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**PROPOSED REVISION TO**

**43 TAC §57.36**

**INTRODUCTION.** The Motor Vehicle Crime Prevention Authority (MVCPA) proposes an amendment to 43 Texas Administrative Code (TAC) §57.36, concerning level of funding for grant projects. This amendment is necessary to implement Occupations Code §1006.151 and §1006.154 by providing financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams, and in lessening the financial burden on local city and county governments that may be unable to meet the current cash match requirements under 43 TAC §57.36.

**EXPLANATION.**

Transportation Code §1006.151(a) and §1006.154 provide the MVCPA with authority to issue grants in its own name by providing funding to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams; to law enforcement agencies, local prosecutors, judicial agencies, and neighborhood, community, business and non-profit organizations for the programs designed to reduce the incidence of economic motor vehicle theft and fraud-related motor vehicle crime; for conducting educational programs designed to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime; for equipment, for experimental purposes, to assist motor vehicle owners in preventing motor vehicle burglary or theft; and funding to establish a uniform program to prevent stolen motor vehicles from entering Mexico. Under current 43 TAC §57.36, a grantee must contribute a cash match of 20% of the total MVCPA award for each year of funding to be eligible for MVCPA grant funds.

During the 88<sup>th</sup> Texas Legislature, Regular Session, Senate Bill (SB) 224 passed and was signed into law. The focus of SB 224 was the detection and prevention of catalytic converter theft in Texas. SB 224

1 appropriated funding for the coordinated regulatory and law enforcement activities intended to detect  
2 and prevent catalytic converter theft, and provided that the funding may be appropriated to the MVCPA  
3 for the activities described in SB 224.

4 The MVCPA issued a Request for Applications (RFA) for SB 224 FY24 funding to solicit applications from  
5 law enforcement agencies and taskforces to apply for SB 224 FY24 grant funding. Prior to posting the SB  
6 224 RFA, law enforcement agencies and taskforces informed the MVCPA that due to the timing of the SB  
7 224 FY24 RFA posting and the current FY24 budgetary cycles in their cities and counties, the law  
8 enforcement agencies and taskforces would be unable to provide the 20% cash match required under 43  
9 TAC §57.36. Many of the same law enforcement agencies and MVCPA taskforces had already provided a  
10 20% cash match for MVCPA FY24 non-SB 224 grants. Lacking the ability to provide an additional 20% cash  
11 match for SB 224 FY24 grant funding, the law enforcement agencies and taskforces would not be able to  
12 be eligible for or secure SB 224 FY24 grant funding based on the rule as currently written. Without the  
13 ability of law enforcement agencies and taskforces to secure such funding, the legislative intent behind  
14 SB 224 would be impeded and unfulfilled. SB 224 recognized that law enforcement agencies and  
15 taskforces are vital to the success of detecting and preventing catalytic converter theft in Texas. The  
16 current rule has the effect of preventing law enforcement agencies and taskforces from serving in this  
17 vital role due to budgetary constraints.

18 An amendment to 43 TAC §57.36 is proposed to provide the MVCPA board with authority to  
19 address unforeseen grantee budgetary shortfalls by providing the board with greater flexibility in  
20 adjusting the cash match percentage required of law enforcement grantees seeking MVCPA grant funding.  
21 The proposed amendment would allow the MVCPA board to exercise its discretion in setting the  
22 percentage of cash match in each grant funding cycle by considering grantee budgetary factors. By  
23 providing the MVCPA board with discretion to set the percentage of cash match or waive the cash match

1 requirement for a given fiscal year, the board can ensure that law enforcement agencies with decreased  
2 financial resources will have a realistic opportunity to apply for and secure MVCPA grant funding in  
3 furtherance of the MVCPA statutory mandates.

4 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
5 Texas Department of Motor Vehicles has determined that for each year of the first five years the new  
6 section will be in effect, there will be a positive fiscal impact to state or local governments as a result of  
7 the enforcement or administration of the proposal. William Diggs, Director of the Motor Vehicle Crime  
8 Prevention Authority (MVCPA) Division, has determined that there will be no potential measurable effect  
9 on local employment or the local economy.

10 **PUBLIC BENEFIT AND COST NOTE.** Mr. Diggs has also determined that, for each year of the first five years  
11 the new section is in effect, the public benefits anticipated as a result of the proposal will include increased  
12 funding for the city and county governments of MVCPA taskforces to combat catalytic converter theft in  
13 their communities.

14 Anticipated Costs to Comply with The Proposal. Mr. Diggs anticipates there will be no significant  
15 fiscal costs for grantees to comply with this rule.

16 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the  
17 Government Code, §2006.002, the department has determined that the proposed amendment will not  
18 have an adverse economic effect on small businesses, micro-businesses, and rural communities because  
19 the new section does not require small businesses, micro businesses, or rural communities to comply.  
20 Therefore, the department is not required to prepare a regulatory flexibility analysis under Government  
21 Code, §2006.002.

22 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
23 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property

1 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
2 taking or require a takings impact assessment under the Government Code, §2007.043.

3 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
4 first five years the proposed new section is in effect, no government program would be created or  
5 eliminated. Implementation of the proposed amendments would not require the creation of new  
6 employee positions. The proposed amendment does not create a new regulation, or expand, or repeal an  
7 existing regulation. The proposed amendment may decrease the amount of cash match funding that an  
8 MVCPA grantee is required to provide in order to be eligible for MVCPA grant funding. Lastly, the  
9 proposed new section does not affect the number of individuals subject to the rule's applicability and will  
10 not affect this state's economy.

11 **REQUEST FOR PUBLIC COMMENT.**

12 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on May 20,  
13 2024. A request for a public hearing must be sent separately from your written comments. Send written  
14 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas  
15 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the  
16 department will consider written comments and public testimony presented at the hearing.

17 **STATUTORY AUTHORITY.** The MVCPA proposes an amendment to 43 TAC §57.36 under Transportation  
18 Code §1006.101. Transportation Code §1006.101 authorizes the MVCPA to adopt rules that are necessary  
19 appropriate to implement the powers and the duties of the authority.

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

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1 **Text.**

2 §57.36. Level of Funding for Grant Projects.

3 For each grant, [A grantee must contribute a cash match of 20% of] the [total] MVCPA will  
4 determine whether to require grantees to contribute a cash match to be eligible [award,] for [each year  
5 of] funding. [, in order to be eligible for MVCPA funds.] If required, the cash match will be a percentage  
6 of the total MVCPA award, for each year of funding, not to exceed 20%. The cash match requirement  
7 for each grant will be stated in the grant application.

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