



# Motor Vehicle Crime Prevention Authority

**Board Meeting**

**Houston, Texas**

**December 7, 2023**

4000 Jackson Avenue  
Austin Texas, 78731  
[www.txwatchyourcar.com](http://www.txwatchyourcar.com)

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**AGENDA  
BOARD MEETING  
MOTOR VEHICLE CRIME PREVENTION AUTHORITY  
HILTON HOUSTON POST OAK BY THE GALLERIA  
2001 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056  
THURSDAY, DECEMBER 7, 2023  
9:00 A.M.**

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Link to December 7, 2023, MVCPA Board Meeting Documents (under Calendar tab):  
<https://www.txdmv.gov/about-us/MVCPA>

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

- 1. Roll Call and Establishment of Quorum**
- 2. Pledges of Allegiance – U.S. and Texas**
- 3. Chair's Reports – Chairman Rodriguez**
  - A. Approval of Transcript as Minutes (August 23, 2023) (ACTION ITEM)
  - B. Chair's Report
- 4. MVCPA Director's Report – Earl Pence (BRIEFINGS ONLY)**
  - A. Recognitions
  - B. FY 2024 Staff Positions
  - C. Law Enforcement Training

**RULE ADOPTIONS**

- 5. Chapter 57, Motor Vehicle Crime Prevention Authority – David Richards (ACTION ITEM)**  
**New, §57.52**  
(Relating to MVCPA Fee Penalty for Late Payment or Filing of Report; Appeal)
- 6. Chapter 57, Motor Vehicle Crime Prevention Authority – David Richards (ACTION ITEM)**  
**Amendment, §57.48**  
(Relating to MVCPA Fee – Motor Vehicle Years of Calculations)

**WAIVER AND REFUND REQUESTS (ACTION ITEMS)**

- 7. State Farm Refund – Dan Price (ACTION ITEM)**

8. **State Farm Waiver** – Dan Price (ACTION ITEM)
9. **Hanover Group Waiver** – Dan Price (ACTION ITEM)
10. **Consideration for Delegation of Authority to Director for Certain Waiver and Refund Requests** – Dan Price (ACTION ITEM)

#### **BRIEFING AND ACTION ITEMS**

11. **Grant Management Tracking System** – Earl Pence & Julio Gonzalez (BRIEFING ONLY)
12. **FY 2024 MVCPA Budget** – Dan Price, Glenna Bowman & Julio Gonzalez (ACTION ITEM)
13. **Presentation by Flock** – Business Model (BRIEFING ONLY)
14. **Consideration and Possible Approval of FLOCK MAG Grant Payments to Grantees** – Dan Price & Julio Gonzalez (ACTION ITEM)
15. **Senate Bill 224 Plan of Operation** – Earl Pence, Dan Price, Glenna Bowman, & Julio Gonzalez
  - A. Budget Allocation (ACTION ITEM)
  - B. Partner State Agency's Resource Needs (BRIEFING ITEM)
  - C. Grantee Resource Needs (BRIEFING ITEM)
  - D. Funding Mechanism (BRIEFING ITEM)
  - E. Meeting Frequency (ACTION ITEM)
16. **FY 2024 MVCPA Conference Update** – Yessenia Benavides (BRIEFING ONLY)

#### **CLOSED SESSION**

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

**Section 551.071** - Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer;
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code Chapter 551; or
- any item on this agenda.

**Section 551.074** - Personnel matters.

- Discussion relating to the appointment, employment, evaluation,

reassignment, duties, discipline, and dismissal of personnel.

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

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

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

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

**18. Action Items from Closed Session**

**19. Public Comment**

**20. Adjournment**

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

If you would like to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board.

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

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact David Richards by telephone at (512) 465-1423.

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

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





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Agenda Item: 1

Subject: Roll Call and Establishment of Quorum

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	Present
Assistant Chief Mike Rodriguez – Governor Designated Presiding Officer Law Enforcement Representative – Laredo, TX	
Kit Whitehill – Governor Appointed Board Member Insurance Consumer Representative – Coppell, TX	
Rebecca Cantu-Serrano – Governor Appointed Board Member Insurance Consumer Representative – Brownsville, TX	
Charla Brotherton – Governor Appointed Board Member Insurance Writer Representative – Fort Worth, TX	
Vacant – Governor Appointed Board Member Insurance Writer Representative	
Lieutenant Julio Gonzalez – Committee Chairman - Governor Appointed Board Member Law Enforcement Representative – Dallas, TX	
Major Sharon Jones – Ex Officio Member Designee for the Public Safety Director Texas Department of Public Safety	



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Agenda Item: 2

Subject: Pledges of Allegiance – U.S. and Texas

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"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."



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To: Motor Vehicle Crime Prevention Authority Board  
From: MVCPA Staff  
Agenda Item: 3. A  
Subject: Approval of Transcripts as Minutes (August 23, 2023)

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**RECOMMENDATION**

Action Item. Motion to approve the transcripts.

**PURPOSE AND EXECUTIVE SUMMARY**

MVCPA staff emailed the August 23, 2023, Board Meeting Transcripts to all MVCPA board members on November 30, 2023 for review.



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To: Motor Vehicle Crime Prevention Authority Board  
From: Earl Pence, Interim Director  
Agenda Item: 4. A  
Subject: Recognitions

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RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

MVCPA Chairman will present the 2023 MVCPA Conference Awards.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Due to a statewide lockdown at the Texas Department of Criminal Justice, Wynne Sign & Plastics was unable to provide MVCPA with the 2023 Conference Awards in time.

**List of 2023 MVCPA Conference Awards:**

**Chairman's Award** - Laredo Auto Theft Task Force  
**Taskforce of the Year** - Houston Auto Crimes Task Force  
**Taskforce of the Year** - Harris County Sheriff's Auto Theft Unit  
**Taskforce Commander of the Year** - Kenneth Richbourg, East Texas Auto Theft Task Force  
**Investigator of the Year** - Gregory Fregeau, Detective, Dallas Auto Theft Task Force  
**Promotion to Captain** - James Lint, Regional Auto Crimes Taskforce  
**Promotion to Captain** - Sandra "Sandi" Chapa, Harris County Sheriff's Auto Theft Unit  
**Retired** - David Rowton, Northeast Texas Auto Theft Task Force  
**Retired** - Chief Investigator Jay Truelock, South Plains Auto Theft Task Force  
**Retired** - Howard Ray Johnson, Tarrant Regional Auto Crimes Taskforce  
**Retired** - Rene Cardona, Eagle Pass Auto Theft Task Force  
**Partnership Award** - Roland Luna, Texas Department of Motor Vehicles  
**Partnership Award** - Daniel Avitia, Texas Department of Motor Vehicles



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To: Motor Vehicle Crime Prevention Authority Board  
From: Earl Pence, Interim Director  
Agenda Item: 4. B  
Subject: FY 2024 Staff Positions

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#### RECOMMENDATION

Briefing Only.

#### PURPOSE AND EXECUTIVE SUMMARY

Introduction of new staff members.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

MVCPA has recently added 2 new full-time employees.

##### **Justin White**

Justin comes to the MVCPA from the Texas Department of Motor Vehicle's (TxDMV) Enforcement Division. Justin was an Investigator with TxDMV for the past 19 years. His duties were investigating consumer complaints on automobile dealerships, as well as investigating Texas temp tag abuse. Recently, Justin has been instructing Fraudulent Document presentations at various Auto Theft courses. Before joining TxDMV, Justin was a police officer for the DeSoto Police Department.

##### **Herman Adair**

Herman was a police officer for the Hays County Sheriff's Office for the past 26 years. For the last 11 years, Herman was an investigator with the Sheriffs Combined Auto Theft Task Force performing 68-A inspections and specializing in light weight trailer VIN verification. Herman was most recently the president for the Texas Association of Auto Theft Investigators (TAVTI).

As of last week, interviews were held for the position of Administrative Assistant and a candidate has been selected. Pending the passing of a background check, a conditional offer will be made thus bringing the MVCPA staff to 7 full-time employees.



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To: Motor Vehicle Crime Prevention Authority Board  
From: Earl Pence, Interim Director  
Agenda Item: 4. C  
Subject: Law Enforcement Training

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#### RECOMMENDATION

Briefing Only.

#### PURPOSE AND EXECUTIVE SUMMARY

Approval was given to the MVCPA by the Texas Commission on Law Enforcement (TCOLE) to apply for a Training Provider Contract.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

Currently, MVCPA has their continuing education hours reported to the Texas Commission on Law Enforcement (TCOLE) through the Enforcement Division of the Texas Department of Motor Vehicles. MVCPA has been given approval by TCOLE to apply for their own Training Provider Contract. The purpose of having a Training Provider Contract with TCOLE is for MVCPA to report their own continuing education hours on courses taught by or hosted by MVCPA to law enforcement officers.

MVCPA Director has appointed a member of the staff to serve as the Training Coordinator. As part of the application process, the Training Coordinator will create an Advisory Board and the MVCPA Director will appoint the members.

The Training Coordinator will gather the required information and apply for the training contract. Upon submitting the application and required documentation, the TCOLE Commission will determine whether to approve issuance of a contract.



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To: Motor Vehicle Crime Prevention Authority Board  
From: David Richards, General Counsel  
Agenda Item: 5  
Subject: Chapter 57, Motor Vehicle Crime Prevention Authority  
New §57.52, Relating to MVCPA Fee Penalty for Late Payment or Filing of Report

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#### RECOMMENDATION

Action Item. Approve the new section for publication in the *Texas Register*.

#### PURPOSE AND EXECUTIVE SUMMARY

The Authority proposes to amend Title 43 Texas Administrative Code, Part 3, Chapter 57, by adding new §57.52, concerning the assessment of a penalty for late payment of fee or filing of report, and an appeal procedure. The new section is necessary to implement House Bill (HB) 3514 enacted during the 87<sup>th</sup> Legislature, Regular Session (2021).

#### FINANCIAL IMPACT

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

#### BACKGROUND AND DISCUSSION

New §57.52 implements HB 3514 enacted by the 87<sup>th</sup> Legislature, Regular Session (2021). Transportation Code §1006.153, Fee Imposed on Insurers, provides "motor vehicle years of insurance" means the total number of years or portions of years during which a motor vehicle is covered by insurance. Insurers are required to pay to the MVCPA a fee equal to \$5 multiplied by the total number of motor vehicle years of insurance policies delivered, issued for delivery, or renewed by the insurer. New §57.52 provides that a penalty shall be imposed on an insurer for the delinquent payment of the required fee or the delinquent filing of the report of the fee that is required by rule. HB 3514 provides the MVCPA with the ability to audit or contract for the audit of fees paid under Transportation Code §1006.153(b-2) and requires the MVCPA to establish procedures by rule that provide a right to an appeal to an insurer assessed a penalty or interest under this section. The final decision regarding an insurer's appeal is decided by a majority vote of the MVCPA Board. The appeal of the assessment of a penalty of interest is not a contested case under Government Code, Chapter 2001.

**ADOPTION OF****NEW 57 TAC §57.52****Penalty for Late Payment of Fee or Filing Report; Appeal**

**INTRODUCTION.** The Motor Vehicle Crime Prevention Authority (Authority) adopts new 57 Texas Administrative Code (TAC) §57.52 concerning a penalty for late payment of fee or filing of report; appeal. The authority adopts §57.52 without changes to the proposed text as published in the September 8, 2023, issue of the *Texas Register* (48 TexReg 5018). The rules will not be republished.

**REASONED JUSTIFICATION.** New §57.52 implements House Bill (HB) 3514 enacted during the 87<sup>th</sup> Legislature, Regular Session (2021). Transportation Code §1006.153, Fee Imposed on Insurers, provides “motor vehicle years of insurance” means the total number of years or portions of years during which a motor vehicle is covered by insurance. Insurers are required to pay the authority a fee equal to 5 multiplied by the total number of years of insurance policies delivered, issued for delivery, or renewed by the insurer. Transportation Code §1006.153(b), requires insurers to pay the fee not later than: (1) March 1 of each year for a policy delivered, issued, or renewed from July 1 to December 31 of the previous calendar year; and (2) August 1 of each year for a policy delivered, issued, or renewed from January 1 through June 30 of that year.

New §57.52 provides that a penalty shall be imposed on an insurer for the delinquent payment of the required fee or the delinquent filing of the report of a fee that is required by law. The penalty shall be assessed in the same manner as the assessment of a penalty for a delinquent tax payment or a report under Tax Code §111.061(a). Interest accrues in the manner described in Tax Code §111.060 on any fee paid after the due date required under Transportation Code §1006.153(b). HB 3514 provides the authority with the ability to audit or contract for the audit of fees paid under Transportation Code §1006.153(b-2) and requires the authority to establish procedures by rule that provide a right of appeal



## TITLE 43. TRANSPORTATION

## Part 3. Motor Vehicle Crime Prevention Authority

## Chapter 57 – Motor Vehicle Crime Prevention Authority

Adopted Section

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1 to an insurer assessed a penalty or interest under this section. The final decision regarding an insurer's  
2 appeal is decided by a majority vote of the authority. The appeal of the assessment of a penalty or interest  
3 is not a contested case under Government Code, Chapter 2001.

**4 SUMMARY OF COMMENTS.**

5 No comments were received by the authority on this rule proposal.

6 **STATUTORY AUTHORITY.** The department adopts new section §57.52 under Transportation Code  
7 §1006.101. Transportation Code §1006.101 authorizes the MVCPA to adopt rules that are necessary and  
8 appropriate to implement the powers and duties of the authority.

9 **CROSS REFERENCE TO STATUTE.** Art. 4413(37) §6.

1 TEXT.

2 **ADOPTED NEW SECTION**

3 **43 TAC §57.52**

4 §57.52. Assessment of Penalty or Interest for Late Payment of the Fee, Filing of Report; Appeal.

5 (a) Penalty for Late Payment of Fee or Filing of Report.

6 (1) A penalty shall be assessed against an insurer for the delinquent payment of the fee  
7 required under Transportation Code §1006.153(b-1) or the delinquent filing of any report of the fee  
8 required.

9 (2) The penalty for the delinquent payment of the fee or late filing of the report shall be  
10 assessed in accordance with Tax Code §111.061(a).

11 (3) Interest accrues in the manner described in Tax Code §111.060 on any fee paid after  
12 the due date.

13 (b) Appeal Procedures.

14 (1) An insurer that is assessed a penalty or interest by the MVCPA under Transportation  
15 Code §1006.153 may appeal the assessment by submitting an MVCPA prescribed form to the MVCPA  
16 Director within thirty (30) days of the date of the assessment.

17 (2) An insurer shall provide the MVCPA with any written documentation or evidence  
18 demonstrating the reasons for the late payment of the fee or late filing of the report.

19 (3) The MVCPA shall make a final decision on an insurer's appeal at a regularly scheduled  
20 open meeting of the MVCPA board. A final decision on the appeal shall be made by a majority vote of the  
21 MVCPA board.

22 (4) An appeal under this section is not a contested case under Government Code, Chapter  
23 2001.

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

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

/s/

**C. David Richards**

General Counsel



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To: Motor Vehicle Crime Prevention Authority Board  
From: David Richards, General Counsel  
Agenda Item: 6  
Subject: Chapter 57, Motor Vehicle Crime Prevention Authority  
Amendment §57.48, MVCPA Fee – Motor Vehicle Years of Calculations

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### RECOMMENDATION

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

### PURPOSE AND EXECUTIVE SUMMARY

The Authority adopts amendments to Title 43 Texas Administrative Code, Part 3, Chapter 57, §57.48, concerning motor vehicle years of insurance calculations.

The amendments are necessary to implement Senate Bill (SB) 224 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). SB 224 provides that the (a)(1) single statutory fee payable on each motor vehicle for which the insurer provides insurance coverage during the calendar year regardless of the number of policy renewals is increased from \$4 to \$5; and (a)(4) all motor vehicle or automobile insurance policies as defined by Insurance Code §5.01(e), covering a motor vehicle shall be assessed the \$5 fee.

### FINANCIAL IMPACT

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

### BACKGROUND AND DISCUSSION

Amendments to §57.48(a)(1) and (a)(4) implement SB 224 enacted by the 88<sup>th</sup> Legislature, Regular Session, 2023. Transportation Code §1006.153, Fee Imposed on Insurers, provides “motor vehicle years of insurance” means the total number of years or portions of years during which a motor vehicle is covered by insurance. Insurers are required to pay to the Authority a fee equal to \$5 multiplied by the total number of motor vehicle years of insurance policies delivered, issued for delivery, or renewed by the insurer.

Out of each fee collected under §1006.153, \$1 shall be deposited to the credit of the general revenue fund to be used only for coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in this state. The money deposited to the credit of the general revenue may be appropriated to the authority for coordinated regulatory and law enforcement activities.

**ADOPTION OF****AMENDMENTS TO****57 TAC §57.48. Motor Vehicle Years of Insurance Calculation**

**INTRODUCTION.** The Motor Vehicle Crime Prevention Authority (Authority) adopts amendments to 57 Texas Administrative Code (TAC) §57.48 concerning Motor Vehicle Years of Insurance Calculations. The authority adopts §57.48 without changes to the proposed text as published in the September 8, 2023, issue of the *Texas Register* (48 TexReg 5017 ). The rules will not be republished.

**REASONED JUSTIFICATION.** The amended sections are necessary to implement Senate Bill (SB) 224 enacted during the 88<sup>th</sup> Legislature, Regular Session (2023). An amendment to Transportation Code §1006.153 increased the fee that insurers pay to the Authority.

Amendments to §57.48(a)(1) and §57.48(a)(4) increase the statutory fee from \$4 payable on each motor vehicle for which the insurer provides insurance coverage during the calendar year regardless of the number of policy renewals to \$5 payable on each motor vehicle for which the insurer provides insurance coverage during the calendar year regardless of the number of policy renewals to implement SB 224. SB 224 requires the additional \$1 of the fee to be deposited into the general revenue fund to be used for certain activities intended to detect and prevent catalytic converter theft.

**SUMMARY OF COMMENTS.**

The Authority received one comment from State Senator Carol Alvarado, the author of SB 224. Sen. Alvarado offered her appreciation to the Authority for engaging in rulemaking to further implement SB 224.

Response: The Authority agrees with the commenter and appreciates Sen. Alvarado's support in enacting this legislation. No changes were made as a result of this comment.

## TITLE 43. TRANSPORTATION

## Part 3. Motor Vehicle Crime Prevention Authority

## Chapter 57 – Motor Vehicle Crime Prevention Authority

Adopted Section

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- 1 **STATUTORY AUTHORITY.** The department adopts amendments to §57.48(a)(1) and §57.48(a)(4) under
- 2 Transportation Code §1006.101. Transportation Code §1006.101 authorizes the MVCPA to adopt rules
- 3 that are necessary and appropriate to implement the powers and duties of the authority.
- 4 **CROSS REFERENCE TO STATUTE.** Art. 4413(37) §6.

## TITLE 43. TRANSPORTATION

## Part 3. Motor Vehicle Crime Prevention Authority

## Chapter 57 - Motor Vehicle Crime Prevention Authority

Adopted Section

Page 1 of 2

1   **TEXT.**

2                                   **ADOPTION OF AMENDMENTS TO**

3   **43 TAC §57.48**

4   §57.48. Motor Vehicle Years of Insurance Calculations.

5           (a) Each insurer, in calculating the fees established by Transportation Code §1006.153, shall  
6   comply with the following guidelines:

7                   (1) The single statutory fee of \$5 [~~\$4~~] is payable on each motor vehicle for which the  
8   insurer provides insurance coverage during the calendar year regardless of the number of policy renewals;  
9   and

10                  (2) When more than one insurer provides coverage for a motor vehicle during the  
11   calendar year, each insurer shall pay the statutory fee for that vehicle.

12                  (3) "Motor vehicle insurance" as referred to in Transportation Code, Chapter 1006, means  
13   motor vehicle insurance as defined by the Insurance Code, Article 5.01(e). This definition shall be used  
14   when calculating the fees under this section.

15                  (4) All motor vehicle or automobile insurance policies as defined by Insurance Code,  
16   Article 5.01(e), covering a motor vehicle shall be assessed the \$5 [~~\$4~~] fee except mechanical breakdown  
17   policies, garage liability policies, non-resident policies and policies providing only non-ownership or hired  
18   auto coverages.

19           (b) The Insurance Motor Vehicle Crime Prevention Authority Fee Report form and Instructions for  
20   the Computation of the Motor Vehicle Crime Prevention Authority Fee of the Comptroller of Public  
21   Accounts are adopted by reference. The form and instructions are available from the Comptroller of  
22   Public Accounts, Tax Administration, P.O. Box 149356, Austin, Texas 78714-9356. Each insurer shall use  
23   this form and follow those instructions when reporting assessment information to the Comptroller.

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

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

4  
5 /s/  
6 C. David Richards, General Counsel





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To: Motor Vehicle Crime Prevention Authority Board  
From: Dan Price, Grant Auditor  
Agenda Item: 7  
Subject: State Farm Refund

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#### RECOMMENDATION

Action Item. Approve State Farm Refunds in the total amount of \$362,080.

#### PURPOSE AND EXECUTIVE SUMMARY

Report on the MVCPA fee penalty and interest waivers, and requests for refund.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

On September 27, 2023, State Farm Mutual Automobile Insurance Company requested a refund of \$293,620 for the \$4 period of the first half of 2023 and \$68,460 for the \$5 period of the first half of 2023. The Payment was made by State Farm to the account of State Farm Mutual Auto Insurance and should have been made to the account of State Farm Mutual Insurance (not Auto) on July 26, 2023. This misapplication was communicated to the Comptroller of Public Accounts on August 17, 2023. Subsequently another payment for this amount was made to State Farm Mutual Insurance (not Auto). This is why this refund amount is being requested.

A waiver of penalties is also being requested and will be taken up next.

A motion is requested.

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

Company Name: State Farm Mutual Automobile Insurance Company Date: 9-26-2023  
 Address: PO Box 2317 Bloomington, IL 61702 NAIC No.: 25178  
 Comptroller's Taxpayer Number: 1-37-0533100-0 TDI No: 79250  
 Street Address: One State Farm Plaza D-2  
 City: Bloomington State: IL Zip: 61710  
 Company Contact Person: Kenneth Watkins Contact Phone Number: 309-763-6739  
 Contact Email: home.acct-dmsex.508j00@statefarm.com  
 Refund Report Year: 2023  
 Please Circle One: 1st Semi-Annual Payment 2nd Semi-Annual Payment  
 Refund Requested: \$ 362,080 total

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: Amended Motor Vehicle Years	Motor Vehicle Years Over reported mis-applied	Assessment Rate per Motor Vehicle Year (circle one)	Refund Amount Requested
1 Year			114	<del>\$5.00</del> <u>\$4.00</u> \$2.00	456
6 Months			72,391	<del>\$5.00</del> <u>\$4.00</u> \$2.00	293,164
30 Day			0	<del>\$5.00</del> <u>\$4.00</u> \$2.00	0
				or	
			73,405		293,620
	Totals				

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.

Authorized Signature and Title:  Digitally signed by Kenneth Watkins  
 Date: 9/27/2023  
Date: 2023.09.27 12:26:17 -05'00'

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

Company Name: State Farm Mutual Automobile Insurance Company Date: 9-26-2023  
 Address: PO Box 2317 Bloomington, IL 61702 NAIC No.: 25178  
 Comptroller's Taxpayer Number: 1-37-0533100-0 TDI No: 79250  
 Street Address: One State Farm Plaza D-2  
 City: Bloomington State: IL Zip: 61710  
 Company Contact Person: Kenneth Watkins Contact Phone Number: 309-763-6739  
 Contact Email: home.acct-dmsex.508j00@statefarm.com  
 Refund Report Year: 2023  
 Please Circle One: 1st Semi-Annual Payment 2nd Semi-Annual Payment  
 Refund Requested: \$ 362,080 total

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: Amended Motor Vehicle Years	Motor Vehicle Years Over reported mis-applied	Assessment Rate per Motor Vehicle Year (circle one)	Refund Amount Requested
1 Year			20	<u>\$5.00</u> \$4.00	100
			or	\$2.00	
6 Months			13672	<u>\$5.00</u> \$4.00	68,360
			or	\$2.00	
30 Day			0	\$5.00 \$4.00	0
			or	\$2.00	
	Totals		13,692		68,460

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.

Authorized Signature and Title: Kenneth Watkins

Digitally signed by Kenneth  
Watkins  
Date: 2023.09.27 12:27:19 -05'00'

Date: 9/27/2023

**From:** Bridget Mouton  
**To:** Jenny McBeath  
**Cc:** Insurance Tax; Nicole Artman  
**Subject:** [EXTERNAL] RE: State Farm request for assistance  
**Date:** Tuesday, September 26, 2023 9:33:27 AM

Good Morning Jenny,

The payment of \$362,080.00 for the Motor Vehicle Crime Prevention Authority Fee during the first half of 2023 is currently pending in our system. I look for it to apply to the account either tonight or tomorrow. Payment details for both companies on the first half of 2023 are below.

Taxpayer Number 17510700259 – State Farm County Mutual Insurance Co of Texas

No payment was made other than the one that is pending. As best as I can tell, at this point, the process date for that payment is 09/25/2023 and the amount is \$362,080.00. The current penalty amount for the account is \$36,208.00.

Taxpayer Number 13705331000 – State Farm Mutual Auto Ins Co

Payment Date	Amount	Payment Method	
07/26/2023	\$ 362,080.00	TEXNET (electronic)	← This \$362,080 is the mis-applied amount which is the refund request.
07/26/2023	\$8,638,165.00	TEXNET (electronic)	

Please note, this was not a duplicate payment. Those are the same amount paid twice on the same and it is easy to see the overpayment matches the amount of tax that was due. This was a misapplied payment. To see the payment error, one has to look at two different companies' payments and the amount due for each.

The amount due for each is listed below.

Taxpayer Number 17510700259 – State Farm County Mutual Insurance Co of Texas: \$362,080.00

Taxpayer Number 13705331000 – State Farm Mutual Auto Ins Co: \$8,638,165.00

Contact was first made with our office regarding the misapplication of funds on August 17, 2023. At that time, the Comptroller staff member that was responding was unaware that misapplied payments for MVCPA require approval from the Texas Department of Motor Vehicles prior to any transfers being made by our office. When we spoke on September 19, 2023, I informed the Comptroller staff member, as well as State Farm, that we need approval to transfer the payment and that any request for a waiver of the penalties would also need to be approved by the TXDMV.

Please let me know if I can be of further assistance.

Regards,

**Bridget Mouton**

Miscellaneous Tax Section

Direct: (512) 475-0624

Fax: (888) 908-9997

## Motor Vehicle Crime Prevention Fee

Original Return for period ending 06/30/2023

I

Confirmation: You Have Filed Successfully

**Please do NOT send a paper return.**

You chose to file this report without payment. To avoid possible assessment of penalties and interest, do not forget to timely submit the appropriate payment.

**Print this page for your records.****Reference Number:** 20523082136**Date and Time of Filing:** 07/24/2023 11:45:25 AM**Taxpayer ID:** 17510700259**Taxpayer Name:** STATE FARM COUNTY MUTUAL INSURANCE CO OF TEXAS**Taxpayer Address:** 1 STATE FARM PLAZA D-2 BLOOMINGTON , IL 61710 - 0001**Entered by:** Barb Dahl**Email Address:** home.acct-dmsexl.508j00@statefarm.com**Telephone Number:** (309) 766-5129**IP Address:** 136.226.49.10

	Return Summary	Entries	Fee Rate	Fee Due
<b>Calculation</b>				
Total number of motor vehicle years for policies effective <b>January 1 - May 28</b>		73,405	x 4.0000	293,620.00
Total number of motor vehicle years for policies effective <b>May 29 - June 30</b>		13,692	x 5.0000	68,460.00
<b>Summary</b>				
<b>Total Fee Due</b>				362,080.00

**Total Fee Due      362,080.00****Balance Due      = 362,080.00****Pending Payments      - 0.00****Total Amount Due and Payable      = 362,080.00**

## Motor Vehicle Crime Prevention Fee

Original Return for period ending 06/30/2023

Confirmation: You Have Filed Successfully

**Please do NOT send a paper return.**

You chose to file this report without payment. To avoid possible assessment of penalties and interest, do not forget to timely submit the appropriate payment.

**Print this page for your records.****Reference Number:** 20523081483**Date and Time of Filing:** 07/24/2023 11:41:18 AM**Taxpayer ID:** 13705331000**Taxpayer Name:** STATE FARM MUTUAL AUTO INS CO**Taxpayer Address:** 1 STATE FARM PLAZA STAR D-2 BLOOMINGTON , IL 61710 - 0001**Entered by:** Barb Dahl**Email Address:** home.acct-dmsexl.508j00@statefarm.com**Telephone Number:** (309) 766-5129**IP Address:** 136.226.49.10

Return Summary	Entries	Fee Rate	Fee Due
<b>Calculation</b>			
Total number of motor vehicle years for policies effective <b>January 1 - May 28</b>	1,721,385	x 4.0000	6,885,540.00
Total number of motor vehicle years for policies effective <b>May 29 - June 30</b>	350,525	x 5.0000	1,752,625.00
<b>Summary</b>			
<b>Total Fee Due</b>			8,638,165.00

**Total Fee Due      8,638,165.00****Balance Due      = 8,638,165.00****Pending Payments      - 0.00****Total Amount Due and Payable      = 8,638,165.00**

This page is included as this confirms the amount on Bridget's email.

Transaction Detail Report

Transaction Information

Ordering/Originating Account Number	Ordering/Originating Account Name	Branch Location
8231	STATE FARM MUTUAL AUTO	JPMC ILLINOIS (US)
Bank Name	Bank ID	Company/Entity Name and ID
JPMORGAN CHASE BANK, N.A.	0013	STATE FARM AUTO / 1370533100
Method	Transaction Category	Beneficiary Bank Country
ACH Credit	Tax Payments	UNITED STATES - US
Payment Amount	Status	Value Date
USD 362,080.00	Pending Release	07/26/2023
Use Generic Tax Form		Using Template
NO		SF- AUTO TX

Routing/Reference - Beneficiary

Authority Name	Tax Type	ABA	Account Number	Amount
Texas	76020 - Motor Vehicle Crime Prevention Authority Assessment	0614	0414	362,080.00
Tax Payer ID	Tax Payer Name	Amount Code 1	Amount 1	
13705331000	State Farm Mutual Auto	T - Tax	362,080.00	
	Tax Period End Date			
	06/30/2023			
Company Entry Description				
TEXALL		Amount to Pay		362,080.00

Transaction Details: TXP\*13705331000\*76020\*230630\*T\*36208000\

Total: USD 362,080.00

System Information

Date Created	Batch ID
07/25/2023 12:23 PM EDT	15571955

**From:** HOME PURCH-FINANCIAL  
**To:** Nicole Artman  
**Subject:** I: AP Notification - Voucher 80000806 has been paid.  
**Date:** Saturday, September 23, 2023 12:24:21 AM

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The check for Voucher ID 80000806 was issued on 9-22-2023.

Voucher Summary

Initiator: Nicole Artman  
Vendor Name: STATE COMPTROLLER STATE OF TEXAS  
Vendor Address: COMPTROLLER OF PUBLIC ACCOUNTS  
PO BOX 149356  
AUSTIN, TX 78714-9356  
Invoice ID: 03753209212023  
Paid Amount: \$362,080.00  
Payment Method: WIR  
Payment Handling: WD  
Check Number: C016420438  
Payment Comments: TXP\*17510700259\*76020\*230630\*T\*36208000\ Tax Code-76020; Tax Date of 6/30/2023; backing in F&RR

Click the following link to access the payment information:

[https://sferp.opr.statefarm.org:58121/psc/fsprd/EMPLOYEE/ERP/s/WEBLIB\\_SFI.GETINFO.FieldFormula.IScript\\_GoVoucher/?&Page=ERFP\\_VCHR\\_INFO\\_SFI&BU=00008&VCHR=80000806](https://sferp.opr.statefarm.org:58121/psc/fsprd/EMPLOYEE/ERP/s/WEBLIB_SFI.GETINFO.FieldFormula.IScript_GoVoucher/?&Page=ERFP_VCHR_INFO_SFI&BU=00008&VCHR=80000806)

\*\*This message is auto generated. Please do not reply.





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To: Motor Vehicle Crime Prevention Authority Board  
From: Dan Price, Grant Auditor  
Agenda Item: 8  
Subject: State Farm Waiver

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#### RECOMMENDATION

Action Item. Deny State Farm Waiver in the total amount of \$36,208.

#### PURPOSE AND EXECUTIVE SUMMARY

Report on the MVCPA fee penalty and interest waivers, and requests for refunds.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

On September 26, 2023, State Farm Mutual Automobile Insurance Company requested a refund of \$293,620 for the \$4 period of the first half of 2023 and \$68,460 for the \$5 period of the first half of 2023. The Payment was made by State Farm to the account of State Farm Mutual Auto Insurance and should have been made to the account of State Farm Mutual Insurance (not Auto) on July 26, 2023. This misapplication was communicated to the Comptroller of Public Accounts on August 17, 2023. Subsequently another payment for this amount was made to State Farm Mutual Insurance (not Auto).

The Texas State Comptroller assessed a Penalty of \$10% or \$36,208 for non-payment of the MVCPA fee. This is why this waiver amount is being requested.

Per the Comptroller's office, "Please note, during 2021, the 4 different insurance taxes that we administer underwent an audit by the state auditor's office. During the audit they found that the misapplication of payments, either to the wrong tax type, wrong tax year, or wrong taxpayer caused several issues, used state resources, and potentially left the state open to fraud. Also, the funds in several of the insurance taxes are dispersed to other state agencies. Therefore, misapplication of the funds may cause dispersal issues and/or have extenuating requirements for correction. Due to this, we will be limiting the number of transfers that we will be doing. Generally, when a payment is misapplied, an additional payment will need to be made before the due date to avoid penalties."

The additional payment was made after the due date.

A motion is requested.



# Request for Waiver of Penalty for Late Report and/or Payment

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.

## Taxpayer Information

a. Taxpayer name <b>State Farm County Mutual Insurance Co of Texas</b>	b. Texas 11-digit taxpayer number <b>17510700259</b>
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**Penalty Waiver Request** Maximum Waiver Request not to exceed 6 monthly, 2 quarterly or 1 annual tax period(s) per taxpayer.  
(If you are requesting a waiver for more than one tax type or for more than one period, be sure to list each request separately.)

c. Enter <u>tax type</u> for which the waiver is requested as shown on tax notice or report. (For example, if sales tax enter sales tax, if franchise tax, enter franchise tax, etc.)	d. Enter <u>filing type</u> as either Yearly, Quarterly, or Monthly.	e. Enter the <u>last month</u> for the tax report period.	f. Enter the <u>year</u> the report was due.	g. Enter <u>amount</u> of penalty requesting to be waived.
<b>TX Motor Vehicle Crime Prevention Auth.</b>	<b>bi-annual</b>	<b>June</b>	<b>23</b>	<b>36,208.00</b>
<b>Total amount</b>				<b>\$ 36,208.00</b>

## Penalty Waiver Reason

Briefly explain why the report and/or payment was late, and any steps taken to correct the problem that caused the late filing or payment.

State Farm has multiple taxpayer numbers. On 7/26/2023, State Farm paid \$362,080, the amount due for taxpayer number 17510700259, in advance of the 8/1 due date. State Farm sent the incorrect taxpayer number on the wire transfer resulting in the TX Comptroller of Public Accounts (CPA) applying the funds to State Farm affiliate - 13705331000. State Farm worked with the TX Department of Revenue on 8/17/23 to apply the payment to the correct account. State Farm was notified on 9/19/23 by the TX CPA that the funds could not be applied to the correct account without Board approval and the funds had been reapplied to the incorrect account. On 9/26/23, State Farm paid an additional \$362,080 for taxpayer number 17510700259. State Farm has updated procedures to prevent a recurrence and apologizes for the additional work this has created. State Farm will pursue a refund in the amount of \$362,080 for taxpayer number 13705331000 from the TX CPA.

## Contact Information

Preferred contact method (Check one.) <input checked="" type="checkbox"/> Email <input type="checkbox"/> Mail		Company/requestor's name (if different from the taxpayer)		Date <b>9/26/2023</b>
First and last name <b>Kenneth Watkins</b>			Job title <b>Finance Manager</b>	
Email <b>home.acct-dmsex.508j00@statefarm.com</b>			Phone (Area code and number) <b>309-763-6739</b>	
Address <b>PO Box 2317</b>		City <b>Bloomington</b>	State <b>IL</b>	ZIP code <b>61702</b>

Send your completed request by mail, email or FAX.

Comptroller of Public Accounts  
Attn: Advanced Processes Section  
111 E. 17th St.  
Austin, TX 78774-0100

waivers@cpa.texas.gov

FAX: 512-936-6225 or 1-888-908-9995

If you need additional information about requesting a waiver, call us at 1-800-531-5441, ext. 34560, or 512-463-4560.  
All waivers are worked in the order they are received. Allow 28 days for us to contact you.

**Price, Daniel**

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**From:** Bridget Mouton <Bridget.Mouton@cpa.texas.gov>  
**Sent:** Tuesday, September 19, 2023 10:41 AM  
**To:** Zz - Resource - AskMVCPA  
**Cc:** Insurance Tax  
**Subject:** RE: 76.232.17510700259.\*\* 89-224 for State Farm - Motor Vehicle Crime Prevention Authority

Good Morning,

Per our phone conversation State Farm County Mutual Insurance Co of Texas (17510700259) last had a waiver in 1994 and State Farm Mutual Auto Ins Co (13705331000) last had a waiver in 2018.

Regards,

**Bridget Mouton**  
Miscellaneous Tax Section  
Direct: (512) 475-0624  
Fax: (888) 908-9997

**From:** Bridget Mouton  
**Sent:** Tuesday, September 19, 2023 10:05 AM  
**To:** jenny.mcbeath.cxcr@statefarm.com; AskABTPA (TxDMV) <AskMVCPA@txdmv.gov>  
**Cc:** Waivers <waivers@cpa.texas.gov>; nicole.artman.jpka@statefarm.com  
**Subject:** RE: 76.232.17510700259.\*\* 89-224 for State Farm - Motor Vehicle Crime Prevention Authority

Good Morning Jenny,

Your email was forwarded to my group for assistance. Unfortunately the payment referenced below cannot be moved without approval from the Motor Vehicle Crime Prevention Authority staff. I am copying that agency in this email for their direction. I see that the payment of \$362,080.00 was made to taxpayer number 13705331000 on July 26, 2023. Our office was notified that the payment was intended for taxpayer number 17510700259 on August 17<sup>th</sup>.

At this point, Taxpayer number 13705331000 has an overpayment of \$362,080.00 with no penalty and taxpayer number 17510700259 has no payment for the first half of 2023. The current penalty amount on taxpayer number 17510700259 is \$36,208.00. We will await instructions from the MVCA staff as to whether or not the payment can be moved.

In the future, if there are payment issues in the insurance taxes, feel free to contact the Insurance Tax staff at [Insurance.Tax@cpa.texas.gov](mailto:Insurance.Tax@cpa.texas.gov). Please note, during 2021, the 4 different insurance taxes that we administer underwent an audit by the state auditor's office. During the audit they found that the misapplication of payments, either to the wrong tax type, wrong tax year, or wrong taxpayer caused several issues, used state resources, and potentially left the state open to fraud. Also, the funds in several of the insurance taxes are dispersed to other state agencies. Therefore, misapplication of the funds may cause dispersal issues and/or have extenuating requirements for correction. Due to this, we will be limiting the number of transfers that we will be doing. Generally, when a payment is misapplied, an additional payment will need to be made before the due date to avoid penalties. When a Motor Vehicle Crime Prevention Authority account is overpaid or a payment error is made, a request would need to be submitted to [AskMVCPA@txdmv.gov](mailto:AskMVCPA@txdmv.gov) for a refund or transfer of the funds. They will then provide our office with their decision.

Regards,

**Bridget Mouton**

Accounts Examiner  
Miscellaneous Tax Section  
Revenue Accounting Division  
Texas Comptroller of Public Accounts  
LBJ State Office Building  
111 East 17th Street  
Austin, Texas 78774-0100  
Toll Free: (800)531-5441 Ext. 50624  
Direct: (512) 475-0624 or Section: (512)463-4276  
Fax: (888) 908-9997

**Work days: Monday through Friday 8:00am – 5:00pm**



**IMPORTANT NOTICE:** This communication and any attachments may contain privileged or confidential information under the Texas Public Information Act and/or applicable state and federal laws. If you have received this message in error, please notify the sender immediately.

**From:** Jenny McBeath <[jenny.mcbeath.cxc@statefarm.com](mailto:jenny.mcbeath.cxc@statefarm.com)>  
**Sent:** Thursday, August 17, 2023 10:45 AM  
**To:** Waivers <[waivers@cpa.texas.gov](mailto:waivers@cpa.texas.gov)>  
**Cc:** Nicole Artman <[nicole.artman.jpka@statefarm.com](mailto:nicole.artman.jpka@statefarm.com)>  
**Subject:** 76.232.17510700259.\*\* 89-224 for State Farm - Motor Vehicle Crime Prevention Authority

Good morning,

I am attaching a waiver request (form 89-224) for 1-751070025-9 (State Farm County Mutual Insurance Co of Texas). The Texas Motor Vehicle Crime Assessment payment was made by the due date; however, it was applied to the incorrect Texas taxpayer number account.

We have worked to get this resolved today with the TX Revenue Department (Doris assisted).

Here were the details:

*State Farm validated the payment was made via wire from our bank; however, based on information from the bank transaction, we suspected it was applied to the wrong Company Taxpayer Number account. Your representative was able to confirm the \$362,080 payment was added to the incorrect Texas Taxpayer account. 1-37-0533100-0 (State Farm Mutual Automobile Insurance Company) and provided instructions on how to submit this fax with the request to move the money to the correct account.*

**We are requesting that you move the \$362,080 from Texas Taxpayer Account 1-37-0533100-0 (State Farm Mutual Automobile Insurance Company) to 1-75-1070025-9 (State Farm County Mutual Insurance Co of Texas).**

*This will get both accounts the correct amount for the 1/1/2023 – 6/30/2023 Motor Vehicle Crime Prevention Authority payments.*

As this has been resolved, we are requesting a waiver of the \$18,104 penalty.

Could you please confirm that you received this request and what the outcome is?

Thank you very much.

Jenny McBeath

[jenny.mcbeath.cxcr@statefarm.com](mailto:jenny.mcbeath.cxcr@statefarm.com)



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To: Motor Vehicle Crime Prevention Authority Board  
From: Dan Price, Grant Auditor  
Agenda Item: 9  
Subject: Hanover Group Waiver

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**RECOMMENDATION**

Action Item. Deny Hanover Group's Six Waiver requests in the total amount of \$4.26.

**PURPOSE AND EXECUTIVE SUMMARY**

Report on the MVCPA fee penalty and interest waivers, and requests for refunds.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

From September 26 to October 19 the attached Email exchange occurred between the Hanover Companies finance office, The Texas State Comptrollers Miscellaneous Tax Section and MVCPA Staff. Hanover Group did not process the information Hanover had received related to the increased MVCPA fee from \$4 to \$5. Hanover used an old tax form which only had the \$4 amount.

Hanover was notified that the forms were improper and could not be accepted. Hanover filed amended forms for the correct amounts. When submitting the notification that Hanover was processing checks they asked, "is there any way the interest could be waived?" The Miscellaneous Tax Section submitted an email "Taxpayer request to wave interest" to MVCPA. Note: No request to wave any penalty was made.

<b><u>HANOVER INSURANCE COMPANIES</u></b>	<b><u>Penalty</u></b>	<b><u>Interest</u></b>
MASSACHUSETTS BAY INSURANCE COMPANY	1.70	0.06
THE HANOVER CASUALTY COMPANY	3.10	0.12
ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY	81.00	3.02
NOVA CASUALTY COMPANY	15.30	0.57
HANOVER INSURANCE COMPANY THE	1.00	0.02
HANOVER AMERICAN INSURANCE COMPANY	12.60	0.47
Total	114.70	4.26

The \$4.26 amount requested is below the Comptroller's "tolerance" for an action item of \$25.00, which is calculated to be the minimum cost to the state to issue a refund or collection letter.

A motion is requested.

**Price, Daniel**

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**From:** Zz - Resource - AskMVCPA  
**Sent:** Thursday, October 19, 2023 9:08 AM  
**To:** Insurance Tax; Zz - Resource - AskMVCPA  
**Cc:** Pence, Earl  
**Subject:** RE: notice of missing MVCPA report and payments - Waiver Request

Thank you. We advise the outcome of our Boards deliberations when they have finalized them.

DP  
MVCPA

**From:** Insurance Tax <insurance.tax@cpa.texas.gov>  
**Sent:** Wednesday, October 18, 2023 2:35 PM  
**To:** Zz - Resource - AskMVCPA <AskMVCPA@txdmv.gov>  
**Cc:** Insurance Tax <insurance.tax@cpa.texas.gov>  
**Subject:** FW: notice of missing MVCPA report and payments - Waiver Request

Good Afternoon All,

Please see below email chain for a taxpayer's request to waive the interest on several companies' January – June 2023 fees. The taxpayer submitted their original payment using form 25-106 which contained only the \$4 rate and did not indicate the split period. She later filed the correct form (25-106-A). Below is their past waiver information as well as the period information for each company. Note, balances/penalty/interest is as of 10/18/2023.

10422176007 MASSACHUSETTS BAY INSURANCE COMPANY

Last waiver request was for Premium Tax in 2012  
\$536.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via a check with postmark 07/25/2023  
Balance Due (includes additional tax due-\$17.00, penalty-\$1.70 and interest-\$0.06) \$18.76  
Less than 1 cent per day

17518273515 THE HANOVER CASUALTY COMPANY

Last waiver request was for Premium Tax in 2012  
\$192.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via a check with postmark 07/25/2023  
Balance Due (includes additional tax due-\$31.00, penalty-\$3.10 and interest-\$0.12) \$34.22  
Interest per day \$0.19

12326434300 ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY

Last waiver request was for Premium Tax in 2012  
\$21,620.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via check with postmark 07/25/2023  
Balance Due (includes additional tax due-\$810.00, penalty-\$81.00 and interest-\$3.02) \$894.02

11611401776 NOVA CASUALTY COMPANY

Last waiver request was for Premium Tax in 2014  
\$4,700.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via check a with postmark 07/25/2023  
Balance Due (includes additional tax due-\$153.00, penalty-\$15.30 and interest-\$0.57) \$168.87  
Interest per day \$0.04

11351298259 HANOVER INSURANCE COMPANY THE

Last waiver request was for Premium Tax in 2020

\$928.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via check a with postmark 07/25/2023

Balance Due (includes additional tax due-\$5.00, penalty-\$1.00 and interest-\$0.02) \$6.02

Less than 1 cent

10430638980 HANOVER AMERICAN INSURANCE COMPANY

Last waiver request was for Premium Tax in 2012

\$784.00 in tax due for the MVCPA 1<sup>st</sup> half of 2023 paid via check with postmark 07/25/2023

Balance Due (includes additional tax due-\$126.00, penalty-\$12.60 and interest-\$0.47) \$139.07

Interest per day \$0.03

Please let us know if you need any further information to process this taxpayer's request. Also, please provide information as to when the request will be reviewed if there will be a delay of more than 5 business days so that we can advise the customer on when to expect a response.

Regards,

**Bridget Mouton**

Miscellaneous Tax Section

Direct: (512) 475-0624

Fax: (888) 908-9997

**From:** ORTEGA-VOYER, ANDREA <AORTEGAVOYE@HANOVER.COM>

**Sent:** Tuesday, October 17, 2023 11:42 AM

**To:** Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>

**Subject:** RE: notice of missing MVCPA report and payments

CAUTION: This email originated from outside of the Texas Comptroller's email system.

DO NOT click links or open attachments unless you expect them from the sender and know the content is safe.

Good afternoon,

I have ordered checks with my accounting department and I'm in the process of sending out the payments listed below. However, I did just receive new notices showing a different amount for some of our companies. Looks like there is a small amount of interest that was added. Is there any way this interest can be waived? They are for very small amounts, and I already have the checks for the amounts listed below.

I would greatly appreciate any help with these.

Thank you,

Andrea

**From:** Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>

**Sent:** Wednesday, September 27, 2023 4:54 PM

**To:** ORTEGA-VOYER, ANDREA <AORTEGAVOYE@HANOVER.COM>; Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>

**Subject:** RE: notice of missing MVCPA report and payments

Good Afternoon Andrea,



The amounts are listed below. Please make sure to send individual checks along with the bottom portion of the report form (you can detach them where it says "Do not detach". Please also change the amount listed on the payment slip to the amount that is being sent.

10422176007	MASSACHUSETTS BAY INSURANCE COMPANY	\$ 18.70
17518273515	THE HANOVER CASUALTY COMPANY	\$ 34.10
10432726957	ALLMERICA FINANCIAL ALLIANCE INSURANCE COMPANY	\$ 0.00
12326434300	ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY	\$ 891.00
11611401776	NOVA CASUALTY COMPANY	\$ 168.30
11351298259	HANOVER INSURANCE COMPANY THE	\$ 6.00
10430638980	HANOVER AMERICAN INSURANCE COMPANY	\$ 138.60

Please let us know if there are any questions. Thank for sending the reports. I would recommend that these filings be completed through the Web File system since this is the second time that there has been a split rate period in less than 4 years. I will mail letters to each of the companies that will contain the numbers needed for setting up the electronic access. Thos letters should be mailed on Monday, October 2<sup>nd</sup>. The physical address for our office is Comptroller of Public Accounts, 111 E 17<sup>th</sup> Street, Austin, TX 78701.

Thank you,

**Bridget Mouton**

Miscellaneous Tax Section

Direct: (512) 475-0624

Fax: (888) 908-9997

**From:** ORTEGA-VOYER, ANDREA <[AORTEGAVOYE@HANOVER.COM](mailto:AORTEGAVOYE@HANOVER.COM)>

**Sent:** Wednesday, September 27, 2023 11:01 AM

**To:** Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>

**Subject:** FW: notice of missing MVCPA report and payments

CAUTION: This email originated from outside of the Texas Comptroller's email system.

DO NOT click links or open attachments unless you expect them from the sender and know the content is safe.

Good afternoon,

I have attached the corrected forms reflecting form 25-106-A for the companies I represent. I will be mailing the difference in as soon as possible. Based on what we have previously sent and the new total owed I have come up with the figures below of what the difference is:

Hanover Insurance Company: \$5.00

Hanover American Insurance Company: \$126.00

Massachusetts Bay Insurance: \$17.00

Hanover Casualty Company: \$31.00

Allmerica Financial Benefit Insurance Company: \$810.00

Nova Casualty Company: \$153.00

Please let ne know if these are the amounts you have as well.

Would you also be able to provide me with an address for overnight shipping?

Please let me know if anything else is needed.

I apologize for the confusion on this and appreciate your help.

Andrea

**From:** Bridget Mouton <[Bridget.Mouton@cpa.texas.gov](mailto:Bridget.Mouton@cpa.texas.gov)>

**Sent:** Tuesday, September 26, 2023 4:34 PM

**To:** ORTEGA-VOYER, ANDREA <[AORTEGAVOYE@HANOVER.COM](mailto:AORTEGAVOYE@HANOVER.COM)>

**Cc:** AskABTPA (TxDMV) <[AskMVCPA@txdmv.gov](mailto:AskMVCPA@txdmv.gov)>; Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>

**Subject:** RE: notice of missing MVCPA report and payments

Good Afternoon Andrea,

Your email was forwarded to our Section for a response because we process the reports and payments for the Motor Vehicle Crime Prevention Authority Fee.

I can confirm that we received the payments which were timely. However, the wrong form was used (Form 25-106 instead of 25-106-A). As a result, the reports could not be processed.

Senate Bill 224 changed the rate of the motor vehicle years from \$4 to \$5 and was effective May 29, 2023. The rate change in the middle of the period caused our office to have to create a special form to accommodate the split rate. Our online filing system was updated prior to allowing the period to be filed. Since most companies are using the Web File system, they all had the correct format.

For those who still choose to use the paper form, we attempted to make sure everyone had notification. Our office sent an email notification to those companies that we have an MVCPA email address for and the Texas Department of Insurance also sent out a bulletin regarding the change. In addition to those two avenues, we also have the form 25-106-A labelled as the "current period" form (this will be changing) and all forms for filing the MVCPA reports have a pop-up regarding the change. We had hoped that everyone would use the correct form since it does affect the amount owed.

Unfortunately, we cannot accept the forms that were previously sent as they do not separate the motor vehicle policies that were issued/renewed prior to the legislative change from those that were issued/renewed after the change. Please note that with the incorrect forms having been used, the companies' reporting could be under scrutiny from our Audit Division to make sure the amounts were reported correctly.

Please review your records and complete form 25-106-A for each of the companies (even if zero). Once the reports are completed, please email them to [Insurance.Tax@cpa.texas.gov](mailto:Insurance.Tax@cpa.texas.gov). We will process the reports and if requested, let you know how much is owed (if any). Any difference that is currently unpaid, will incur penalties/interest. For example, if the new form shows the company to owe a total of \$500 and they previously paid \$400, the difference (\$100) is liable for the late payment penalties and possibly interest. Interest begins on the 61<sup>st</sup> day after the due date.

Please let us know if you have any questions or if we can be of further assistance.

Regards,

**Bridget Mouton**

Accounts Examiner

Miscellaneous Tax Section

Revenue Accounting Division

Texas Comptroller of Public Accounts

LBJ State Office Building

111 East 17th Street

Austin, Texas 78774-0100

Toll Free: (800)531-5441 Ext. 50624

Direct: (512) 475-0624 or Section: (512)463-4276

Work days: Monday through Friday 8:00am – 5:00pm



**IMPORTANT NOTICE:** This communication and any attachments may contain privileged or confidential information under the Texas Public Information Act and/or applicable state and federal laws. If you have received this message in error, please notify the sender immediately.

**From:** AskABTPA (TxDMV) <[AskMVCPA@txdmv.gov](mailto:AskMVCPA@txdmv.gov)>  
**Sent:** Tuesday, September 26, 2023 2:41 PM  
**To:** Insurance Tax <[insurance.tax@cpa.texas.gov](mailto:insurance.tax@cpa.texas.gov)>;  
**Subject:** FW: notice of missing MVCPA report and payments

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**From:** ORTEGA-VOYER, ANDREA <[AORTEGAVOYE@HANOVER.COM](mailto:AORTEGAVOYE@HANOVER.COM)>  
**Sent:** Tuesday, September 26, 2023 12:46 PM  
**To:** Zz - Resource - AskMVCPA <[AskMVCPA@txdmv.gov](mailto:AskMVCPA@txdmv.gov)>  
**Subject:** notice of missing MVCPA report and payments

**ATTENTION:** This email originated from outside of TxDMV. Malicious software, such as viruses, worms, and ransomware can be transmitted via email attachments and links. Do not click any links or open any attachments unless you recognize the sender and have confirmed the content is safe.

Good afternoon,

I received notification that Texas Comptroller of Public Accounts had not received the reports and payments for the MVCPA semiannual report for the companies I represent. The forms and payment were mailed out on 7/25/2023 and I confirmed with our accounting department that the checks were cashed on 8/3/2023 by the Texas Comptroller of Public Accounts.

Could you please review if these notices were sent in error for the following companies?

Allmerica Financial Benefit insurance company  
Nova Casualty Company  
Massachusetts Bay Insurance Company  
The Hanover Insurance Company  
The Hanover Casualty Company

Hanover American Insurance Company

If these notices were not sent in error, please see attached for copy of forms and checks that were mailed and proof that checks have been cashed.

Thank you in advance for your help!

Andrea

This e-mail, including attachments, is intended for the exclusive use of the addressee and may contain proprietary, confidential or privileged information. If you are not the intended recipient, any dissemination, use, distribution or copying is strictly prohibited. If you have received this e-mail in error, please notify me via return e-mail and permanently delete the original and destroy all copies.



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To: Motor Vehicle Crime Prevention Authority Board  
From: Dan Price, Grant Auditor  
Agenda Item: 10  
Subject: Consideration for Delegation of Authority to Director for Certain Waiver and Refund Requests

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**RECOMMENDATION**

Action Item. Approve Authority for MVCPA Director to approve Refund and Waiver requests in the amount of \$2500.00 or less.

**PURPOSE AND EXECUTIVE SUMMARY**

Improve response times for insurance companies requests for MVCPA fee penalty and interest waivers, and requests for refunds.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

With the addition of penalties and waivers in the MVCPA collection process, there has been an increase in the number of Penalty and interest waiver requests. The Comptroller's standards are to respond to the majority of these requests within a week. The MVCPA's Board of Directors meeting availability does not allow for the number or frequency of these requests to be processed within the expectations set by the Comptroller. The low dollar requests can be handled by the MVCPA Director with the Boards approval.

A motion is requested.



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To: Motor Vehicle Crime Prevention Authority Board  
From: Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Earl Pence, Interim Director  
Agenda Item: 11  
Subject: Grant Management Tracking System

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### RECOMMENDATION

Briefing Only.

### PURPOSE AND EXECUTIVE SUMMARY

Update on Grant Management and Tracking System and future grant management information system needs.

### FINANCIAL IMPACT

N/A

### BACKGROUND AND DISCUSSION

Initially developed in 2017, the Grant Management and Tracking System (GMTS) is supported and maintained by Texas A&M University. The online system provides end-to-end reporting for the Taskforce grants including the annual application process, financial and progress reporting, and year-end close-out reporting. The MAG Grant is also administered via GMTS.

The March 2023 State Auditor's Office (SAO) report rated MVCPA's IT system as high risk. SAO found that MVCPA did not have policies and procedures for administering the Grant Management and Tracking System (GMTS). The report outlined the following deficiencies related to GMTS:

- 19% of the user accounts sampled were for former employees or board members no longer associated with MVCPA.
- While Texas A&M University, which administers GMTS, was found to have a formal backup and recovery plan as required by state regulations, MVCPA lacked documented processes for reviewing the backup and recovery plan or the Progress Reports that are provided quarterly.
- Recommendation for an individual with expertise in information technology to review the aforementioned reports provided by Texas A&M.

The lead developer of GMTS retired from full-time employment with Texas A&M in June 2023. The developer is currently available through Texas A&M on a consultative basis and is providing system support. While continuing to utilize the current online system, staff requests feedback on exploring a different IT system to meet future grant management needs.



To: Motor Vehicle Crime Prevention Authority Board of Directors  
From: Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Dan Price, Auditor / Glenna Bowman, TxDMV Chief Financial Officer  
Agenda Item: 12  
Subject: FY 2024 MVCPA Budget

**RECOMMENDATION**

Action Item. Review and approve adjustments to the FY 2024 budget for meetings and conferences.

**PURPOSE AND EXECUTIVE SUMMARY**

To provide additional funds for board meetings and conferences.

**FINANCIAL IMPACT**

If approved, this item would move funds between line items of the budget to reflect additional amounts needed for meetings and conferences. The total budget would not change.

**BACKGROUND AND DISCUSSION**

The MVCPA Board has undertaken an initiative to hold meetings throughout the state. This initiative will require funds beyond the current budgeted amounts.

Motor Vehicle Crime Prevention Authority AY 2024 as of 11/30/2023						
MVCPA Budget Category	Budget	Expenditures	Encumbrances	Available Budget	FY2024- SB224 Budget	% Available Budget
Grants	\$ 22,879,972	\$ (67,031)	\$ 22,766,820	\$ 180,183		1%
Grants (UB from FY2023)	\$ 1,017,592	\$ -	\$ -	\$ 1,017,592		100%
Advertising and Promotion	\$ 152,642	\$ -	\$ -	\$ 152,642		100%
All Other Operating	\$ 148,838	\$ 4,538	\$ 22,523	\$ 121,776		82%
Consumable Supplies	\$ 2,500	\$ -	\$ -	\$ 2,500		100%
Professional Fees & Services	\$ 125,720	\$ -	\$ 26,845	\$ 98,875		79%
Salaries and Personnel Costs	\$ 870,549	\$ 121,810	\$ -	\$ 748,739		86%
Travel	\$ 35,000	\$ 3,908	\$ -	\$ 31,092		89%
Salaries and Personnel Costs- SB224	\$ 314,983				\$ 314,983	100%
Grants- SB224	\$ 24,352,279	\$ -	\$ -		\$ 24,352,279	100%
Grand Total	\$ 49,900,075	\$ 63,225	\$ 22,816,188	\$ 2,353,400	\$ 24,667,262	54%

FY24 Grants Budget was increased by \$1,017,592 from FY23 Unexpended Balances.

**Motor Vehicle Crime Prevention Authority AY 2023 as of 11/30/2023**

<b>MVCPA Budget Category</b>	<b>Budget</b>	<b>Expenditures</b>	<b>Encumbrances</b>	<b>Available Budget</b>	<b>% Available Budget</b>
Grants	\$ 14,832,938	\$ 8,752,318	\$ 5,062,994	\$ 1,017,625	7%
Grants (UB to FY24)	\$ (1,017,592)	\$ -	\$ -	\$ (1,017,592)	100%
Advertising and Promotion	\$ 1,843	\$ 1,843	\$ -	\$ -	0%
All Other Operating	\$ 20,790	\$ 20,790	\$ -	\$ (0)	0%
Consumable Supplies	\$ 943	\$ 894	\$ 49	\$ 0	0%
Professional Fees & Services	\$ 31,537	\$ 13,992	\$ 15,825	\$ 1,720	5%
Salaries and Personnel Costs	\$ 389,563	\$ 389,513	\$ -	\$ 50	0%
Travel	\$ 25,708	\$ 25,708	\$ -	\$ -	0%
<b>Grand Total</b>	<b>\$ 14,285,730</b>	<b>\$ 9,205,059</b>	<b>\$ 5,078,868</b>	<b>\$ 1,803</b>	<b>0.01%</b>

FY23 Grants Budget was decreased by \$1,017,592 to reflect FY23 Unexpended Balances carried forward to FY24.





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To: Motor Vehicle Crime Prevention Authority Board of Directors  
From: Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Dan Price, Auditor  
Agenda Item: 14  
Subject: Consideration and Possible Approval of FLOCK MAG Grant Payments to Grantees

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#### RECOMMENDATION

Action Item. Staff recommends approval to treat hardware and software as a service be treated for purposes of MAG Grants as if they were Leases.

#### PURPOSE AND EXECUTIVE SUMMARY

To discuss and seek approval to pay for LPR's provided as a service vs. the previous lease approvals.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

During the review of documentation of MAG Grantee Records and after conferring with Flock, MVCPA Staff determined that Flock did not sell nor offer for lease its equipment to anyone. Flocks' business model is for a "Hardware and Software as a Service" or "**Infrastructure-as-a-Service**" Agreement.

Per FASB 2023-01 Common Control Agreements :

The fundamental differences between the Lease and Infrastructure-as-a-Service:

##### **Lease**

A contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

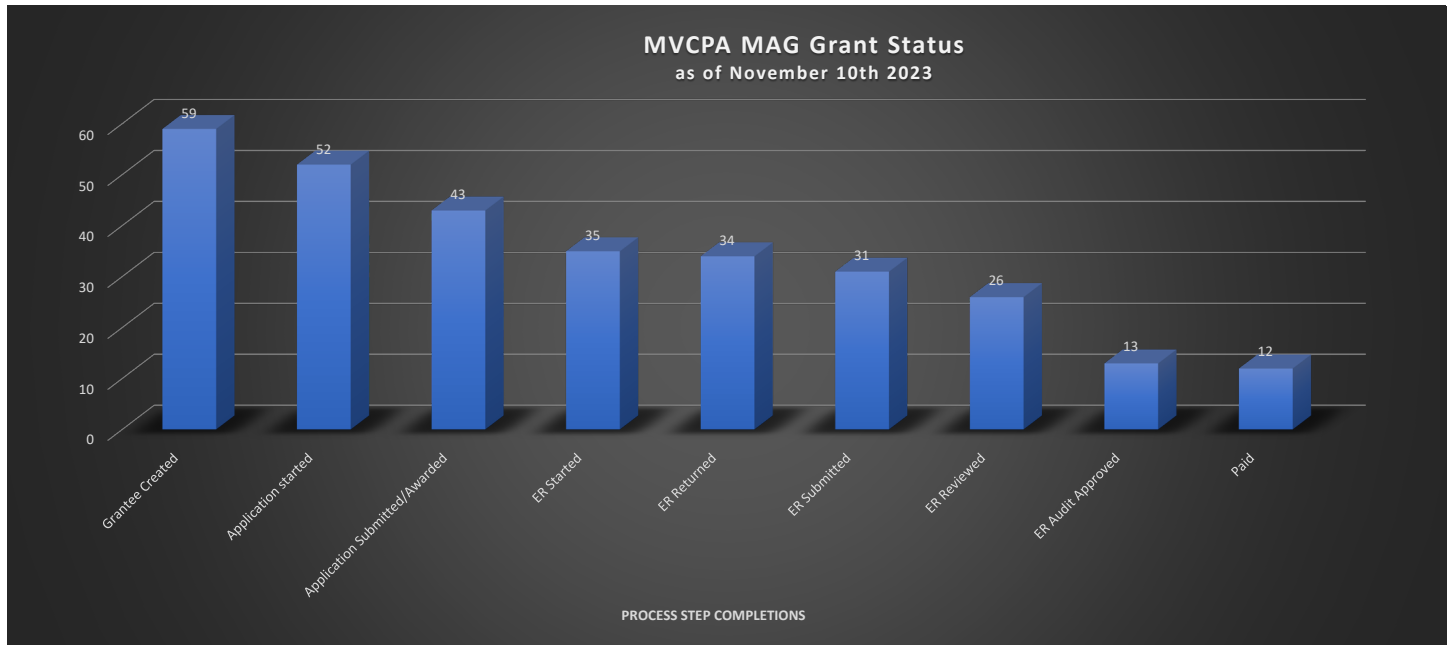
##### **Infrastructure-as-a-Service – control over the use of the identified asset**

The identified assets (i.e. the servers and the other equipment) are not being leased to Customer because Supplier, rather than Customer, controls their use. This conclusion is based on the following.

**Supplier controls how the identified assets are used.** Even though the identified assets are fully dedicated to Customer's services, limiting their potential uses to Supplier, the servers each have multiple roles they can play within the network architecture; for example, Server X1 could host Software X or Software Y, be configured to perform Function A or Function B, or process or store data. Customer, in contrast, has no rights to decide (or change), or prevent Supplier from changing (as long as the network services are not interrupted), how the servers are used. That is, although Customer decides how and when it uses the *network*, Customer's decisions do not affect how each identified asset (i.e. each server or other piece of equipment) that comprises the network is used.

**Supplier controls when, whether and how much the identified assets are used.** Supplier, at its sole discretion, may decide that an identified asset is extraneous to the network and remove it from network service to reduce operating/maintenance costs, or decide that the identified asset be employed to its full capacity. Customer, in contrast, has no right to change whether or when an identified asset is producing output because each identified asset is constantly performing its function within the network unless Supplier decides otherwise. Further, Customer cannot decide to specifically use an identified asset. Customer's use of the network (e.g. accessing a particular hosted application or functionality or stored data) doesn't necessarily employ, for example, Server X1 or Server X2. The network services permit Customer to use the network (e.g. access Application A, perform function B and store/transmit data),

but Customer has no right to decide that, for example, Server X1 will host Application A or Server X2 will perform function B. By choosing to, for example, access Application A, Customer does not also choose to use Server X1 because it is Supplier that decides (and can change) which of the identified servers (X1–X10) hosts Application A. Put another way, Customer's decisions are about when, whether and how much to use the network, not one (or some) of the identified assets used to create the network.





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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Dan Price, Auditor  
**Agenda Item:** 15. A. 1  
**Subject:** Budget Allocation

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**RECOMMENDATION**

Action Item. Staff recommends approval of a \$100,000 budget allocation for SB224 Meetings.

**PURPOSE AND EXECUTIVE SUMMARY**

To discuss and seek approval to provide funds for FY2024 SB224 Meetings.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

Meetings are needed to plan and execute SB224. No budget has been approved for SB224 expenses to date. To support the planning and execution of SB224 activities, a budget allocation of \$100,000 is being requested.

This estimate is based on budgeting \$20,000 per meeting for 5 meetings this Fiscal Year.



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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Dan Price, Auditor  
**Agenda Item:** 15. A. 2  
**Subject:** Budget Allocation

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**RECOMMENDATION**

Action Item. Staff recommends approval of a budget of \$30,000 for SB 224 Software Development.

**PURPOSE AND EXECUTIVE SUMMARY**

To discuss and seek approval to provide funds for FY2024 SB224 Software Development.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

A process is needed to collect and manage Financial and Operational information from other parties participating in SB224 activities. We anticipate that information will be needed to be processed in Q2 FY2024.

It is anticipated that to meet short term requirements the existing TAMU GMTS be modified to meet the current needs.

Staff is requesting the MVCPA Board to approve an initial budget of \$30,000 to begin development of an information system to support SB224 activities.



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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Earl Pence, Interim Director  
**Agenda Item:** 15. B  
**Subject:** Partner State Agency's Resource Needs

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#### RECOMMENDATION

Briefing Only.

#### PURPOSE AND EXECUTIVE SUMMARY

To discuss and provide information on Partner State Agency's Resource Needs for SB224.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

The purpose of this briefing is to discuss the requested additional manpower, equipment, and funding for the partner agencies as statutorily required by SB 224.

##### **Texas Department of Public Safety Requests:**

Two (2) full-time employee (FTE) analysts who would be responsible for monitoring all the activity reported by the MREs across the State to look for irregular or suspicious activity as well as providing logistical information and statistical data to investigators across the State.

Four (4) FTE's consisting of Special Agents assigned to DPS RSD whose duties would include the investigation, apprehension, and prosecution of those who are engaging in illegal activity relating to the mission of the Motor Vehicle Crime Prevention Authority.

##### **Texas Department of Motor Vehicles Enforcement Division Requests:**

Five (5) FTE's and four (4) vehicles. Four of the FTE's would be Compliance Specialist I's and one FTE would be a Compliance Specialist III (Team Lead). The Compliance Specialists would be geographically distributed across the state with each specialist covering roughly a quarter of the state. These compliance specialists will be utilized to inspect the approximately 3,500 TxDMV licensees conducting salvage operations.

##### **Texas Department of Licensing and Regulatory Services Requests:**

No requests received as of 12/1/23.



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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Earl Pence, Interim Director  
**Agenda Item:** 15. C  
**Subject:** Grantee Resource Needs

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### RECOMMENDATION

Briefing Only.

### PURPOSE AND EXECUTIVE SUMMARY

To discuss and provide information on Grantee Resource Needs for SB224.

### FINANCIAL IMPACT

N/A

### BACKGROUND AND DISCUSSION

During the SB 224 workshop held in Dallas, Texas on 11/20/2023, presentations were made to the board and stakeholders by the following Grantees:

- City of Dallas
- El Paso
- County of Harris
- City of Houston
- City of Laredo
- City of San Antonio

During the presentation from each Grantee, the most common requests from the presenters were:

- License Plate Readers
- Prosecutors
- Additional Investigators/Analyst

A survey was sent on 11/29/23 to all MVCPA Taskforces. The survey requested the assistance of taskforces to identify the needs in their communities to combat catalytic converter crimes. Responses were received to help MVCPA identify the specific needs of their departments in order to prevent and successfully combat catalytic converter theft.

Responses were received from 21 of the 24 MVCPA taskforces.

Question: Please rank the following possible solutions, or provide your own suggestion, that would increase the successes of your Taskforce or LE Agency to combat catalytic converter crimes. Please score the possible solutions with the greatest need of your agency.

	1 - LESS IMPORTANT	2	3	4	N/A	5 - VERY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Additional Law Enforcement Investigators in existing taskforce programs to address catalytic converter theft	0.00% 0	4.55% 1	18.18% 4	9.09% 2	0.00% 0	68.18% 15	22	4.41
New Law Enforcement taskforces in areas not covered by MVCPA programs	27.27% 6	4.55% 1	18.18% 4	27.27% 6	4.55% 1	18.18% 4	22	3.05
Specialized Motor Vehicle Crime Prosecutors	0.00% 0	4.55% 1	13.64% 3	18.18% 4	4.55% 1	59.09% 13	22	4.38
Motor Vehicle Criminal intelligence analysts	0.00% 0	0.00% 0	0.00% 0	22.73% 5	0.00% 0	77.27% 17	22	4.77
Surveillance Equipment	0.00% 0	0.00% 0	9.09% 2	13.64% 3	0.00% 0	77.27% 17	22	4.68
Motor Vehicle Crime Technology Equipment	0.00% 0	0.00% 0	4.55% 1	18.18% 4	0.00% 0	77.27% 17	22	4.73
Border and Port Security Equipment	9.09% 2	9.09% 2	22.73% 5	4.55% 1	27.27% 6	27.27% 6	22	3.44
Overtime for taskforce investigators	0.00% 0	4.76% 1	4.76% 1	14.29% 3	0.00% 0	76.19% 16	21	4.62
Overtime for officers not participating in a taskforce to temporarily join an existing program	4.55% 1	0.00% 0	4.55% 1	31.82% 7	0.00% 0	59.09% 13	22	4.41
Overtime for saturation patrols in areas with high crime incidences	4.55% 1	4.55% 1	4.55% 1	31.82% 7	0.00% 0	54.55% 12	22	4.27
Confidential informant funds	4.55% 1	9.09% 2	22.73% 5	18.18% 4	4.55% 1	40.91% 9	22	3.86
Training and conferences	13.64% 3	0.00% 0	22.73% 5	36.36% 8	0.00% 0	27.27% 6	22	3.64
Community education	0.00% 0	9.09% 2	9.09% 2	36.36% 8	0.00% 0	45.45% 10	22	4.18

Question: Please rank the following equipment in order of most importance to your Taskforce or LE Agency. Please score the equipment with the greatest need of your agency.

	1 - LESS IMPORTANT	2	3	4	N/A	5 - VERY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Automatic License Plate Reader	0.00% 0	0.00% 0	4.76% 1	4.76% 1	4.76% 1	85.71% 18	21	4.85
Tracking Device	0.00% 0	0.00% 0	15.00% 3	20.00% 4	0.00% 0	65.00% 13	20	4.50
Bait Vehicle	9.09% 2	9.09% 2	18.18% 4	22.73% 5	0.00% 0	40.91% 9	22	3.77
Catalytic Converter and other parts marking	4.55% 1	9.09% 2	18.18% 4	27.27% 6	0.00% 0	40.91% 9	22	3.91
Surveillance	0.00% 0	4.76% 1	9.52% 2	14.29% 3	0.00% 0	71.43% 15	21	4.52
Night Vision	0.00% 0	9.09% 2	18.18% 4	22.73% 5	0.00% 0	50.00% 11	22	4.14
Thermal Camera	0.00% 0	13.64% 3	18.18% 4	22.73% 5	0.00% 0	45.45% 10	22	4.00
Digital Camera	14.29% 3	23.81% 5	33.33% 7	14.29% 3	0.00% 0	14.29% 3	21	2.90
Game Camera	10.00% 2	10.00% 2	30.00% 6	20.00% 4	0.00% 0	30.00% 6	20	3.50
Sky Cam	4.76% 1	4.76% 1	38.10% 8	14.29% 3	4.76% 1	33.33% 7	21	3.70
Laptop Computer	4.76% 1	14.29% 3	19.05% 4	19.05% 4	0.00% 0	42.86% 9	21	3.81
Desktop Computer	20.00% 4	10.00% 2	30.00% 6	20.00% 4	0.00% 0	20.00% 4	20	3.10
Tablet Computer	15.00% 3	10.00% 2	25.00% 5	10.00% 2	0.00% 0	40.00% 8	20	3.50
Drone	13.64% 3	13.64% 3	13.64% 3	18.18% 4	0.00% 0	40.91% 9	22	3.59





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To: Motor Vehicle Crime Prevention Authority Board of Directors  
From: Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Earl Pence, Interim Director  
Agenda Item: 15. D  
Subject: Funding Mechanism

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#### RECOMMENDATION

Briefing Only.

#### PURPOSE AND EXECUTIVE SUMMARY

To discuss and provide information on funding mechanisms for implementing SB224.

#### FINANCIAL IMPACT

N/A

#### BACKGROUND AND DISCUSSION

The following funding mechanisms are available to MVCPA in partnership with TxDMV:

- 1) Grants – MVCPA has express statutory authority to issue grants in its own name. MVCPA is authorized in statute to provide grants to local law enforcement to combat motor vehicle theft, burglary from a motor vehicle and/or fraud-related motor vehicle crime. SB 224 provides additional authority for MVCPA to provide funding to combat catalytic converter theft in Texas.
- 2) Inter-Agency Contracts (IACs) – Contractual agreements between State of Texas agencies. MVCPA may use IACs to formalize agreements to “coordinate efforts with the Department of Public Safety [and] the Texas Department of Licensing and Regulation.”
- 3) Direct expenditures – Because MVCPA is administratively attached to TxDMV, the department may allocate expenditures to MVCPA funding sources, as needed, to carry out the functions of the MVCPA. Examples include salaries and benefits, meeting and conference expenses, and other operating costs.

MVCPA Staff will consult with TxDMV’s finance and legal staff to determine what is the most appropriate funding mechanism for distributing funds and will bring these agreements to the MVCPA Board for approval, as required by statute or board policy.



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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Earl Pence, Interim Director  
**Agenda Item:** 15. E  
**Subject:** Meeting Frequency

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**RECOMMENDATION**

Action Item.

**PURPOSE AND EXECUTIVE SUMMARY**

To discuss and approve frequency of meetings with partner agencies for SB224.

**FINANCIAL IMPACT**

N/A

**BACKGROUND AND DISCUSSION**

MVCPA and partner agencies (TxDMV, DPS, TDLR) met at an SB 224 Workshop in Dallas, Texas on November 20, 2023.

MVCPA proposed having frequent meetings with partner agencies to coordinate activities, sharing intelligence, compliance trends, investigative needs, and reporting related to the implementation of SB224.

The suggested frequency of the meetings are as follows:

- Meetings first 6 months (1-2 meetings per month)
- Meetings after 6 months (quarterly or as needed)



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**To:** Motor Vehicle Crime Prevention Authority Board of Directors  
**From:** Yessenia Benavides, Program Coordinator  
**Agenda Item:** 16  
**Subject:** FY 2024 MVCPA Conference Update

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### RECOMMENDATION

Briefing Only.

### PURPOSE AND EXECUTIVE SUMMARY

Discuss and provide an update concerning the July 2024 MVCPA Conference in Houston, Texas.

### FINANCIAL IMPACT

N/A

### BACKGROUND AND DISCUSSION

A 2024 MVCPA Conference Committee Meeting was held remotely on October 19, 2023.

#### Conference Location and Dates

- Hilton Houston Post Oak by the Galleria
- July 15 - July 19, 2024

#### Conference Theme

- Preparedness
- Recovery
- Adaptation

#### Conference Sub-Committees

- Awards & Recognition
- Sponsorship, Vendors, Photography and Chaplain
- Registration & Guest Services
- Logistics, Ambiance & Entertainment
- Program, Public Relations, and Guest Speakers
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