pelief.	acomments is true and correct
Make the amount in Item 4 payable to STATE COMPTROLLER  Mail to COMPTROLLER OF PUBLIC ACCOUNTS P.O. Box 149356 Austin, TX 78714-9356	Preparer's name (Type or print.) Martha Craven  Daytime phone		A Date Color
Ou have certain rights under Chapters 552 and 559. Government Coo	(Area code & number) 941) 373	-1179	Date 8-12-2020

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone number listed on this form.

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-State Comptroller

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#### **Board Agenda Item**

Section 3. Review and consider for approval FY2021 budget
A. Unexpended Balance from FY2020 into FY2021
B. Allocate Funds for Rapid Response Strikeforce Grants

The following Incorporated in **Agenda Item 4 C.** Establish Priorities for Issuance (Overtime, Border/port, Fraud related MV crime, Interdiction equipment/sources, etc...)

### **Motor Vehicle Crime Prevention Authority** February 25, 2021

#### **Motor Vehicle Crime Prevention Authority AY 2020 Budget** as of 1/31/2021 **Projected Obligations** % Available **MVCPA Budget** Available **Adjusted Budget Expenditures** Category and **Budget Budget Encumbrances** \$11,500,466 \$11,321,993 \$178,473 Grants 1.6% \$0 Advertising and Promotion \$25,800 \$25,790 \$0 \$10 0.0% All Other Operating \$47,106 \$28,357 \$126 \$18,623 39.5% (\$7.004)Consumable Supplies \$19.457 \$25.966 \$495 0.0%

\$38.658

\$367,260

\$11,814,291

\$6,267

\$2.264

\$2.885

\$0

\$0

\$8,478

\$2,685

\$2,533

\$203,798

17.2%

0.7%

28.8%

1.7%

\$49,400

\$369,945

\$8,800

Professional Fees &

Salaries and Personnel

**Grand Total** 

Services

Costs

Travel

#### **Unexpended Balance Carried Forward and available in FY21 = \$203,798**

Agenda Item 3) B. - Staff Recommends that MVCPA allocate \$203,798 in FY21 budget toward grants category for use in the MVCPA Rapid Response Strikeforce Grant Program.

<sup>\$12,020,974\*</sup> \*Amount Reduced from the FY20 MVCPA Budget not available in FY21 = -\$814,876



#### **Board Agenda Item**

**Section 4.** Discuss and Consider Issuance of FY2021 Rapid Response Strikeforce Grant Process and Forms

**Staff Recommendation:** Adopt the updated Rapid Response Grant Process and make the program effective immediately.

# Motor Vehicle Crime Prevention Authority Rapid Response Strikeforce Grants Process for Strikeforce Approval and Funding

Updated February 25, 2021

The Motor Vehicle Crime Prevention Authority (MVCPA) awards state grant funds to local law enforcement agencies to support specialized investigative units that are dedicated to combating motor vehicle crime. These units, referred to as taskforces, are staffed by investigators from sheriff and police agencies. The MVCPA funds local jurisdictions to hire staff, purchase equipment, and provide operating expenses. Funded agencies and agencies participating in taskforces are presented with immediate needs that are driven by outbreaks of criminal activity outside of their control. MVCPA is adopting a Rapid Response Strikeforce (RRS) Grant Model to meet these temporary and high demand needs.

The grants that are awarded via the RRS will be routed primarily to existing MVCPA grant recipients through the Texas Department of Motor Vehicles processes. RRS grants are intended to deliver a short-term infusion of resources to respond to the acute needs of communities that are not covered by existing grant programs.

Two types of agencies that may qualify for the Strikeforce funding under this model in order of priority:

- 1) Law enforcement agencies funded by MVCPA in the current year; and
- 2) Law enforcement agencies that are in the coverage area of grant funded taskforces but do not have staff funded in the program.

The awards that are executed and the after action plans will be reviewed during the Authority committee meeting and Authority meetings.

The amounts and activities funded in the RSS will be small compared to existing MVCPA taskforce grant awards. Most are expected to range from \$2,500 to \$15,000. The actual number of Rapid Response Strikeforce awards each year is based on local program need and availability of funds.

RRS funded programs are encouraged to collaborate with the Texas Department of Public Safety (DPS) whenever and wherever possible. MVCPA staff as TxDMV employees are subject to open records and may not enjoy the same criminal justice and law enforcement exceptions to open records law for ongoing investigations and operations. If MVCPA taskforces have a need to organize with DPS, a Rapid Response Strikeforce for border security (bridge or port operations), or to perform a complicated organized criminal network investigation, then they should organize the Operation Plan with DPS and submit a request for funding to MVCPA. MVCPA will maintain a general description of the funding request such as overtime hours, equipment needed, and travel. The general description may include proposed expectations of results such as number of arrests, or number of vehicles recovered. If funded, the original Operation Plan will remain with DPS. If the after-action report needs to remain Law Enforcement Confidential then a funding request page and activity summary are submitted to MVCPA for processing. Statutory performance measures associated with MVCPA must be reported on all funded programs.

The Rapid Repsonse Strikeforce Grants will help encourage all law enforcement agencies across the state to collaborate with taskforces and DPS to combat motor vehicle crime in new ways. The primary intent is to help current grant programs use state resources to assist law enforcement agencies not covered by grants. Coverage agencies unable to fully participate in a taskforce will be able to respond to local episodic spikes in motor vehicle

crime. The funds may be used to pay for overtime, equipment, or other costs needed to respond to the events. All expenses must follow reasonable and necessary requirements. Agencies that are awarded a RRS grant will document cash match requirements by tracking resources that they contribute to the operation and any additional local funds used in the implementation of the strikeforce.

The MVCPA current grant funded agencies may be provided resources or funding from MVCPA to increase their level of response. The plan is for this collaboration to elevate the level of skill and expertise for all agencies who participate. For instance, agencies may send investigators to help border and port jurisdictions to learn the unique issues surrounding illegal export of vehicles from Texas.

	MVCPA Rapid Response Strikeforce Funding Table			
	Priority 1	Priority 2	Priority 3	
	Augmented Response to MVCPA Taskforces	Border/Port Security	Fraud-relelated Motor Vehicle Crime	
Grant Type	Reimbursement	Reimbursement	Reimbursement	
Eligibility	MVCPA Law Enforment Grantees, Subgrantees and MVCPA Grant Coverage Law Enforcement agencies	MVCPA Law Enforment Grantees and Subgrantees	MVCPA Law Enforment Grantees and Subgrantees	
Allowable Expenses	<ul> <li>Law Enforcement         Overtime</li> <li>Interdiction and         Detection Equipment</li> </ul>	<ul> <li>Law Enforcement         Overtime</li> <li>Interdiction and         Detection Equipment</li> <li>Travel costs</li> </ul>	Law Enforcement     Overtime	
Match	20% of grant amount cash	20% of grant amount cash	20% of grant amount cash	
Requirement	or in-kind	or in-kind	or in-kind	
General Description	Law enfocement response to address criminal activity or recover stolen vehicles to augment coverage areas with MVCPA taskforces.	Law enfocement response to address criminal activity or recover stolen vehicles along US border with Mexico and at sea ports.  Targets conspiracy / organized crime activity.	Targets conspiracy / organized crime activity using title fraud, registration fraud or other fraud related crime. TxDMV and/or DPS involvement preferred.	
Basic - less than \$5,000	MVCPA Director Approval	MVCPA Director Approval	MVCPA Director Approval	
\$5,000 to less than \$25,000	MVCPA Director Recommendation and Board Grants Committee Approval	MVCPA Director Recommendation and Board Grants Committee Approval	MVCPA Director Recommendation and Board Grants Committee Approval	
\$25,000 or more	MVCPA Board Grants Committee Recommendation and MVCPA Board Authorization	MVCPA Board Grants Committee Recommendation and MVCPA Board Authorization	MVCPA Board Grants Committee Recommendation and MVCPA Board Authorization	
Final Report	<ul> <li>Request for         Reimbursement Form and         After Action Report</li> <li>Description of Strikeforce         Actions</li> <li># Arrests</li> <li># Vehicles Recovered</li> <li># Cases Cleared</li> <li>Other related outcomes</li> <li>Invoices for equipment if         applicable</li> </ul>	<ul> <li>Request for Reimbursement Form and After Action Report</li> <li>Description of Strikeforce Actions</li> <li># Arrests</li> <li># Vehicles Recovered</li> <li># Cases Cleared</li> <li>Other related outcomes</li> <li>Invoices for equipment if applicable</li> </ul>	<ul> <li>Request for Reimbursement and After Action Report</li> <li>Description of Strikeforce Actions</li> <li># Arrests</li> <li># Vehicles Recovered</li> <li># Cases Cleared</li> <li>Other related outcomes</li> </ul>	

#### **Rapid Response Strikeforce Application Process**

- 1) Applicants will complete:
  - a. Rapid Response Strike Force Grant Application Complete application form. This form is to request authorization to conduct an strikeforce operation to combat motor vehicle burglary or theft and receive reimbursement after completion of the proposed operation. The application must include a description of the strikeforce activity, requested items/ amounts for reimbursement and a decription of local match contributions to the strikeforce operation. The local contribution match component must be 20% of the total reimburseable amount.
  - b. Law Enforcement Operation Plan The request must be consistent with applicant and participating agency(ies) law enforcement operation plan activities. It must be approved through and consistent with local law enforcement agency policies. A local form may be used with permission of the MVCPA director.
- 2) Once approved the MVCPA will only reimburse expenses incurred as a result of the approved grant expenses approved in the application and for activities described in the law enforcement operation plan.
- 3) If the proposed activity is **Law Enforcement Confidential** the applicant must provide the Grant Application and indicate on the Application at least one of the following:
  - a. A command approved law enforcement operation plan is on file with the requesting department; OR
  - b. The Texas Department of Public Safety is participating in the operation and an operation plan has been approved by appropriate authorities in that department
- 4) Submit the full application to <u>GrantsMVCPA@txdmv.gov</u>. NOTE: If local police or sheriff department determines the operation to be Law Enforcement Confidential only submit the Rapid Response Application.
- 5) The MVCPA staff will acknowledge receipt promptly.
- 6) MVCPA will make a determination or provide written notice within 5 business days that additional information is needed. If additional action by the Authority or a Committee the grantee will be notified within 5 business days.
- 7) The grantee may incur obligations or expenses only during the time stated on the grant approval. Obligations or expenses outside the period stated on grant approval will not be reimbursed.
- 8) A Grant Award Statement will be sent to the authorized official with copies to the program director and financial officer. The grantee may begin the authorized activity.
- 9) A requisition will be created by TxDMV staff in the state accounting system. After appropriate approvals a purchase order will be generated internally to TxDMV support reimbursement of the grantee.
- 10) Once the grant activity has completed or the grant period has expired or both the grantee will submit an after action report with the request for reimbursement.
- 11) The Director or designee will review the material. The Director will request additional information or supporting documentation if needed. Once approved the Director will notify TxDMV accounts payable for reimbursement.

#### **Motor Vehicle Crime Prevention Authority**

Rapid Response Strikeforce Grants

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#### **Motor Vehicle Crime Prevention Authority**

#### **Rapid Response Strikeforce Grants**

A confidential law enforcement operation plan is on file with the Texas DPS:

<b>Operation Elements</b>	(Complete all	that apply):
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	Estimate	Actual
Arrest Warrant		
Search Warrant		
Bait Car		
LPR Operation		
Surveillance		
Business Inspection		
ChopShop		
Device Install		
Community Event		
Other		
Expectations of strikeforce:		
# of vehicles recovered		
# of cases cleared (MV theft)		
# of arrests (MV theft)		
# of cases cleared (MV burglary)		
# of arrests (MV burglary)		
# of cases cleared (fraud-related MV crime)		
# of arrests (fraud-related MV crime)		
N/autoudiah	onalias	1
Mark which		1
This grant request <b>is</b> continued under the Resolution previously provided to the MVCPA	1	
This grant request is not continued under the		
Resolution previously provided to the MVCPA		
. , .		_
Requestor certifies that: 1) they have authority to re MVCPA; 2) that all funds will be used for the purpose and Title 43 Chapter 57 Texas Administrative Code; 3 and follow the standard assurances under the Unifor local law enforcement policies and procedures will b Response Strikeforce.		
Signature of Requestor	Date	
Signature of Requestor	Date	
Signature of Texas Department of Public Safety	Date	]



#### **Board Agenda Item**

**Section 5.** Discuss and Consider Authority for the MVCPA Director to Finalize and Issue the FY2022-2023 Grant Request for Applications

**A.** Application and Timing of Texas Grant Management Standards Issued by Comptroller

**Staff Recommendation**: Adopt the TxGMS as the standard for managing FY22-23 grants.

B. Report on grantee and stakeholder survey results – Report Only



# TEXAS GRANT MANAGEMENT STANDARDS

STATEWIDE PROCUREMENT DIVISION



#### INTRODUCTION

The Comptroller of Public Accounts Statewide Procurement Division (SPD) publishes the Texas Grant Management Standards (TxGMS), developed under the authority of Chapter 783 of the Texas Government Code, to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and Federal agencies.<sup>1</sup>

TxGMS, as required by Chapter 783 of the Texas Government Code, includes (1) uniform and concise language for any assurances that a local government is required to make to a state agency and (2) a compilation of standard financial management conditions comprise generally applicable policies and procedures for the accounting, reporting, and management of funds that state agencies require local governments to follow in the administration of grants and contracts.<sup>2</sup> The term "assurance" refers to a statement of compliance with federal or state law that is required of a local government as a condition for the receipt of grant or contract funds.<sup>3</sup>

TxGMS apply only to transactions subject to Chapter 783 of the Texas Government Code. Accordingly, TxGMS is not an exhaustive compilation of every statute, rule, and policy that may pertain to a particular grant. Although TxGMS provides Uniform Assurances and Standard Financial Management Conditions, TxGMS does not provide step-by-step guidance to agencies for general grant management.

The term "grant program manager" as used in TxGMS refers to any state agency personnel who are involved in the administration of grant programs. Grant program managers are expected to have a practical understanding of the fundamental aspects of grant management and be familiar with the associated terminology. Certain key concepts and policies for grants and contracts, therefore, are provided only for the limited purpose of facilitating the use of TxGMS. Legal citations are included throughout TxGMS to provide assistance to the reader. Also, a list of acronyms and abbreviations, a glossary of terms, and additional resources are provided in Appendix 1, Appendix 2, and Appendix 3, respectively.

TxGMS is not legal advice. Agencies are expected to be knowledgeable about legal requirements within their enabling statutes and any state or federal law associated with their operations. Grant program managers are advised to seek assistance from their agency legal counsel to ensure compliance with applicable state and federal law as well as the best practices implemented by their agency.

TxGMS applies to grants and contracts that begin on or after January 1, 2022. If a state awarding agency adds funds to a grant that existed before March 1, 2021, TxGMS will apply to it from that point forward, unless the state awarding agency specifically indicates that TxGMS will not apply. TxGMS may also be applied to grants and contracts by agreement between the parties.

TxGMS supersedes the *State of Texas Uniform Grant Management Standards* (UGMS) issued by the former Texas Procurement and Support Services (TPASS) division of the Comptroller. SPD is the successor to TPASS. Consequently, any reference to TPASS in forms, templates, or other publications held by a state agency is now a reference to SPD. All published materials and informal guidance issued by TPASS are no longer current, and state agencies are directed to update and, as applicable, replace the outdated materials with the current SPD documents.

In January 2021, TxGMS was first published as Version 1.0. When modifications are made to these standards, the Version History will be revised to include a summary of the revisions. A current version of TxGMS is maintained by SPD and is available on the Comptroller's website.<sup>4</sup>

SPD will periodically review and update this publication. SPD may post a notification on the Comptroller's Office website of any occurrence (e.g., change in law) that affects these standards prior to the formal update to TxGMS. Inquiries regarding TxGMS should be directed to SPD via email at txgms@cpa.texas.gov.

<sup>&</sup>lt;sup>1</sup> TEX. GOV'T CODE §§ 783.002, 783.004.

<sup>&</sup>lt;sup>2</sup> TEX. GOV'T CODE §§ 783.003, 783.005-006.

<sup>3</sup> TEX. GOV'T CODE § 783.003.

The Comptroller's website is located at comptroller.texas.gov.

#### **BACKGROUND**

The Uniform Grant and Contract Management Act was enacted in 1981 and subsequently codified in 1991 as Chapter 783 of the Texas Government Code. The Uniform Grant Management Standards (UGMS), first published by the Office of the Governor in June 1982, addressed the U.S. Office of Management and Budget (OMB) Circulars A-102 (Grants and Cooperative Agreements With State and Local Governments), A-87 (Cost Principles for State, Local and Indian Tribal Governments), and A-128 (Audits of State and Local Governments). The UGMS were periodically modified over the years for consistency with various OMB circulars and conformance with state law and practices.

The administration of the Uniform Grant and Contract Management Act transferred from the Office of the Governor to the Comptroller in 2011. In 2014, the OMB streamlined the requirements of eight circulars into one consolidated set of federal guidance titled "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" commonly referred to as the Uniform Guidance. For federal grant programs governed by 2 CFR Part 200, TxGMS incorporates the Uniform Guidance and the implementing regulations of the Federal agencies.

#### **SCOPE**

#### **Applicability to Certain Transactions**

State agencies, unless specifically excluded by statute,<sup>5</sup> are required to use the Uniform Assurances and the Standard Financial Management Conditions, developed under Chapter 783 of the Texas Government Code, in their grants and contracts with local governments.<sup>6</sup> For purposes of Chapter 783 of the Texas Government Code, a "state agency" is a state board, commission, department, or office having statewide jurisdiction, but does not include a state college or university.7 The term "local government" refers to a municipality, county, or other political subdivision of the state, but does not include a school district or other special-purpose district.8

Chapter 783 of the Texas Government Code, by its terms, does not apply to all grant programs. However, compliance with all or part of Chapter 783 of the Texas Government Code may be mandated by other state law. Chapter 2105 of the Texas Government Code, for instance, states that "Chapter 783 applies to agencies and providers for the purpose of block grant administration."9

Care should be taken when construing a statute to determine the particular entities and types of transactions governed by Chapter 783 of the Texas Government Code because the defined terms of various statutes may not be consistent.10 By way of example, the definition for "agency" found in Chapter 2105 of the Texas Government Code is not the same as the "state agency"

For example, see Section 15.008 of the Texas Water Code which provides: "The law regarding uniform grants and contract management, Chapter 783, Government Code, does not apply to a contract under Subchapter F, H, K, or P, or to a contract relating to an economically distressed area or nonborder colonia under Subchapter C." Similarly, Section 231.002(c) of the Texas Family Code provides: "The agreements or contracts between the [Title IV-D agency] and other state agencies or political subdivisions of this or another state, including a consortium of multiple states, and agreements or contracts with vendors for the delivery of program services are not subject to Chapter 771 or 783, Government

TEX. GOV'T CODE § 783.007(a).

TEX. GOV'T CODE § 783.003.

TEX. GOV'T CODE § 783.003.

TEX. GOV'T CODE § 2105.008.

For example, Section 32.045(c) of the Texas Health and Safety Code provides in pertinent part: "A grant awarded under this section is governed by Chapter 783, Government Code, and rules adopted under that chapter." Some statutes, on the other hand, only apply the cost provisions. For instance, Section 7.067(c) of the Texas Water Code requires that "Money used for administrative costs under this subsection must be used in accordance with Chapter 783, Government Code."

definition from Chapter 783 of the Texas Government Code.<sup>11</sup> Likewise, a "provider" for administering state block grants<sup>12</sup> comprises a larger number of entities than the local governments identified in Chapter 783 of the Texas Government Code.<sup>13</sup>

TxGMS, which includes the Uniform Assurances and the Standard Financial Management Conditions, may not apply to every state agency administered grant program or to all public sector financial assistance programs. TxGMS applies only to those grants and contracts governed by Chapter 783 of the Texas Government Code. Consequently, unless state law—other than Chapter 783 of the Texas Government Code—specifies compliance with Chapter 783 of the Texas Government Code, TxGMS does not apply to the following types of federal financial assistance:

- · cooperative agreements,
- non-cash contributions or donations of property (including donated surplus property),
- direct appropriations,
- · food commodities,
- · loans,
- · loan quarantees,
- · interest subsidies, or
- insurance.

A determination as to whether TxGMS applies to a particular transaction involves the application of statutorily defined terms to program-specific facts. In the event of a conflict between TxGMS and applicable federal or state law, federal law generally prevails over state law and state law prevails over TxGMS. To further consistency

- Chapter 2105 of the Texas Government Code defines "agency" as the Health and Human Services Commission, the Department of State Health Services, the Texas Department of Housing and Community Affairs, the Texas Education Agency, the Department of Aging and Disability Services, and any other commission, board, department, or state agency designated to receive block grant funds. TEX. GOV'T CODE § 2105.001.
- The term "block grant" means a program resulting from the consolidation or transfer of separate federal grant programs, including federal categorical programs, so that the state determines the amounts to be allocated or the method of allocating the amounts to various agencies or programs from the combined amounts, including a program consolidated or transferred under the Omnibus Budget Reconciliation Act of 1981 (Pub. L. No. 97-35). TEX. GOV'T CODE § 2105.001.
- A "provider" refers to any a public or private organization that receives block grant funds or may be eligible to receive block grant funds to provide services or benefits to the public, including a council of government, a community action agency, or a private new community developer or nonprofit community association in a community originally established as a new community development program under the former Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4511 et seq.). TEX. GOV'T CODE § 2105.001.

and accountability across federal and state grant programs, some state agencies may choose to apply TxGMS by rule or contract to all entities that receive grant funds regardless whether TxGMS is mandated by statute. Consultation with agency legal counsel, therefore, is recommended when a state agency is determining whether and to what extent the agency, grantees, subrecipients, and contractors are required to comply with TxGMS.

# Authorization of Agency-Specific Variation

A state agency subject to Chapter 783 of the Texas Government Code is required to use the Uniform Assurances and the Standard Financial Management Conditions in its grants and contracts with local governments unless a federal statute or regulation or a state statute requires or specifically authorizes a variation.<sup>14</sup> A state agency may establish a variation from the Uniform Assurances or Standard Financial Management Conditions set forth in TxGMS only by rule in accordance with Chapter 2001 of the Texas Government Code. 15 If a state agency desires to establish a variation to the Uniform Assurances and the Standard Financial Management Conditions, the state agency must (1) state a reason for the variation along with the proposed rule, and the reason must be based on the applicable federal statute or regulation or state statute and (2) file a notice of each proposed rule that establishes a variation from Uniform Assurances or Standard Financial Management Conditions with SPD.16

# Incorporation of Federal *Uniform Guidance* and Implementing Regulations

For federal grant programs governed by 2 CFR Part 200, TxGMS incorporates the *Uniform Guidance* and the implementing regulations of the Federal agencies that are effective on TxGMS publication date. To ensure a seamless adoption of changes to federal law and regulation, TxGMS is automatically amended to include all modifications to the *Uniform Guidance* and any associated Federal agency implementing regulations that occur subsequent to TxGMS publication date.

<sup>&</sup>lt;sup>14</sup> TEX. GOV'T CODE § 783.007(a).

 $<sup>^{15}</sup>$  TEX. GOVT CODE  $\S$  783.007(b).

 $<sup>^{16}</sup>$  TEX. GOV'T CODE  $\S$  783.007(c)-(d).

#### **KEY CONCEPTS – STATE AGENCY GRANTS**

#### **Grant-Making Authority**

Chapter 783 of the Texas Government Code regulates the intergovernmental coordination of grant and contract management activities between certain state agencies and local governments. Chapter 783 does not authorize any state agency or local government to accept or administer grant funds. Accordingly, the authority for a particular state agency or unit of local government to apply for, receive, administer, and make grants is found in law other than Chapter 783.

#### **Appropriated Funds**

A state agency grant program may be financed by more than one source, such as state money, federal money, gifts, and donations. Grant funds, depending on the particular grant program, may be held within the State Treasury or outside the State Treasury. It is important to note that federal money deposited in the State Treasury does not become "state funds" in the sense that state law and only state law thereafter governs their disposition.<sup>17</sup> When the General Appropriations Act (GAA) authorizes a state agency to accept federal funds, the funds are appropriated to the receiving agency and the agency may expend the funds for the purposes for which federal grant, allocation, aid, payment, or reimbursement was made.18

#### **Grants and Contracts**

In the administration of state and federal grant programs, the terms "grant" and "contract" are not synonymous. The decision whether to use a grant agreement or a procurement contract to formalize the transaction between the state agency and the entity receiving the program funds depends on the nature of the parties' relationship.

For purposes of TxGMS, the term "contract" refers to the legal instrument used to enter into a procurement relationship with a contractor to acquire goods and services to carry out the project or program under a state or federal grant.<sup>19</sup> Unless otherwise defined by applicable Texas law, the term "grant" refers to an expenditure of funds from the State Treasury to a person or entity that does not directly provide consideration or a benefit to the State in exchange for the funds.<sup>20</sup> The term "grant" may also refer to a legally enforceable document tied to such an expenditure. For federal grant programs subject to the Uniform Guidance, a grant agreement is a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States.<sup>21</sup>

The state agency must make a case-by-case determination whether each transaction it makes for the disbursement of state or federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor.<sup>22</sup> The distinguishing characteristics of the subrecipient and contractor roles are based on the substance of the relationship and not the term used by the parties to describe their relationship.<sup>23</sup> It is imperative that the role of subrecipient and contractor be correctly determined for each transaction in order to ensure compliance with the laws and rules applicable to the relationship. Illustrations of the possible relationships resulting from federal grant awards and state grant awards are provided, respectively, in Appendix 4 and Appendix 5.

<sup>19</sup> See generally 2 CFR § 200.22.

<sup>&</sup>lt;sup>20</sup> Miscellaneous Expenditures - Grants and Honoraria policy located in eXpendit State Purchase Policies at https://fmx.cpa.texas.gov/fm/pubs/purchase/misc /?section=grants&page=grants.

<sup>&</sup>lt;sup>21</sup> See generally 2 CFR § 200.51.

<sup>&</sup>lt;sup>22</sup> See generally the Reporting Requirements for the Annual Financial Reports of State Agencies and Universities related to State Pass-Throughs at https:// fmx.cpa.texas.gov/fmx/pubs/afrrptreq/pass-through/index.php?section=stpass-through&page=st-pass-through; 2 CFR § 200.330 (distinguishing subrecipient and contractor relationships). For federal grants, a Subrecipient vs. Vendor Determination Checklist is available for state agencies on the Comptroller's website at: https://fmx.cpa.texas.gov/fmx/pubs/afrrptreq/pdf/ SubrecipientvsVendorDetermination.pdf.

<sup>&</sup>lt;sup>23</sup> 2 CFR § 200.330.

Tex. Att'y Gen. Op. No. S-100 (1953).

<sup>&</sup>lt;sup>18</sup> General Appropriations Act, House Bill 1, 86th R.S. at Article IX, Section 13.01.

#### **Motor Vehicle Crime Prevention Authority**

February 25, 2021

#### **Report on Grantee and Stakeholder Survey Results**

January 20, 2021 - Grantee Session of the MVCPA Webinar

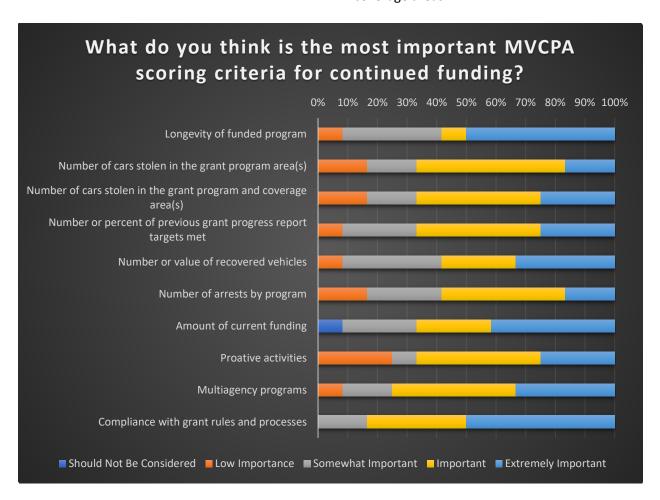
#### **Most Important**

Longevity of funded program

Compliance with grant rules and processes

#### **Other Priorities**

Amount of current funding
Number or value of recovered vehicles
Multiagency program
Number of cars stolen in the grant program and
coverage areas



#### January 20, 2021 - Law Enforcement Session of the MVCPA Webinar

#### **Most Important**

Longevity of funded program
Amount of current funding

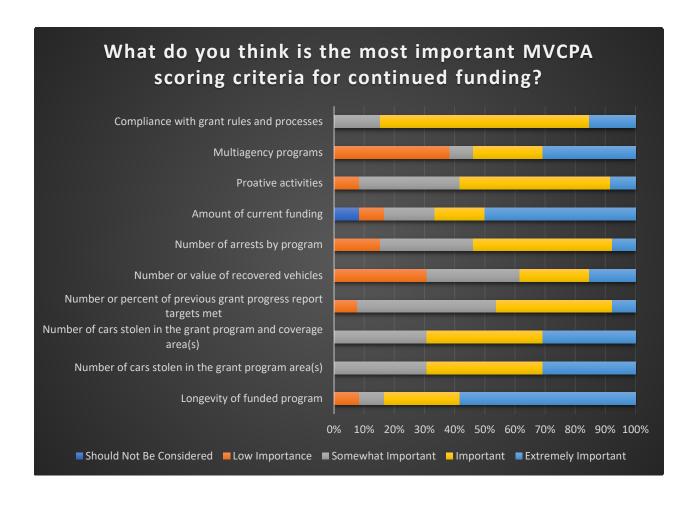
#### **Other Priorities**

Multiagency program

Number of cars stolen in the grant program and coverage area(s)

Number of cars stolen in the grant program area(s)

Number or value of recovered vehicles



## Sheriffs and Chiefs Law Enforcement Priorities Highest Overall 1st and 2nd combined

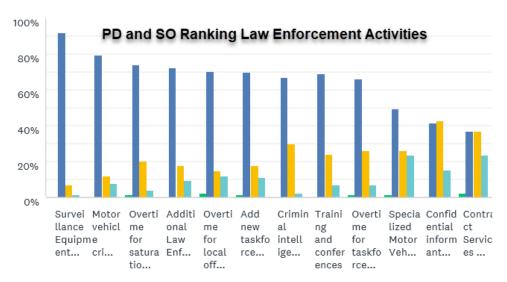
#### **Most Important**

Surveillance Equipment

Motor vehicle crime technology equipment

#### **Other Priorities**

Overtime for saturation patrols Additional MV Investigators Additional Taskforce Investigators New Taskforces



## Taskforce Commanders Law Enforcement Priorities Highest Overall 1<sup>st</sup> and 2<sup>nd</sup> combined

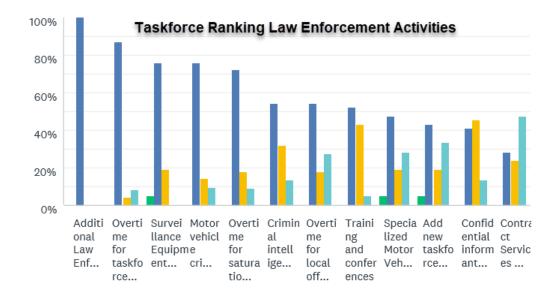
#### **Most Important**

Additional Taskforce Investigators in existing programs

Overtime for investigators

#### **Other Priorities**

Surveillance Equipment Motor vehicle crime technology equipment Overtime for saturation patrols



#### **Sheriffs and Chiefs Community Education Priorities**

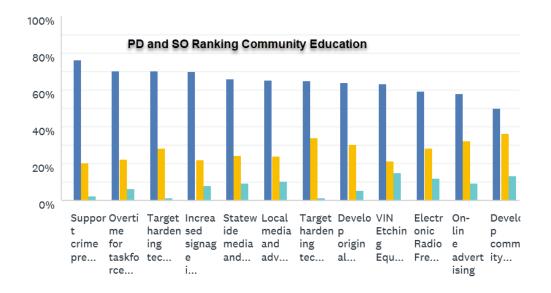
Highest Overall 1st and 2nd combined

#### **Most Important**

Crime Prevention Training and Conferences Overtime for taskforce employees - outreach Target hardening techniques Increased signage

#### **Other Priorities**

Statewide media/advertising campaigns Local Media Campaigns



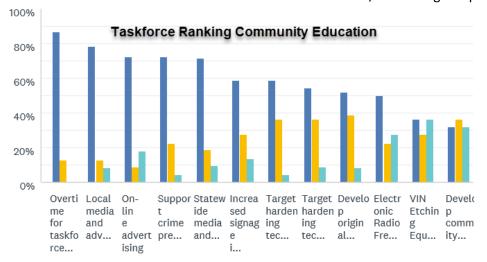
# Taskforce Commanders Community Education Priorities Highest Overall 1<sup>st</sup> and 2<sup>nd</sup> combined

#### **Most Important**

Overtime for taskforce employees - outreach Local Media Campaigns

#### **Other Priorities**

Online advertising
Crime Prevention Training and Conferences
Statewide media/advertising campaigns





#### **Board Agenda Item**

**Section 5.** Discuss and Consider Authority for the MVCPA Director to Finalize and Issue the FY2022-2023 Grant Request for Applications

- C. Scoring and distribution standards -
- D. Applicant eligibility standards
- E. Priority funding
- F. Match ratios and amounts
- G. Grant Types
- i. Taskforce grants

**Staff Recommendation:** Authorize the MVCPA Director to complete and publish the Taskforce Grant Request for Applications. The MVCPA Director will work with the MVCPA Grants, Budget and Report Committee to complete any revisions to the scoring criteria prior to the next MVCPA meeting.



## Motor Vehicle Crime Prevention Authority Fiscal Year 2022 Request for Applications – Taskforce Grants Publish date

#### **Notice of Request for Applications**

The Motor Vehicle Crime Prevention Authority (MVCPA) authorized the issuance of the Fiscal Years 2022 and 2023 (FY22-23) Request for Applications (RFA) at its regularly scheduled meeting held on February 25, 2021. MVCPA is authorized in statute to provide grants to local law enforcement to combat motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. Eligible applicants may request funds for program operation by submission of an application consistent with the information, including the requirements and conditions stated in this RFA. This RFA is posted in the Texas Register as required by law for at least thirty (30) days prior to the due date for Applications.

All applications submitted will be for FY2022. If awarded an FY2022 grant the MVCPA may provide a FY2023 grant subject to availability of funding and grantees' positive program performance. The MVCPA will use the same FY2022 application and budget values as originally submitted for the extended period. Any ongoing program (scope) changes or budget changes will be submitted by grantees through the grant adjustment process after the creation of the second year grants.

#### **Due Date**

Grant Applications from eligible applicants must be completely submitted on-line at <a href="https://MVCPA.tamu.edu">https://MVCPA.tamu.edu</a> on or before 5:00 PM, June 11, 2021. New applicants must establish an account and perform account setup steps prior to an application being able to be submitted.

The <u>required</u> Resolution and any <u>optional</u> supporting documents must be scanned and submitted as attachments to the application at <a href="https://MVCPA.tamu.edu">https://MVCPA.tamu.edu</a> on or before 5:00 PM, June 11, 2021.

#### **Applicable Authority and Rules**

Motor Vehicle Crime Prevention Authority grant programs are governed by the following statutes, rules, standards and guidelines:

- Texas Transportation Code Chapter 1006
- Texas Administrative Code: Title 43; Part 3; Chapter 57
- <u>Texas Grant Management Standards (TxGMS) as promulgated by the Texas Comptroller of Public Accounts</u>
- The current Motor Vehicle Crime Prevention Grant Administrative Guide and subsequent adopted grantee instruction manuals
- This Request for Applications issued on Publish date

#### **Eligible Applicants**

Only Texas law enforcement agencies through their city or county are eligible to apply for Motor Vehicle Crime Taskforce Grants.

#### **Application Category**

Applicants meeting the eligibility requirements are also required to meet qualifications listed in the specific type of application that may be submitted. There are three different grant application types:

<u>Continued Grant Category</u> – Only available to agencies that have an FY21 grant. The application must be submitted for substantially the same positions and program as the previous year, or FY2021. The requested funds, match funds, and in-kind match must be within 5% of the previous year. The number of staff positions must be within 5% of the total positions. These are annual competitive grants that require a minimum cash match of 20% for the program described in the application.

<u>Modified Grant Category</u> – Only available to agencies that have an FY21 grant. Current grantees will only enter the portion where a change of greater than 5% is made between the continued grant application and the awarded (including modifications) FY2021 budget. Changes in personnel, fringe, travel, supplies, contract, equipment or changes in number of personnel, match percent or amount would be included in this category. These are annual competitive grants that require a minimum cash match of 20% for the program described in the application.

<u>New Grant Category</u> – **Available to all law enforcement agencies.** These are annual competitive grants that require a minimum cash match of 20% for the program described in the application.

#### **Grant Type**

Reimbursement -This is a total program budget reimbursement grant. Applicants that are awarded grants will expend local (agency) funds and then will be reimbursed quarterly at the agreed rate for all allowable, reasonable and necessary program costs incurred.

#### **Grant Term**

The grant cycle is one (1) year funding cycle to begin on September 1, 2021 and end August 31, 2022. Subject to availability of funding and grantees' positive program performance the MVCPA may provide a FY2023 grant using the same on-line application systems and budget values as originally submitted. No obligations or expenses may be incurred or made outside of the grant period(s).

#### **Method of Application**

Grant Applications from eligible applicants shall be completely submitted on-line at <a href="https://MVCPA.tamu.edu">https://MVCPA.tamu.edu</a> on or before **5:00 PM**, **June 11**, **2021**. All forms will be completed on-line. The Resolution and all supporting documents must be submitted as attachments.

#### **Resolution Required**

A Resolution (Order or Ordinance) by the applicant governing body is required to make application for these funds. The resolution shall provide that the governing body applies for the funds for the purpose provided in statute (<u>Texas Transportation Code, Chapter 1006</u>) to return the grant funds in the event of loss or misuse, and designate the officials that the governing body chooses as its agents to make uniform assurances and administer the grant if awarded.

Only the governing body that submits an application needs to adopt and submit a Resolution. Participating jurisdictions in multi-agency taskforces shall agree and commit to the grant through interagency agreements as provided under Texas Local Government Code Chapter 362, Texas Government Code Chapter 791 and TxGMS.

In the event a governing body has delegated the application authority to a city manager, chief of police, sheriff or other official then applicants must submit on-line a copy of the delegation order (documentation) along with the Resolution signed by the official. A sample Resolution is attached as Appendix A.

#### **Program Category**

To be eligible for consideration for funding, a taskforce grant application must be designed to support one or more of the following MVCPA program categories:

Law Enforcement, Detection, and Apprehension - provide financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams (referred to as taskforces). Taskforces will develop organized methods to combat motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime through enforcement of law, detection of criminal enterprise and /or apprehension of law violators and groups. This category includes development of uniform programs to prevent stolen motor vehicles from entering Mexico or out of Texas through outbound seaports.

**Prosecution/Adjudication/Conviction -** provide financial support for taskforces to work with prosecutors and judicial agencies to implement programs designed to reduce the incidence of motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime.

**Prevention, Anti-Theft Devices and Automobile Registration** - provide financial support for taskforces to work with organizations and communities to reduce the incidence of motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. This program category must provide methods to distribute equipment or technology and/or to test experimental equipment or technology designed to reduce motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. The application shall demonstrate how the financial support will assist automobile owners to reduce motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime.

Reduction of the Sale of Stolen Vehicles or Parts - provide financial support for taskforces to work with businesses, organizations and communities to reduce the sale of stolen parts. Applicants will develop organized methods to combat the sale of stolen vehicles and parts using vehicle identification number inspection, inspections of facilities that operate motor vehicle part and component distribution enterprises, labeling etching methods including component part labeling and contradicting other fraudulent means to sell stolen parts.

Educational Programs and Marketing – provide financial support for taskforces to work with individuals, businesses, organizations and communities to assist automobile owners in preventing motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. Develop and provide specialized training or education program(s) on motor vehicle crime prevention, interdiction and prosecution to law enforcement, prosecutors, and other groups combatting motor vehicle theft and burglary. Provide education in motor vehicle crime prevention including title and registration fraud prevention to business groups and the public.

#### **Priority Funding**

The statute provides that the "The authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution." (TTC Section 1006.151, (c). In addition, the following grant features will be given priority consideration in evaluating **new** grant applications:

Continuing Funded Programs in Compliance with MVCPA Grant Conditions— Applications that provide for the continuation of existing programs that currently meet the program and fiscal reporting conditions of the MVCPA. Applicants must provide ongoing need and evidence of their progress toward combatting motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. The applicant must describe the experience and qualifications of investigators used in the program and how utilization of current grant inventory and resources for continued operation of these specialized investigative grant programs are useful for the state and local governments.

<u>Programs to Combat Organized Economic Crime</u> – Applications for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams that introduce, increase, or expand efforts to combat organized crime. This includes efforts by criminals that commit or conspire to commit motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. Grant applications that include specific initiatives to target pattern, organized and economic crime will receive prioritization.

#### **Supporting Documents**

Documents that provide evidence of local support or commitment from other officials or agencies for the application may be submitted following the same instructions as the Resolution. Interagency agreements shall be submitted prior to payments being authorized if an award is made. MVCPA recommends that interagency agreements be completed after award determinations are made to ensure correct amounts are reflected in those agreements. All interagency agreements must meet the conditions and elements required in the TxGMS.

#### **Supplanting Prohibited**

Grant funds provided by the Authority under this RFA shall not be used to supplant federal, state or local funds that otherwise would be available for the same purposes (Texas Administrative Code Title 43, §57.9). Supplanting means the replacement of other funds with MVCPA grant funds. This shall include using existing resources already available to a program activity as cash match.

#### **Cash Match Requirement**

All applications for programs must provide at least a twenty (20%) percent cash match (Texas Administrative Code Title 43, §57.36). Multijurisdictional agencies must provide details for the method of cash match in intergovernmental agreements (*Texas Government Code, Chapter 791*). Cash match must meet the requirements provided in TxGMS.

Formulas to calculate cash match:

- 1. Total MVCPA grant funds requested multiplied by percent of match required = Total Amount of Cash Match Required
- 2. Total Program Cost minus Total Cash Match Required = Total Authority Grant Request

NICB in Lieu of Cash – Applicants may enter into formal agreements with the National Insurance Crime Bureau (NICB) to work on grant funded activities. The amount of salary and other direct costs related to the work on grant activity provided by the NICB may be counted and reported as in lieu of cash match. Time certifications are required to be made by the employee for these positions every month for part-time and every six months for full-time employees.

#### In-Kind Match

Resources or funding from the applicant or third-parties that are related to grant funded activity and can be quantified should be reported in the proper category in the application. In-kind contributions shall not be considered cash match. In-kind match is encouraged. It may be used to: 1) reflect the total level of jurisdictions' effort/costs to combat motor vehicle crime; 2) reflect how the grant program fits into jurisdictions' operation; and/or 3) as an added value inducement to the MVCPA.

#### **Reporting and Webinar Attendance Requirements**

Applicants that are awarded grants will be required to provide:

**Quarterly Progress Reports -** The MVCPA requires submission of quarterly progress reports to demonstrate progress toward meeting goals and activities provided in the grant application. These include: 1) Monthly progress toward statutorily required performance measures; 2) Monthly progress recorded on the *Goals, Strategies and Activities report*; and 3) Summary and Success section. Grantees

designated as Border/Port Security grants are required to complete additional sections required by the Texas Legislature.

**Quarterly Financial Reports** – Reports of actual expenses are provided to request funds. All expenditures must be in accordance with local policies and procedures and grant requirements. Grantees shall review all expenditures, ensure all applicable regulations are followed, and maintain documentation that is true and complete. All expenses must be supported by appropriate documentation.

**Webinar Attendance:** One grant representative from the applicant agency will attend a monthly session via teleconference or webinar that includes information on MVCPA grant administration.

One law enforcement officer must attend the information sharing and networking sessions on law enforcement issues and other MVCPA issues critical to operating an MVCPA taskforce.

#### **Funding Requirements and Conditions**

- a) State Funds Availability All awards by the MVCPA are subject to availability of state funds.
- b) Right of Refusal –The Authority reserves the right to reject any or all of the applications submitted.
- c) Awards Publishing the RFA does not obligate the Authority to fund any programs.
- d) Partial Funding The Authority may choose to offer funds for all or any portion of a program submitted in the Application.
- e) Substitution The Authority may offer alternative funding sources, special conditions or alternative program elements in response to submitted Applications.
- f) Application Required Registration for on-line access is required. The MVCPA is not responsible for applicants that cannot complete the registration and application process on-time.
- g) No Alternative Application Submission Paper applications and requests for funding are not accepted in lieu of the on-line application process.
- h) Competitive Application Process—The Application process for the Authority's Grant Program is competitive. Awards are based on a review of the grant Application.
- i) Review Criteria-Authority staff and designated MVCPA Board member(s) will review each grant using subjective and objective tools and comparative analysis. The weight given to each section or combination of sections is at the sole discretion of the Authority.
- j) Questions and Clarification- During the review period, the applicant may be contacted by Authority staff to ask questions or seek clarification on information written in the application. Failure to promptly respond will not disqualify an applicant but information that arrives after the review period cannot be considered.
- k) Final Selection—The Authority may select and award programs that best meet the statutory purposes and that reflect its current priorities. No appeal may be made from the Authority's decisions.
- Changes in Application- If an applicant proposes changes to be made in the program type or
  participation of jurisdictions after an award is determined, then the Authority will review the
  changes and make modifications (including the amount) or cancel the award as deemed
  appropriate to the Authority.
- m) Delayed Start- An applicant that is awarded a grant and that does not begin operations within 45 days of the beginning of the grant term is considered terminated.
- n) Application instructions the MVCPA provides additional details and instructions in the on-line application system that are incorporated by reference as part of this RFA and must be followed during the application and award process.
- o) TCOLE Certifications Required All law enforcement agencies regulated by Chapter 1701, Occupations Code must certify that they are in compliance with Texas Commission on Law Enforcement standards or provide a certification from the Commission on Law Enforcement that states that the requesting agency is in the process of achieving compliance with such rules.

#### **Selection Process:**

Eligible applications will be reviewed. Grant award decisions by MVCPA are final and not subject to judicial review. Grants will be awarded on or before September 1, 2021.

Applications that do not meet the stated requirements of this RFA and that are not eligible for review will be notified ten (10) working days after the due date.

#### **Application Workshop**

Potential applicants are requested to attend the "Motor Vehicle Crime Prevention Authority Grant Application Workshop" which has been scheduled for: **date** 

The informational session will provide details on the grant Application process including grant eligibility requirements, completing the various Application sections, and the grant cycle timeline. At least one representative of the potential grant applicant should be present at this workshop.

Attendees are responsible for making individual hotel reservations.

#### **Contact Person**

Bryan E. Wilson, MVCPA Director,
Texas Motor Vehicle Crime Prevention Authority
4000 Jackson Avenue
Austin, Texas 78731
(512) 465-1485
GrantsMVCPA@txdmv.gov
Issued in Austin, Texas on Publish date
Bryan E. Wilson, MVCPA Director

#### **MVCPA Application Checklist**

Each Applicant must:

- 1) Complete the on-line Application on or before 5:00 PM, June 11, 2021;
- 2) Submit the Resolution and any attach other supporting documents on or before **5:00 PM**, **June 11, 2021**

### Appendix A Updated Sample Motor Vehicle Crime Prevention Authority Resolution

Applicants may use the language below to meet the minimum legal elements to execute an agreement with the MVCPA through the grant application process. Cities and counties not wanting to use the sample below must address all the legal elements contained herein.

2022 <u>Blank City/ County</u> Resolution or Order or Ordinance Motor Vehicle Crime Prevention Authority Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams in the jurisdiction; and

related motor vehicle crime enforcement teams in the jurisdiction; and
WHEREAS, this grant program will assist this jurisdiction to combat motor vehicle theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime; and
WHEREAS, (Entity Name) has agreed that all funds received will be used to provide financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams; and
WHEREAS, in the event of loss or misuse of the grant funds,(Entity Name) assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.
NOW THEREFORE, BE IT RESOLVED and ordered that the [County Judge/ Sheriff// City Manager/Police Chief //, etc] of this [county//city//agency] is designated as the Authorized Official:
<ol> <li>To apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program;</li> <li>Provide all uniform assurances required by the Texas Grant Management Standards as promulgated by the Texas Comptroller of Public Accounts; and</li> <li>Complete all other necessary documents to accept said grant; and</li> </ol>
BE IT FURTHER RESOLVED that (Position-Example- MVCPA Commander, Chief of Police, etc) is designated as the Program Director and (Position-Example- County Auditor, City CFO, etc) is designated as the Financial Officer for this grant.
Adopted thisday of, 2021.
NAME TITLE: County Judge /Mayor/ City Manager



#### **Board Agenda Item**

**Section 5.** Discuss and Consider Authority for the MVCPA Director to Finalize and Issue the FY2022-2023 Grant Request for Applications

**H.** Discuss other grant types for future consideration if funds become available

**Staff Recommendation**: Authorize MVCPA Director to develop and have ready for adoption Request for Applications on the following grant types:

- i. Motor Vehicle Crime Auxiliary Grants
- ii. Community Oriented Solutions (COS) Grants
- iii. Motor Vehicle Fraud Related Crime Grants

**Staff Recommendation**: Table the following grant types until the next meeting:

- iv. Prosecution Grants and
- v. Technology Grants

February 25, 2021

#### **MVCPA Auxiliary Grant (MAG) Initiative**

#### **Purpose**

The purpose of this grant program is to provide law enforcement agencies with ad hoc funding for interdiction equipment. MVCPA's FY20 strategic planning survey feedback from sheriffs, police chiefs and taskforces showed a need to provide immediate solutions beyond taskforce funding (officers) to reduce motor vehicle crime. Survey feedback indicated that three categories of equipment are needed to combat motor vehicle crimes effectively. They are: (1) Surveillance Equipment (pole cams, sky-cam trailers, etc.); (2) Motor Vehicle Crime Detections Technology (LPRs etc.); and (3) Border and Port Security Equipment.

#### **Eligible Applicants and Limitation**

Only law enforcement agencies may apply. Agencies currently operating taskforces or participating in taskforces may not apply for this grant. Taskforce administrative and participating agencies should seek comprehensive taskforce funding or use Rapid Response funding to supplement exigent needs.

The amount requested in an application under this program must be less than one-half the motor vehicle crime loss value reported by the agency to DPS in the preceding year.

Funding opportunity is limited to equipment that will be solely used to combat motor vehicle crime.

#### **Level of Funding**

 MVCPA will only reimburse 80% of actual costs of specific items up to the maximum reimbursement rate.

#### **Activities and Funding Parameters**

- RFP anticipated date of announcement, application collection and review: March to June
- Grant Period: September 1 August 31
- Management of the award will be incorporated into Grants Management Tracking System (GMTS)
- Grant recipients will report data from the impact of the purchase for the year of the award plus three years after the award period in GMTS
- The equipment must be maintained by the grantee through warranty purchases or at grantee expense for the duration of the grant and reporting period.

- The equipment becomes the exclusive property of the grantee agency after the reporting period is completed.
- MVCPA will issue a grant close-out and release of asset after determining the grant conditions have been met.
- Jurisdiction may buy additional units when successful procurements result in overall unit cost savings but maximum amount of funding will not be exceeded.

Proposed Funding Table	
Equipment	Maximum Grant
Mobile or Stationary License Plate Readers	\$18,000
SkyCam Trailers	\$70,000
Multi-unit Stationary Camera, LPR and Artificial Intelligence software	\$50,000
Jammer Detectors	\$12,000

#### Match Required:

- 80/20 split funding model MVCPA/MAG provides 80% and grantee 20% up to maximum value
- No in-kind, no in lieu of.
- Jurisdiction submits application. Once awarded then order is placed, purchase made, vendor payments complete, submit of reimbursement, MVCPA pays 80% of approved items.

#### **Application Considerations**

- Jurisdictions that are in the top 20 for reported incidents of motor vehicle theft may double amount and items listed in table above are not covered by a taskforce grant.
- Application must be accompanied with statement of need supported by data and/or reports
  demonstrating that the losses related to motor vehicle crime are at least twice the value of the
  amount requested under the grant.
- Applications will be evaluated based on need.
- Applications showing that grantee will make items and equipment available to other partner agencies or use for wider geographic/jurisdiction coverage area will receive priority.
- The grant program is for purchases only. MVCPA/MAG grant will not consider leasing.

#### **Expected Outcomes/Reporting:**

Grantees must provide information on statutory performance measures (motor vehicle crime arrests, prosecutions, cases cleared and vehicles recovered) for the period of the grant plus three years to demonstrate how equipment helped to combat motor vehicle crime. Usage tracking and items specific performance will be tracked.

**Staff Recommendation:** The MVCPA adopt the MAG program described above and if funding becomes available then the MVCPA Director will issue an Request for Applications based on the program description above, consistent with the MVCPA rules and TxGMS.

February 25, 2021

#### FY22-23 Community Oriented Solutions (COS) Grant

#### **Purpose**

The purpose of this initiative is to provide funding for agencies to prevent motor vehicle crime by developing and participating in community based solutions. The programs must be evidence based, developed on broadly accepted theoretical framework and include restorative justice principles. The program applications must demonstrate community based and people oriented solutions to motor vehicle crime.

The core elements are restorative diversion programs, restoration to normalcy for the communities; repair damage among victims, involve inclusion of offenders back to their community. The goal of this funding opportunity is to decrease motor vehicle crime; decrease the likelihood to offenders committing future offenses; rectify the damage already caused by offenses; and most importantly provide opportunity for community oriented solutions.

#### **Eligible Applicants**

City and County law enforcement agencies, prosecutor offices (that have jurisdiction for motor vehicle crime), judicial agencies and not-for-profit agencies.

Coalitions of the above agencies are preferred.

#### **Level of Funding**

- Single entity application: no less than \$5,000 up to \$25,000
- Multiple/Collaboration Application: No less than \$10,000 up to \$100,000
- The amount requested in an application under this program may not exceed one-half the motor vehicle crime loss value reported to DPS by the law enforcement agency in the applicant community in the preceding year.

#### **Activities and Funding Parameters** – applications must include one or more of the following:

- Behavioral change modalities;
- Coordinated meeting that include the following parties trained facilitator, victims of crime and the offender;
- Formation and/or use of family or group conferencing to address causes of crime;
- Restitution, arbitration or mediation programming;
- Solutions oriented diversion programming; and/or
- Delivery of a variety of evidence-based services while offender is in the process of reentry.

#### **Match Required:**

- 80/20 split funding model MVCPA/MAG provides up to 80% and grantee 20%
- In-kind contributions for direct program cost are allowed up to one-half of the match requirement.

#### **Application Considerations**

- Application must be accompanied with statement of need, data, and coverage area(s).
- Applications will be evaluated based on merits of need, cost, and program framework, partners, and description.
- Grant is to be used for personnel, operations and basic equipment. Capital expenses and purchases are excluded.
- Expected Outcomes must be provided in the applications. Data must include impact on motor vehicle theft prevention, evidence-based victim and offender satisfaction in the restorative justice system, improved relationship between law enforcement and community.
- If a law enforcement agency is not a sponsor or participant then a letter from the county or city law enforcement agency indicating the motor vehicle crime loss values submitted to DPS is required.

**Staff Recommendation:** The MVCPA adopt the COS program described above and if funding becomes available then the MVCPA Director will issue an Request for Applications based on the program description above, consistent with the MVCPA rules and TxGMS.

February 25, 2021

#### FY22-23 Motor Vehicle Fraud Related Crime Grants and Other Grants

The purpose of this initiative is to provide funding for agencies to prevent motor vehicle related fraud crimes. To this end MVCPA developed two strategies: 1) Statewide taskforce to focus on title, registration, and paper tag fraud; and 2) Collaboration with Tax Assessor Collector's office, law enforcement, and insurance agencies to combat and prevent insurance and motor vehicle tax fraud.

The goal of these programs and strategies are: to improve tools and techniques used for basic detection of stolen vehicles, fraudulent titles, registrations and paper tags; insurance fraud; detecting and interdiction of internet motor vehicle fraud rings on Facebook Marketplace; and curb-stoning.

#### **Other Grants**

#### **Prosecution Grant**

The purpose of the prosecution grant is to provide additional funding to taskforces, and to enhance increased use of data for effective methods of prosecution of motor vehicle related crimes. Taskforces and prosecutors will be encouraged to use data to develop effective and innovative ways to increase numbers of prosecutions and responses to decrease motor vehicle crime repeated offenders.

#### **Technology Grant**

The purpose of this initiative will provide funding for specialized software and hardware to enable law enforcement solutions beyond what standard surveillance equipment and LPRs can provide. It may be specialized technologist or technical investigators to disrupt criminal organized crime networks.

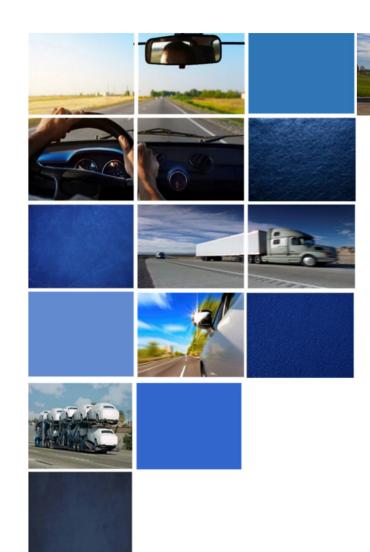
#### **Staff Recommendation**

Consider providing guidance and suggestions to develop Motor Vehicle Fraud Related Crime Grant Program and other grants if funds become available.



#### **Board Agenda Item**

**Section 6.** Discuss and Consider Adoption of the Legislative Appropriations Request and Exceptional Items Requested from the 87<sup>th</sup> Legislature





### Texas Department of Motor Vehicles

FY 2022-2023

Legislative Appropriations Request Adjusted for H.B.1 Recommendations

January 2021





## FY 2020-2021 Accomplishment Highlights

- ★ **Digital License Plates** as a provision of the department's Sunset bill, TxDMV was required to offer digital plates for certain vehicles. Rules were adopted in June and a Request for Proposal was issued in September.
- Assembled and Off-Highway Vehicles a new category of vehicles called "assembled vehicles" are allowed to be titled and registered.
- Alternative Fuel Vehicles the Sunset bill also required the department to organize a study with four other agencies on the impact to the state of alternatively fueled vehicles including options to levy fees on such vehicles. The report is due by December 1, 2020.
- Changing the name of the Automobile Burglary and Theft Prevention Authority (ABTPA) to the Motor Vehicle Crime Prevention Authority (MVCPA) On September 1, 2019 the name of the former ABTPA program was changed to MVCPA and expanded the program to fund efforts to stop motor vehicle fraud. The fee levied on motor vehicle insurance was increased to \$4 with 60% going to emergency and trauma centers, 20% for MVCPA purposes and 20% to General Revenue.
- Changes to Salvage Dealer Licensing —salvage vehicle dealer license endorsements and salvage vehicle agent licensing are no longer required. Licensed independent motor vehicle dealers are now authorized to perform salvage vehicle dealer work without a salvage vehicle dealer license, resulting in a decline in the number of salvage dealer licenses issued.



## **COVID-19 Impacts**

- Despite the onset of COVID-19 in March and the subsequent closures associated with the pandemic, TxDMV has been able to continuously serve the motoring public by rapidly transitioning staff to working remotely and increasing electronic access. These changes resulted in little or no service disruption to customers.
- In March 2020, waivers were issued granting Texas motorists extensions on certain title and registration transactions and many county tax assessor-collector offices were temporarily closed during FY 2020. TxDMV Regional Service Centers were temporarily closed but re-opened in May. Pandemic concerns resulted in lower activity in both title and registrations in FY 2020 compared to FY 2019. The waivers, combined with a decline in economic activity, resulted in lower revenue collections in all categories in FY 2020 compared to FY 2019.
- For the first quarter of FY 2021 title and registrations transaction data indicate an increase compared to lows experienced in April and May 2020. An announcement regarding the conclusion of the waivers occurred in December 2020, providing motorists with notice that registration needs to be in compliance no later than April 14, 2021. It is anticipated that the lifting of these waivers will result in increases in title and registration activities and associated revenues for FY 2021 although most likely at lower rates than original projections.
- Personal Protection Equipment (PPE), such as plexiglass and social distancing markers were installed in all of our facilities to ensure the protection of both staff and customers; TxDMV and MVCPA issued PPE to law enforcement agencies not readily available through their cities and counties; and TxDMV rapidly deployed technology at RSCs to allow for customers to make appointments online and wait in their car until called to enter the facility. Additional safety measures such as the use of thermal temperature scanners will be utilized at all TxDMV facilities.
- TxDMV incurred approximately \$1.75 million in costs related to COVID-19 in FY 2020. An additional \$1.4 million has been spent on COVID-19 related activities in FY 2021 to date and are estimated to reach \$3.5 million by August 31, 2021.



## FY 2022-2023 Motor Vehicle Crime Prevention Authority (MVCPA) Revenue Projection

#### **Total Revenue Projection is \$211.0 million\***

- Texas Transportation Code Section 1006.153(e) provides that of the fees collected by MVCPA, 20% shall be appropriated for use by MVCPA, 20% shall be deposited to GR to be used only for criminal justice purposes, and 60% shall be deposited to the trauma facility and emergency medical services (EMS) account.
- \* Figure is from the Texas Comptroller's Biennial Revenue Estimate, 2022-2023 Biennium, 87th Texas Legislature dated January 2021.



PREVENTION

AUTHORITY

## TxDMV Exceptional Item Request Detail FY 2022-2023

**Exceptional Item #1 - Motor Vehicle Crime Prevention Authority Board** 

**General Revenue Fund Requests: \$16.5 million; 3 FTEs** 

#### 7. Restoration of MVCPA Base Funding; \$8.6 million

Restoration of funding at the requested amount is the number one priority of the MVCPA Board. This request will restore funding for the Motor Vehicle Crime Prevention Authority (MVCPA) to the amount established for the FY 2022-2023 Legislative Appropriations Request (LAR). Motor vehicle crime has increased by more than 10% in 2019. Since the onset of COVID-19 some of Texas's largest jurisdictions are reporting increases in motor vehicle theft of greater than 25% and are continuing to rise. The loss of funds to grantees from FY 2022-2023 requested levels will equate to a loss of revenue or "defunding" of motor vehicle crime investigations by local police and sheriff departments who use these funds to prevent and deter motor vehicle crime in cities and counties across the state. The losses will result in reduced investigators, reduced overtime for covert operations needed to fight organized crime, less equipment and outdated technology for officers, and less fuel and supplies needed to fulfill investigations.



PREVENTION

AUTHORITY

## TxDMV Exceptional Item Request Detail FY 2022-2023

#### **Exceptional Item #2 - Motor Vehicle Crime Prevention Authority Board**

#### 8. Additional MVCPA Funding for Law Enforcement Coverage and Collections; \$7.4 million

This request is the number two priority of the MVCPA Board. This request is for \$7.4 million as required by Transportation Code 1006.153 (e)(1) which represents the full amount based on the estimated MVCPA fee collections included in the FY 2022-2023 Comptroller's Biennial Revenue Estimate for GR Account revenue object code 3206. Funds provided under this exceptional item will be used to: 1) combat the significant increase in motor vehicle theft reported in FY 2019 and continuing into FY 2020; 2) expand the coverage to areas of Texas not currently covered by MVCPA taskforces; 3) implement the authority to investigate fraud-related motor vehicle crime (title and registration fraud) ordered by the 86th Legislature; 4) reduce the loss of stolen vehicles between Texas and the U.S-Mexican border and out of seaports; and 5) improve the collection of the MVCPA fee. Statute requires that the MVCPA shall be appropriated 20% of the total fees collected by MVCPA and that 60% shall be deposited to the designated trauma facility and EMS account (GR Account 5111). This request reflects the amount MVCPA should receive to meet the statutory required amount after the restoration of its baseline request in exceptional item 7.



## TxDMV Exceptional Item Request Detail FY 2022-2023

#### **Exceptional Item #3 - Motor Vehicle Crime Prevention Authority Board**

#### 9. Fee Collection Unit; \$560,000; 3 FTEs

MOTOR VEHICLE CRIME <u>PREVENTION</u>

AUTHORITY

This request is priority number three of the MVCPA Board. The Texas Department of Motor Vehicles (TxDMV) Motor Vehicle Crime Prevention Authority (MVCPA) is requesting to add 3 MVCPA employees to ensure that insurers that sell any form of motor vehicle insurance are aware and comply with the MVCPA fee requirements. These new positions will provide analysis, audit, outreach and education to insurers. The 3 full time staff (Tax Audit Manager, Tax Auditor, and Program Specialist) will create the Motor Vehicle Crime Prevention Insurance fee collections unit. Texas Department of Motor Vehicles—MVCPA employees will closely coordinate with the Comptroller of Public Accounts, the Texas Department of Insurance and the Office of Attorney General to increase the collection of the fee paid by insurers. The function will ensure equitable collection practices to provide fair market conditions for all insurers. The Program Specialist will assist insurers with the MVCPA fee compliance. The other employees' focus will be accurate and timely collections and refunds of fees. MVCPA has determined that implementing a dedicated unit could increase collections by 3.9% or \$2.9 million per year. The employees will ensure equitable collection practices to provide fair market conditions for all insurers. All positions will be funded through MVCPA appropriations. Estimated cost include fringe, travel equipment and supplies. Should MVCPA receive funding as requested in MVCPA exceptional items one or two, this amount will be covered by the increase in the appropriations; however, the Legislature will need to approve the additional FTEs.

### Motor Vehicle Crime Prevention Authority Exceptional Item Request #7 - SB1

Agency Cod	de:	Agency Name:					LAR Period		
60	08	Department of Motor Vehicles					2022-23		
Item Name	Restoration	of MVCPA Base Funding	Pric	ority		7	Exceptional Item	New	
Strategy (e.g. 1.1.1)		OOE/MOF Code	E	xceptional 2022	ı	Exceptional 2023	Does this Item Involve an IT Component?	Will this item likely involve contracts valued at \$50,000 or above?	Will this item likely involve continued funding in the next biennium?
2.2.1	4000-GRAN	NTS	\$	4,287,508	\$	4,287,508	No	Yes	No
Total, Objec	cts of Exper	ise	\$	4,287,508	\$	4,287,508			
2.2.1	1-General Revenue Fund		\$	4,287,508	\$	4,287,508			
Total, Metho	Total, Method of Financing  check		\$ \$	4,287,508	\$	4,287,508			
				FY 2022	FY 2023				
Numb	er of Full Ti	me Equivalent (FTE) Positions		0		0			

#### Description/Justification:

Restoration of this funding is the number one priority of the MVCPA Board. This exceptional item request will restore funding for the Motor Vehicle Crime Prevention Authority (MVCPA) to the amount established for the FY 2022-2023 Legislative Appropriations Request (LAR). Motor vehicle crime has increased by more than 10% in 2019. Since the onset of COVID-19 in 2020 some of Texas's largest jurisdictions are reporting increases in motor vehicle theft of greater than 25% and are continuing to rise. The loss of funds to grantees from FY 20-21 levels will equate to a loss of revenue or "defunding" of motor vehicle crime investigations by local police and sheriff departments who use these dollars to prevent and deter motor vehicle crime in cities and counties across the state. The losses will result in reduced investigators, reduced overtime for covert operations needed to fight organized crime, less equipment and outdated technology for officers, and less fuel and supplies needed to fulfill investigations.

**Exceptional Item Request #8-SB1** 

Agency Code: Agency Name:  608 Department of Motor Vehicles							<b>LAR Period</b> 2022-23			
00		Department of Motor Verlicles					2022-23			
Item Name	MVCPA Expanded Coverage			ority		8	Exceptional Item	Keep As Amended		
Strategy (e.g. 1.1.1)		OOE/MOF Code	Exceptional Exceptiona		Exceptional 2023	Does this Item Involve an IT Component?	Will this item likely involve contracts valued at \$50,000 or above?  Will this item likely involve continued funding in the next biennium?			
2.2.1	4000-GRAN	ITS	\$	3,550,241	\$	3,838,642	No	No	Yes	
Total, Objec	ts of Expen	se	\$	3,550,241	\$	3,838,642				
2.2.1	1-General F	Revenue Fund	\$	3,550,241	\$	3,838,642				
Total, Metho	ethod of Financing		\$	3,550,241	\$	3,838,642				
		check	\$	-	\$	-				
				FY 2022		FY 2023				
Numbe	er of Full Tir	ne Equivalent (FTE) Positions		0		0				

#### Description/Justification:

This request is the number two priority of the MVCPA Board. The MVCPA requests that \$7.4 million be provided as required by Transportation Code 1006.153 (e) (1) which represents the full amount based on the estimated MVCPA fee collections included in the FY 2022-2023 Comptroller's Biennial Revenue Estimate for GR Account revenue object code 3206. Funds provided under this exceptional item will be used to: 1) combat the significant increase in motor vehicle theft reported in FY 2019 and continuing into FY 2020; 2) expand the coverage to areas of Texas not currently covered by MVCPA taskforces; 3) implement the authority to investigate fraud-related motor vehicle crime (title and registration fraud) ordered by the 86th legislature; 4) reduce the loss of stolen vehicles between Texas and the U.S-Mexican border and out of seaports; and 5) improve increase the collections of the MVCPA fees. Statute requires provides that the MVCPA shall be appropriated 20% of the total funds fees collected by MVCPA and that 60% shall be deposited to the designated trauma facility and EMS account (GR Account Object Code 5111). This request reflects the amount MVCPA should receive after an adjusted baseline to meet the statutorily required amount.

#### External/Internal Factors

Transportation Code 1006.153 (e) (1)

If Exceptional	Item	Involves	Continued	Costs
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	FY 2024	FY 2025	FY 2026
Estimated Continued Funding	\$ 1,276,641	\$ 1,276,641	\$ 1,276,641

Description of Continued Funding

MVCPA expanded coverage will provide grants to local law enforcement agencies going forward into FY 2024 and beyond.

#### Motor Vehicle Crime Prevention Authority Exceptional Item Request - SB1 # 9

Agency Co					LAR Period				
6	08	Department of Motor Vehicles					2022-23		
Item Name	MVCPA Fee	e Collection Unit	Prior	ity		9	Exceptional Item	Keep As Amended	
Strategy (e.g. 1.1.1) OOE/MOF Code			Ex	cceptional 2022	ı	Exceptional 2023	Does this Item Involve an IT Component?	Will this item likely involve contracts valued at \$50,000 or above?	continued funding
2.2.1	1001 - Salaı	ries	\$	244,000	\$	244,000	No	No	Yes
	1002 - Othe	r Personnel	\$	1,220	\$	1,220			
	2003 - Cons	sumables	\$	900	\$	900			
	2005 <i>-</i> Trav	rel	\$	6,095	\$	6,095			
	2009 - Othe	r Operating Expense	\$	27,785	\$	27,785			
Total, Obje	cts of Expen	se	\$	280,000	\$	280,000			
2.2.1	1-General F	Revenue Fund	\$	280,000	\$	280,000			
Total, Meth	od of Financ	ing check	\$	280,000	\$	280,000			
		CHECK	φ I	- FY 2022	φ	FY 2023			
Numb	er of Full Tir	ne Equivalent (FTE) Positions		3		3			
		. ,							

#### Description/Justification:

This request is priority number three of the MVCPA Board. The Texas Department of Motor Vehicles (TxDMV) Motor Vehicle Crime Prevention Authority (MVCPA) is requesting to add 3 MVCPA employees to maintain that insurers that sell any form of motor vehicle insurance are aware and comply with the MVCPA Fee requirements. These new positions will provide analysis, audit, outreach and education to insurers. Hire 3 employees (Tax Audit Manager, Tax Auditor, and Program Specialist) to create the Motor Vehicle Crime Prevention Insurance fee collections unit Texas Department of Motor Vehicles—MVCPA employees will closely coordinate with the Comptroller of Public Accounts, the Texas Department of Insurance and the Office of Attorney General to increase the collection of the fee paid by insurers. The employees will ensure equitable collection practices to provide fair market conditions for all insurers. The Program Specialist will assist insurers with the MVCPA fee compliance. The other employees' focus will be accurate and timely collections and refunds of fees. All positions will be funded through MVCPA appropriations. Estimated cost include fringe, travel equipment and supplies. Should MVCPA receive funding as requested in exceptional items one or two, this amount will be covered by the increase in the appropriations; however, the Legislature will need to approve the additional FTEs.

#### External/Internal Factors

There are a number of factors that impact this request. This includes a rider to the GAA or modification to TTC 1006.154 (b) excluding the costs related to collections from the 8% overhead expenses.

Modification to TTC 1006.153 authorizing penalties for insurers that fail to file or that submit reports late.

Modification to TTC 1006.153 authorizing interest on amount when insurers make late payments.

#### If Exceptional Item Involves Continued Costs

	FY 2024	FY 2025	FY 2026
Estimated Continued Funding	\$ 280,000	\$ 280,000	\$ 280,000

#### **Motor Vehicle Crime Prevention Authority** Exceptional Item Request - SB1 # 9

Description of Continued Funding ongoing costs for FTEs and operating expenditures

Page 60 of 83 February 25, 2021



#### **Board Agenda Item**

Section 7. Discuss and Consider Adoption of the Legislative Recommendations Adopted by the Texas Department of Motor Vehicles Board and Submitted to the 87<sup>th</sup> Legislature by TxDMV for the 87<sup>th</sup> – Insurance Collections Improvement and Texas Department of Transportation Reporting.

Board Meeting Date: 2/25/2021 BRIEFING

To: Motor Vehicle Crime Prevention Authority Board

From: Caroline Love, TxDMV Government & Strategic Communications Division Director

Agenda Item: 7

Subject: Legislative Recommendations Adopted by the Texas Department of Motor Vehicles Board and Submitted

to the 87<sup>th</sup> Legislature for Insurance Collections Improvement and Texas Department of Transportation

Reporting

#### PURPOSE AND EXECUTIVE SUMMARY

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

At the October 1, 2020 meeting of the TxDMV Board, recommendations related to the Motor Vehicle Crime Prevention Authority (MVCPA) were adopted to help streamline operations and improve efficiencies. Upon adoption these recommendations were submitted to the Governor, Lieutenant Governor, Speaker of the House, and the presiding officers of relevant legislative committees for further potential handling in during the 87th Legislative Session. This agenda item will provide an overview and update on these recommendations.

#### FINANCIAL IMPACT

None.

#### **BACKGROUND AND DISCUSSION**

Throughout 2020 and earlier this year TxDMV's Government and Strategic Communications Division worked with all the department's divisions and offices and external stakeholders to begin identifying potential statutory changes to bring for the TxDMV Board to consider.

The recommendations related to MVCPA were presented to the TxDMV Board's Legislative & Public Affairs Committee on September 30, 2020 for discussion. Those recommendations adopted by the committee were then presented to the TxDMV Board on October 1, 2020 and adopted.

#### 87th Legislature - TxDMV Board Recommendations for Statute Changes

#### Motor Vehicle Crime Prevention Authority (MVCPA) Related

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



#### **Board Agenda Item**

- **18.** Reports on MVCPA-related activities identified by the Director as noteworthy, which may include reports on:
  - A. Budget
  - B. Grant Activities and Analysis
    - C. Grant Adjustments status
  - D. Public Education and Public Awareness program and activities
    - E. MVCPA Law Enforcement Training
      - F. Assessment Collection Activities
    - G. Agency Operations and COVID Impact
      - H. Activity and Funds Report

## Motor Vehicle Crime Prevention Authority February 25, 2021

## Motor Vehicle Crime Prevention Authority AY 2021 Budget as of 1/31/2021

			4.5 5. =/ 5.	_, -				
MVCPA Budget Category	A	djusted Budget	Expenditures	Р	rojected Obligations and Encumbrances	Αv	ailable Budget	% Available Budget
Grants	\$	11,864,910	\$ -	\$	11,854,802	\$	10,108	0.1%
Advertising and Promotion	\$	25,500	\$ -	\$	-	\$	25,500	100.0%
All Other Operating	\$	52,797	\$ 3,939	\$	5,863	\$	42,995	81.4%
Consumable Supplies	\$	8,500	\$ 5,957	\$	33	\$	2,510	29.5%
Professional Fees & Services	\$	30,520	\$ 529	\$	12,498	\$	17,493	57.3%
Salaries and Personnel Costs	\$	371,815	\$ 126,258	\$	-	\$	245,557	66.0%
Travel	\$	13,100	\$ -	\$	-	\$	13,100	100.0%
Grand Total	\$	12,367,142	\$ 136,683	\$	11,873,196	\$	357,263	2.9%

<sup>\*</sup>Amount Reduced from the FY21 MVCPA Budget not available in FY21 = -\$467,858

**Unexpended Balance Carried Forward and available in FY21 = \$203,798** 

If the Board approves Agenda Item 3) B. – MVCPA Staff will allocate \$203,798 in FY21 budget toward grants category for use in the MVCPA Rapid Response Strikeforce Grant Program.

#### February 25, 2021

#### **Grant Activities and Analysis**

	Statutory Performance Measures Report	FY2020
		Closed
1.1.15	Number of vehicles recovered by taskforces	
		12,860
1.1.16	Number of motor vehicle theft cases cleared	
		19,258
1.1.17	Number of persons arrested for motor vehicle theft by taskforces	
		3,593
2.1.12	Number of burglary cases cleared	
		2,419
2.1.13	Number of persons arrested for burglary by taskforces	
		736
8.1.1	Number of fraud-related motor vehicle cases cleared	
		134
8.1.2	Number of persons arrested for fraud-related motor vehicle crimes	
		51

	FY21 Year to Date as of 2/22/21							
	Statutory Performance Measures Report	FY2021 Q1-Q2						
1.1.15	Number of vehicles recovered by taskforces							
		3,340						
1.1.16	Number of motor vehicle theft cases cleared							
		4,908						
1.1.17	Number of persons arrested for motor vehicle theft by taskforces							
		822						
2.1.12	Number of burglary cases cleared							
		496						
2.1.13	Number of persons arrested for burglary by taskforces							
		195						
8.1.1	Number of fraud-related motor vehicle cases cleared							
		46						
8.1.2	Number of persons arrested for fraud-related motor vehicle crimes							
		18						

February 25, 2021

#### **FY 2021 Grant Adjustment Report**

Grant adjustments are modifications to the program or budget awarded by the MVCPA. Under current policy and rules the MVCPA staff review the grant adjustments requested by the grantee. The MVCPA director may authorize the change after review and recommendation by the staff. The MVCPA director reports all requested modifications of grant awards to the MVCPA each meeting. Grant adjustments are a major indicator for the MVCPA board to monitor. Excessive numbers of grant adjustments may indicate the applications submitted by grantees to obtain an award need to be reviewed for how they meet the program and statutory objectives. The following FY21 grant adjustments were approved:

<b>Grant Program</b>	Adjustment Type	Description	Budget Adjustment Total	Approval Date
Dallas County	Budget	Move \$36,000 from Program Income to Equipment to purchase a 2021 Chevrolet Tahoe.	\$36,000.00	1/30/21
City of Austin	Budget	Move 28,218.00 from personnel and fringe to overtime.	\$28,218.00	12/10/20
City of Victoria	Budget	Move \$910 from Supplies and DOE to Equipment be used to purchase a Stealth 5 GPS Tracker.	\$910	11/25/20
Harris County	Program	Remove the Grant Manager position and add an Investigator position.	\$0	09/23/20
City of Mansfield	Budget	Move \$3,663.56 from Program Income to Equipment to purchase new vest covers for investigators.	\$3,663.56	09/11/20
Tarrant County	Budget	Pending	\$0	

Total: 6

Budget Change: 5 Program Change: 1

Budget/Program Change:

February 25, 2021

#### FY 2020 Grant Adjustment Report since last MVCPA Meeting

#### All FY20 grants have been closed

Grant Program	Adjustment Type	Description	Budget Adjustment Total	Approval Date
City of El Paso	Budget	Move vehicle lease from Equipment to Supplies and Direct Operating Expenses.	\$57,600.00	06/26/20
City of Corpus Christi	Budget	Move \$15,500 from Supplies and Travel to Overtime.	\$15,500.00	7/17/20
City of Beaumont	Program	Program request for an adjustment to 0 deployments for LPR because broken LPR cannot be replaced.	\$0	7/17/20
Potter County	Budget	Move \$4,100 to personnel to make up for budget shortfall.	\$4,100.00	08/06/20
Smith County	Program	Move equipment associated with the task force to a county building (reference adjustment 113).	\$0	08/06/20
Dallas County	Budget	Move \$3,700 from Supplies to Overtime.	\$3,700.00	08/06/20
City of Victoria	Budget	Move \$2,848.38 from Travel/Training to Equipment to purchase a computer.	\$2,848.38	08/06/20
Lubbock County	Budget	Move \$30,334 from Fringe, Overtime, Travel and Supplies to Equipment to purchase a vehicle.	\$30,334.00	08/07/20
Burnet County	Program	Commissioner's Court approved the transfer of a 2014 Chevy Tahoe from the Sheriff's Office to the task force.	\$0	08/28/20

Total: 9
Budget Change: 6
Program Change: 3
Budget/Program Change:

February 25, 2021

#### **Public Education and Public Awareness Program and Activities**

MVCPA has been using a variety of social media and web-based tools to promote motor vehicle crime prevention, and to advance its statutory obligations. MVCPA frequently uploads motor vehicle crime prevention information on social media platforms – Facebook, Twitter, MVCPA TxDMV website, and link taskforces across the state.

#### **Facebook**

At the end of FY20, Facebook analytics snapshot shows that MVCPA's outreach increased by 771%, reaching 264 people; and post engagements on the site increased by 209%. This viewership increase was because of MVCPA's July Watch Your Car outreach and coordination with NICB and Insurance Counsel of Texas news release.

In addition to FY20, in FY21 Facebook analytics snapshot already shows dramatic social media uptick when MVCPA featured Texas 2019 Hot Spots and Hot Wheels Reports by National Insurance Crime Bureau (NICB). The Hot Wheels report reached more than **2,871** people, and TxDMV/MVCPA's holiday car watch tips reached more than **11,985** people, and **319** post engagements, as shown below.

#### MVCPA Facebook Analytics – Nov. 3-30, 2020

Dramatic social media uptick on Facebook. The Hot Wheels report reached more than **2,871** people TxDMV/MVCPA's holiday car watch tips reached more than **11,985** people, and **319** post engagements.



#### Click here to get more information on Facebook

Many taskforces have Facebook and Twitter accounts. MVCPA encourages taskforce members to use their social media platforms to increase the coverage and impact motor vehicle crime prevention messages.

#### **Twitter**

MVCPA's Twitter account reactivated in August 2019 and has been actively used. The account has increased followers from 3 when it was activated to 37 Followers, and more than 62 Tweets.

#### Collaboration with National Media Outreach with Auto Theft Prevention Associations (ATPA)

MVCPA has been meeting with ATPA agencies including Colorado Auto Theft Crime Prevention, Pennsylvania Auto Theft Prevention Authority, California Auto Theft Crime Prevention, and The International Association of Auto Theft Investigators (IAATI) representatives to discuss a centralized theme that captures the varieties of ATPA motor vehicle crime prevention messages, tips, campaigns, public awareness education and outreach. The theme will provide consistency in messaging across multi-media platforms for motor vehicle theft locally, nationally and internationally. MVCPA is participating in the working committee to strategize a needs assessment instrument to be presented to the larger ATPA body, to enable a decision on how to proceed with a national media campaign.

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#### **Assessment Collection Activities**

MVCPA has been working with the Texas Department of Insurance (TDI) to promote compliance with insurers that are licensed to sell motor vehicle insurance to file appropriate documents regarding the MVCPA fee. The following table presents enforcement investigations opened and actions taken by TDI:

MVCPA Notified by TDI On	TDI Case No.	Company Name	Warning Letter Tax Period	CPA Report	Report Filed
2020					
9/18/2020	25032	ACCIDENT INSURANCE COMPANY INC	2018	\$1400 Jan-June	Yes, Warning Letter
9/18/2020	25033	COMPASS SPECIALTY INSURANCE RISK RETENTION GROUP	2018		Yes, Warning Letter
9/18/2020	25035	EVERGREEN NATIONAL INDEMNITY	2018		Yes, Warning Letter
9/18/2020	25037	MIDVALE INDEMNITY COMPANY	2018	\$318 Jan-Dec	Yes, Warning Letter
9/18/2020	25038	P&S INSURANCE RISK RETENTION GROUP INC	2018	\$2248 July-Dec	Yes, Warning Letter
11/2/2020	26151	SHELTER MUTUAL INSURANCE COMPANY	2019		Yes, Warning Letter
11/3/2020	26145	AMERICAN FAMILY MUTUAL INSURANCE COMPANY	2019		11/5 MVCPA
11/17/2020	26148	RENAISSANCE REINSURANCE U.S. INC.	2019		Yes, Warning Letter
11/17/2020	26149	RIDER INSURANCE COMPANY	2019		Yes, Warning Letter
<u>2021</u>					
1/5/2021	26146	COMMERCIAL ALLIANCE INSURANCE COMPANY	2019		Yes, Warning Letter
1/20/2021	25040	ZURICH COMPANIA DE SEGUROS, S.A.	2017- 2020		Yes, Warning Letter

February 25, 2021

#### **Agency Operations and COVID impact**

#### **COVID Impact**

On March 17, 2020 TxDMV directed all staff to begin telecommuting. Staff are still able to work in the office if need be with the condition that they adhere to current operations guidelines. TxDMV is currently in Phase 2 of the return to work plan where staff is coming in on a voluntary basis. MVCPA staff is currently volunteering to work in the office one day a week on different days of the week to limit physical contact. TxDMV adopted a new telecommuting policy where all employees telecommuting must complete a policy acknowledgement in DocuSign. All telecommuters are also required to complete telecommuting training in CAPPS Learn and submit a telecommuting agreement form approved through the division chain of command.

MVCPA placed an order in March 2020 for personal protective equipment (PPE) of vinyl gloves and disposable masks in addition to hand sanitizer bottles and disinfecting spray. To date, MVCPA has received requests from 12 grantees requesting PPE. The following supplies have been sent to our partners in an effort to take care of them:

	Face Masks (50/box)	Vinyl Gloves (100/box)	Hand Sanitizer (8 oz.)	Clorox Spray (32 oz.)
Total	56 boxes	59 boxes	215 bottles	68 bottles
<b>Total (Individual Counts)</b>	2,800 face masks	5,900 gloves	215 bottles	68 bottles

An email was sent to the grantees on April 3, 2020 in the Commander Update. The email provided instructions to the grantees regarding the COVID impact on their operations.

#### **Grant Rules and Requirements Update**

MVCPA eased your grant requirements:

- Progress Report due dates were extended by 60 days.
- Expenditure Reports due dates were extended by 30 days.
- Staff or Officers Reassigned to Work Remotely- allowed
- Change in Duties from Duties Described in Grant Application allowed with notification
- Needed Grant Adjustments to Support Working Remotely or Expanded Duties during the disaster declaration, grantees may spend up to \$2,000 in program income or available funds budgeted elsewhere on equipment without a grant adjustment.
- Administrative Paid Leave and Shelter at Home Directives: MVCPA reimbursed grant-funded staff that were ordered home by a city/county ordinance/order.

The Legislative Budget Board has ordered that state funds spent on COVID 19 activities be tracked – The MVCPA Quarterly Expenditure Report was updated to allow financial officers to report any grant or match funds that were used related to the COVID 19 Emergency Disaster Declaration. This includes any administrative leave, equipment, and other grant or match funds for COVID 19 expenses. Below are the expenses reported by grantees:

Grantee	<b>Grant Number</b>	COVID ABTPA	COVID Local	COVID PI	COVID Total
City of Laredo	608-20- 2400100	14,184.47	6,137.99	0	20,322.46
<b>Lubbock County</b>	608-20- 1520000	300.51	68.69		369.2
City of El Paso	608-20- 0710200	2,604.36	1,558.99		4,163.35
City of Pasadena	608-20- 1011500	73,987.22			73,987.22
Harris County	608-20- 1010000	109,825.70			109,825.70
<b>Tarrant County</b>	608-20- 2200000	1,164.00			1,164.00
City of Brownsville	608-20- 0310100	0	42,837.76		42,837.76
City of Corpus Christi	608-20- 1780200	9,975.65	3,191.76	0	13,167.41
Total		212,041.91	53,795.19	0	265,837.10

#### **Border Security Report**

The MVCPA border security report was sent by TxDMV to the LBB on September 30, 2020. See attached.

FY 2020 Border Security Reporting Template

Agency Cod		Agency Name: Department of Motor	Vahiolog	Prepar Prop N		porture rom	Reporting Period	•				
					SBP Program:	September 2019 - August 2020  Automobile Burglary and Theft Prevention						
Strategy (e.g. A.1.1)		DE/MOF Code	Age	ncy Division	Appropriated	Budgeted	Expended in Border Counties	for Border Security Activities Expended in Non-Border Counties	Expended in Non-Border Counties	Total Expended		
B.2.1	4000-Grant	s	Automobile Bur Prevention Autl	glary and Theft nority	\$5,200,000	\$6,070,807	\$6,070,807			\$6,070,807		
										\$0 \$0 \$0 \$0 \$0 \$0		
Total, Object	ts of Exper	ise	-		\$5,200,000	\$6,070,807	\$6,070,807	\$0	\$0	\$6,070,807		
B.2.1		Revenue Fund	Automobile Bui Prevention Auti	glary and Theft nority	\$5,200,000					\$6,070,807 \$0 \$0 \$0 \$0 \$0		
Total, Metho	od of Financ	cing			\$5,200,000			\$0				
		Number of Pos	itions (ETE)	ched	\$0 	\$0	\$0	\$0	\$0	\$0		
Subcategor	y Definition		ILIOIIS (FIE)									

A grant is a financial award given by a state agency to an eligible grantee. They are not expected to be repaid by the recipient and do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee.

The Motor Vehicle Crime Prevention Authority provides grants to local law enforcement agencies (task forces) to fund initiatives to reduce incidences of motor vehicle theft and burglary.

#### Agency Notes:

Appropriation Authority:

Article IX, Sec. 17.07 Border Security - Informational Listing. Included elsewhere in this Act is \$800.6 million in border security funding for the 2020-2021 biennium. The following is an informational list of the amounts appropriated elsewhere in this Act for border security to the Department of Public Safety, Trusteed Programs Within the Office of the Governor, the Parks and Wildlife Department, the Alcoholic Beverage Commission, the Department of Criminal Justice, the Commission on Law Enforcement, the Office of the Attorney General, the Soil and Water Conservation Board, and the Department of Motor Vehicles.

Department of Motor Vehicles

Motor Vehicle Crime Prevention Authority Grants (MVCPA) \$10.4 million

The appropriated amount for MVCPA is \$10.4 million for the FY20-FY21 biennial total. In accordance with Appropriations Act, Article IX, Section 4.02 Grants, the ABTPA distributes grants on a reimbursement basis. For FY20 MVCPA designated specific grant funded Law Enforcement Agencies that operate along to Texas Border with Mexico (City of Brownsville, City of Eagle Pass, City of El Paso, City of Laredo, City of Victoria) and in the Texas Seaports (City of Beaumont, City of Corpus Christi, Galveston County, Harris County, City of Houston, City of Pasadena) as "border/port security grants."

FY 2020 Expended Amounts reflect the total obligated amount by Purchase Order for border grantees as of 08/31/2020. See additional worksheet named "Border Grant Data" for PO obligations.

\*Note - Article IX, Sec. 17.07 uses the term "Automobile Burglary and Theft Prevention Grants" for TxDMV for FY 2020-2021 reporting purposes. Name was changed by SB604(86R).

Also, due to the statutory requirement (Chapter 783 Texas Government Code) for reimbursement grants, payments cannot be completed until after the due date of reports set in the rules promulgated by the Comptroller under this law. Actual disbursements cannot be reported until a later date.

The number of Positions (FTE) required in the report has not been provided because the employees under this grant program are not direct State employees. The number of positions funded under these grants are employees of grantees and subgrantees.

FY 2020 Border Security Grant Awards and Expenditure Report

				FY 20 Appn	FY20						
Border	Vendor		1st	Round Award's	Grant Award	Ex	penditures as	Balance as of			
<b>Grantee Name</b>	Number	<b>Grant Number</b>	9/	1/19 - 8/31/20	Total's	(	of 08/29/20	08/29/20			
City of Beaumont	1746000278	608-20-1230100	\$	528,714	\$ 528,714	\$	250,550.83	\$ 278,163.17			
City of Brownsville	1746000422	608-20-0310100	\$	924,350	\$ 924,350	\$	410,519.77	\$ 513,830.23			
City of Corpus Christi	1746000574	608-201780200	\$	410,973	\$ 410,973	\$	205,030.69	\$ 205,942.31			
City of Eagle Pass	1746000698	608-20-1620100	\$	125,000	\$ 125,000	\$	96,637.23	\$ 28,362.77			
City of El Paso	1746000749	608-200710200	\$	929,465	\$ 929,465	\$	652,046.09	\$ 277,418.91			
<b>Galveston County</b>	1746000908	608-20-0840000	\$	469,183	\$ 469,183	\$	284,564.39	\$ 184,618.61			
Harris County	1760454514	608-20-1010000	\$	772,403	\$ 772,403	\$	542,765.78	\$ 229,637.22			
City of Houston	1746001164	608-20-HPD0000	\$	995,000	\$ 995,000	\$	426,663.71	\$ 568,336.29			
City of Laredo	1746001573	608-20-2400100	\$	685,000	\$ 685,000	\$	493,012.61	\$ 191,987.39			
City of Pasadena	1746001846	608-20-1011500	\$	76,000	\$ 76,000	\$	40,067.10	\$ 35,932.90			
City of Victoria	1746002441	608-20-2350100	\$	154,719	\$ 154,719	\$	114,906.48	\$ 39,812.52			
	Во	rder Grants Subtotal		\$6,070,807	\$ 6,070,807	\$	3,516,765	\$ 2,554,042	- \$	- \$	

Article IX, Sec. 17.07 Border Security - Automobile Burglary and Theft Prevention Authority Grants (ABTPA) - the appropriated amount for MVCPA is \$5.6 million for the FY20-21 biennial total. Payments shown above are as of 8/31/20

FY 2019 Border Security Reporting Template

Agency Cod		Agency Name:	Vahialaa	Prepare	ed By:	porturg rom	Reporting Period	•					
				/ilson/John Ralston	SBP Program:	September 2019 - August 2020  Automobile Burglary and Theft Prevention							
Strategy (e.g. A.1.1)		DE/MOF Code	Age	ncy Division	Appropriated	Budgeted	Expended in Border Counties	for Border Security Activities Expended in Non-Border Counties	Expended in Non-Border Counties	Total Expended			
B.2.1	4000-Grant	s	Automobile Bur Prevention Autl	glary and Theft nority	\$2,800,000	\$5,923,986	\$5,923,986			\$5,923,986			
										\$0 \$0 \$0 \$0 \$0 \$0			
Total, Object	cts of Exper	ise			\$2,800,000	\$5,923,986	\$5,923,986	\$0	\$0	\$5,923,986			
B.2.1		Revenue Fund	Automobile Bui Prevention Auti	glary and Theft nority	\$2,800,000					\$5,923,986 \$0 \$0 \$0 \$0 \$0			
Total, Metho	od of Financ	cing			\$2,800,000								
			/===:	checi	\$0	\$0	\$0	\$0	\$0	\$0			
Subcategor	v Definition	Number of Pos	itions (FTE)										

A grant is a financial award given by a state agency to an eligible grantee. They are not expected to be repaid by the recipient and do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee.

The Automobile Burglary and Theft Prevention Authority provides grants to local law enforcement agencies (task forces) to fund initiatives to reduce incidences of motor vehicle theft and burglary.

#### Agency Notes:

Appropriation Authority:

Article IX, Sec. 17.07 Border Security - Informational Listing. Included elsewhere in this Act is \$800.0 million in border security funding for the 2018-2019 biennium. The following is an informational list of the amounts appropriated elsewhere in this Act for border security to the Department of Public Safety, Trusteed Programs Within the Office of the Governor, the Parks and Wildlife Department, the Alcoholic Beverage Commission, the Department of Criminal Justice, the Commission on Law Enforcement, the Office of the Attorney General, the Soil and Water Conservation Board, and the Department of Motor Vehicles.

Department of Motor Vehicles

Automobile Burglary and Theft Prevention Authority Grants (ABTPA) \$5.6 million

The appropriated amount for ABTPA is \$5.6 million for the FY18-FY19 biennial total. In accordance with Appropriations Act, Article IX, Section 4.02 Grants, the ABTPA distributes grants on a reimbursement basis. For FY19 ABTPA designated specific grant funded Law Enforcement Agencies that operate along to Texas Border with Mexico (City of Brownsville, City of Eagle Pass, City of El Paso, City of Laredo, ) and in the Texas Seaports (City of Beaumont, City of Corpus Christi, Galveston County, Harris County, City of Houston, City of Pasadena, City of Victoria) as "border/port security grants."

FY 2019 Expenditure amounts are revised to reflect data as of August 31, 2020. \*Note - Article IX, Sec. 17.07 uses the term "Automobile Burglary and Theft Prevention Grants" for TxDMV for FY 2020-2021 reporting purposes. Name was changed by SB604(86R).

Also, due to the statutory requirement (Chapter 783 Texas Government Code) for reimbursement grants, payments cannot be completed until after the due date of reports set in the rules promulgated by the Comptroller under this law. Actual disbursements cannot be reported until a later date.

The number of Positions (FTE) required in the report has not been provided because the employees under this grant program are not direct State employees. The number of positions funded under these grants are employees of grantees and subgrantees.

Revised
Reporting Period
September 2018 August 2020\*

## FY 2019 Border Security Grant Awards and Expenditure Report

Border			Tota	al Obligated AY			
<b>Grantee Name</b>	Vendor Number	<b>Grant Number</b>		2019	AY 2	2019 as of 8-31-20	
ity of Beaumont	1746000278	608-19-1230100	\$	528,714	\$	528,714	
ty of Brownsville	1746000422	608-19-0310100	\$	714,350	\$	714,350	
y of Corpus Christi	1746000574	608-19-1780200	\$	345,973	\$	345,973	
y of Eagle Pass	1746000698	608-19-1620100	\$	151,222	\$	151,222	
y of El Paso	1746000749	608-19-0710200	\$	778,537	\$	778,537	
veston County	1746000908	608-19-0840000	\$	408,790	\$	408,790	
ris County	1760454514	608-19-1010000	\$	1,162,403	\$	1,162,403	
y of Houston	1746001164	608-19-HPD0000	\$	810,791	\$	810,791	
of Laredo	1746001573	608-19-2400100	\$	637,768	\$	637,768	
y of Pasadena	1746001846	608-19-1011500	\$	76,000	\$	76,000	
y of Victoria	1746002441	608-19-2350100	\$	309,438	\$	309,438	
	В	order Grants Subtotal	\$	5,923,986	\$	5,923,986	

Article IX, Sec. 17.07 Border Security - Automobile Burglary and Theft Prevention Authority Grants (ABTPA) - the appropriated amount for

<sup>\*</sup> data is updated through March 12, 2020

February 25, 2021

#### **Funds and Activity Report**

#### **Activities and Funds Report Update**

The Activity Report is due to the Texas Legislature on April 1 of each year. In FY2015 the MVCPA combined the two statutory reports required under Transportation Code §1006.101(d) and §1006.155 into a single annual MVCPA Activities and Funds Report.

MVCPA staff completed a draft of the Funds Report portion of the Activities and Funds Report. The financial portion will be routed for review to TxDMV Financial and Administrative Services division for review and comment.

MVCPA staff plans to distribute a draft of the Activities and Funds Report to the MVCPA Board of Directors by March 15, 2021 before sending the Texas Legislature.

### Funding Shortfall

- The MVCPA collects \$4 per Texas automobile insurance policy, and in 2019, the Texas Legislature statutorily committed appropriating 20 percent of the collected fees toward the Authority. Texans paying the fee are informed accordingly.
- The House and Senate general appropriations bill for the 2022-2023 biennium falls significantly below the statutorily required appropriation for the MVCPA by \$16,523,898.
- The Motor Vehicle Crime Prevention Authority (MVCPA) funds 24 law enforcement taskforces throughout the state and the employment of 236 law enforcement investigators
- Texans face losses of nearly \$1.5 billion each year due to motor vehicle burglary and theft crimes. Vehicles are stolen, often violently, to fund criminal crime rings and in the commission of other crimes. vehicle theft increases familial stress, impedes access to work, and leads to higher insurance premiums for all Texans.
- Out of all 50 states, plus Puerto Rico and the District of Columbia, Texas ranked twelfth (12), per capita, for vehicle thefts. From 2018 to 2019, Texas was one of only 11 states with an increase in vehicle thefts.
- We urge the Legislature to amend SB 1 and HB 1 and appropriate the full 20 percent of MVCPA collected fees to fund the MVCPA program as entitled under the law.

#### MVCPA FUNDING

The Motor Vehicle Crime Prevention Authority (MVCPA) is funded entirely by a portion of a \$4 fee annually assessed upon every Texas auto insurance policy. While the Authority's dedicated funding source has a long history of being diverted for other purposes, in 2019 the Texas Legislature, to ensure stable and consistent funding, unanimously passed legislation committing that 20 percent of the

collected fee revenue shall be appropriated to the Authority. Texans paying the fee are informed accordingly.

Regrettably, the Senate and House general appropriation bills (SB 1/HB 1), based on the latest, revised figures from the Texas Comptroller of Public Accounts, significantly fall short of the Authority's statutorily imposed minimum by more than \$16.5 million over the biennial.

	FY 2022	FY 2023	Biennial Difference as Compared to Appropriations Bills
Proposed MVCPA			
Appropriation by	\$12,835,851	\$12,835,851	n/a
way of SB 1/HB 1			
20% of Collected \$4			
Fee Based on			
<b>Revised Projections</b>	\$20,953,600	\$21,242,000	\$16,523,898
of the Texas			
Comptroller			

#### ABOUT THE MVCPA

Thirty years ago, the Texas Legislature created the Motor Vehicle Crime Prevention Authority (originally named the Auto Theft Prevention Authority). Housed within the Department of Motor Vehicles, the MVCPA is overseen by a seven-member board appointed by the Governor with the Director of the Texas Department of Public Safety serving as an ex-officio member. The MVCPA is statutorily authorized to combat vehicle theft, vehicle burglaries, fraud-related motor vehicle crimes, and stolen vehicles taken across the border into Mexico. The Authority funds 24 law enforcement taskforces throughout the state and the employment of 236 law enforcement investigators. From investigating and combatting carjacking to commercial cargo theft to vehicle title fraud, the MVCPA's mission goes well beyond basic auto theft.

#### VEHICLE THEFT

In 2019, nearly 800,000 automobiles were stolen – often violently – across the United States, and preliminary data suggests national vehicle thefts have increased by 9.2 in 2020. Organized criminal rings are increasingly turning to stolen cars to make big money or finance their operations by reselling them to unsuspecting buyers, shipping them overseas, stripping them of their valuable parts, or using them in the commission of other crimes. The chair of the International Association of Chiefs of Police's Vehicle Crimes Committee states "the first step of violent crime and high-impact crime begins with stolen vehicles. You need stolen vehicles for crimes like shootings, robberies, homicides, drug dealing and insurance fraud." Closer to home, vehicle theft increases familial stress, impedes access to work, and leads to higher insurance premiums for all Texans.

- Texans face losses of nearly \$1.5 billion each year due to motor vehicle burglary and theft crimes.<sup>1</sup>
- Out of the 50 states, plus Puerto Rico and the District of Columbia, Texas ranked twelfth (12), per capita, for vehicle thefts.<sup>2</sup>
- Texas was one of only 11 states with an increase in vehicle thefts from 2018 to 2019.<sup>2</sup>
- Out of 384 U.S. MSAs, 17 out of Texas' 25 MSAs fall, per capita, within the top half U.S. auto thefts. With the following MSAs falling within the top one-fifth of all MSAS:<sup>2</sup>
  - o Odessa MSA (5)
  - o Lubbock MSA (15)
  - o Amarillo MSA (27)
  - o Midland MSA (36)
  - o Houston-The Woodlands-Sugar Land MSA (43)
  - o San Antonio New Braunfels MSA (59)
  - o Dallas-Fort Worth-Arlington MSA (64)
  - o Corpus Christi MSA (72)

#### THE FIX

Motor vehicle crime in Texas is pervasive. It not only hits Texas consumers and businesses in the pocketbook but puts their safety and even lives in jeopardy. The Texas Legislature, recognizing the need and value for the Motor Vehicle Crime Prevention Authority passed legislation, just last session, to ensure its reliable funding by requiring 20 percent of fees collected by the MVCPA be appropriated to fund its operations. Subsequently, we urge the Legislature to amend SB 1 and HB 1 and appropriate the full 20 percent of MVCPA collected fees -- \$42,195,600 for the biennial -- to fund the MVCPA program as entitled under the law. Doing so not only will be exponentially valuable in the fight against motor vehicle crimes but will ensure that the fee appropriated is promised to the Texans that pay it.

Headquarted in Des Plaines, Illinois, the National Insurance Crime Bureau (NICB) is the nation's leading not-for-profit organization exclusively dedicated to fighting insurance and vehicle crime. With a 100-plus year heritage, the NICB is supported by more than 1,200 property-casualty insurance companies and self-insured organizations. The NICB maintains two offices in Texas. To learn more, visit: **NICB.org** 

Howard Handler, Senior Director, Government Affairs hhandler@nicb.org | 847-544-7083

<sup>&</sup>lt;sup>1</sup> The Crime in Texas Report for 2019, Texas Department of Public Safety as reported in the MVCPA Plan of Operation, December 1, 2020

<sup>&</sup>lt;sup>2</sup> NICB 2019 Hot Spots Report, July 21, 2020



# MOTOR VEHICLE CRIME PREVENTION AUTHORITY